GLOBALWORTH REAL ESTATE INVESTMENTS LIMITED

INTERIM REPORT AND UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2022

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FINANCIAL HIGHLIGHTS: H1-2022

Combined portfolio open market value	Shareholders' equity	EPRA NRV per share
€3.2bn	€1.7bn	€8.72
+1.7% on YE-21	+0.2% on YE-21	+0.7% on YE-21

IFRS Earnings before tax	Adjusted normalised EBITDA	Net Operating Income
€45.7m	€63.4m	€69.9m
+€18.9 in H1-21	-2.1% on H1-21	-3.2% on H1-21

IFRS Earnings per share	EPRA Earnings per share	Dividends paid in H1-22
15 cents	16 cents	13 cents
+6 cents in H1-21	+18.1% on H1-21	-13.0% on H1-21

CHIEF EXECUTIVE'S REVIEW

Dear Stakeholders,

2022 started with an optimism that, following two years surrounded by the COVID-19 pandemic, the world was ready to start returning to normality. But as Europe and the CEE began moving on from the pandemic, the war in Ukraine impacted the international business environment, which brought about supply chain disruptions, higher inflation and interest rates, and increased volatility, impacting the economic and business environment negatively, resulting in a more uncertain outlook.

The economic outlook in our region was revised as a result, with the EU Commission now expecting slower growth due to the increasing uncertainty. Still, it does not foresee any signs of a recession in the Eurozone.

Globalworth's performance across the business was resilient, despite the global challenges, as we continued implementing our "local landlord" approach in managing our business.

Our initiatives included investments in existing and new high-quality properties, managing our portfolio to preserve and improve our operational performance, and maintaining an efficient and flexible capital structure, resulting in a robust overall performance. All this whilst simultaneously providing a safe and healthy environment for our people, tenants and communities to work, visit and be part of.

At this point, I would like to thank all our team members for their positive attitude, commitment, and efficiency, as well as our shareholders, partners and communities for their support in achieving our results.

Investment in Our Portfolio

Our portfolio is predominantly comprised of Class "A" offices. In the last 12 months, however, following the delivery of our Class "A" Globalworth Square office and in response to market demand, we have focused our development programme on high-quality logistics facilities in Romania and the redevelopment of two mixed-use properties in Poland.

As a result, in H1-2022, we finalised the construction of four logistics facilities in our portfolio with a total of 61.7k sqm of GLA. These facilities all represent subsequent phases in existing successful projects of Globalworth.

During the year so far, we also formed a new strategic partnership with a very experienced local developer to invest in the "small business units" segment in logistics and warehouse facilities in Romania. As part of this partnership in which we own a majority (75%) stake, we acquired our first small business units project (standing) in the North-Western part of Bucharest, and we are developing a second project (in phases) in the North-Eastern part of the capital. In addition, we have another industrial project under construction in Bucharest and expected to be delivered this year.

We also focused on actively improving our existing properties. Of the three mixed-use properties we own in Poland, two are currently under refurbishment to improve their Class-A office space and their retail and commercial offerings in line with current market trends. For the remainder of our standing properties, we keep investing in maintaining and, where required, improving their quality.

As a result, the values of our like-for-like standing commercial, and total combined, portfolio increased by 0.8% to €2.8 billion, and 1.7% to €3.2 billion, respectively.

Our Leasing and Occupancy

Our ability to lease spaces in our portfolio is key to the success of our business. I am pleased to see that in the first half of 2022, we successfully negotiated the take-up or extension of 106.1k sqm of commercial spaces at an average WALL of 5.0 years despite the continued challenging market conditions.

It is also important to note that, although most of our tenants are large multinationals or national corporates, their operations within our portfolio had no material exposure to either Ukraine or Russia. Thus our business has not been directly affected by the war. That said, no business is immune to the war's impact and the overall weakening macroeconomic prospects.

The average standing occupancy of our combined commercial portfolio was 88.1% (88.4% including tenant options) on 30 June 2022, marginally lower compared to year-end 2021 (88.5% or 88.7% including tenant options). Lower occupancy was driven by the four newly completed industrial facilities, two of which are in the lease-up phase. We are encouraged by the fact that like-for-like occupancy marginally increased by 0.9% despite the challenging market conditions and the fact that WARTA Tower is now effectively vacant.

In Poland and Romania, increased construction costs and reduced development activity due to the COVID-19 pandemic have limited new supply in these markets. This means that the supply of high-quality offices in central locations in the coming years will be lower than the average levels recorded in the past, which may result in higher tenant demand for such properties.

In addition, the gap between A-grade properties with strong ESG credentials and B-grade properties has been widening both from an investment and a leasing perspective, which should benefit our portfolio of high-quality properties in the future.

CHIEF EXECUTIVE'S REVIEW

Headline rental levels have remained stable, and the combination of lower supply and higher inflation should be a strong mitigant against the negative effects of a potential slowdown in tenant demand due to the weakening economic conditions.

The total annualised contracted rent increased by 2.5% to €188.4 million compared to year-end 2021, with like-for-like annualised commercial contracted rents in our standing commercial portfolio increasing by 2.1% to €178.1 million at the end of the first half of 2022.

Our Financial Results

Gross rent remained effectively unchanged compared to the first half of last year, as the positive impact from standing properties added to the portfolio during the year, the addition of Globalworth Square in June 2021(lease-up phase) and the higher occupancy, were offset by Warta Tower which is now effectively empty.

In addition, an increase in the cost of non-recoverable service charges and property operating costs covered by the Group as part of our ESG spaces used in response to the Ukrainian Refugee Crises, resulted in the Net Operating Income decreasing by 3.2% compared to H1-2021.

However, our adjusted normalised EBITDA decreased by 2.1% to €63.4 million due to the positive impact of savings in recurring administrative and other expenses.

Our Net profit significantly improved to €32.6 million (H1-2021: €12.5 million) due to fair value gain on investment property and an increase in the share of profit of equity-accounted investments in joint ventures.

Dividend

During the year, we paid the second interim dividend of €0.13 per share for the 2021 financial year, and on 31 August 2022, we announced the first interim dividend for 2022 of €0.14 per share. Both dividends represented at least 90% of the EPRA Earnings for their respective six months periods, as stipulated by our articles of incorporation.

Balance Sheet

Liquidity has always been a key area of focus for us, and I am pleased that we proceeded with the repayment of the remaining €323 million of our inaugural €550 million bond that was due to mature in June 2022, thus resulting in the Globalworth having no material debt maturing until March 2025. We also entered into a 6-year term loan agreement for €85 million with the International Finance Corporation ("IFC"), which is a member of the World Bank.

In addition, in this period, there were several projects which have either recently completed or are still underway (including the refurbishment of two mixed-use properties in Poland), and where the total value uplift is yet to be seen; as such, our LTV increased from 40.1% to 41.0%.

On 30 June 2022, EPRA Net Reinstatement Value (NRV) at the end of the period was €1.9 billion, or €8.72 per share, representing a marginal increase (+0.6% per share) from €8.66 on 31 December 2021, mainly due to dividends paid and lower operating performance offsetting the positive impact from significantly lower non-recurring costs in H1-22 and positive revaluation gains.

In addition, S&P and Fitch reaffirmed their investment grade ratings following their 2021 year-end review of Globalworth, with Moody's maintaining and stabilising their rating outlook of the Company in Q4 2021.

Environmental and social

We maintained our A-rating by MSCI and a low-risk rating by Sustainalytics. We issued our fourth Sustainable Development Report and second Green Bond Report during the period.

We continued investing in our green portfolio and, during the first six months of 2022, we certified or recertified 23 properties. At the end of June 2022, we had 57 green-certified properties valued at €2.8 billion.

In addition, we have been conducting an internal analysis/review of our portfolio to understand better our carbon footprint and ways of improving it.

Management change

In May 2022, Mr S. Sapkas, who has been with the Group since 2013, took on the role of Group Chief Financial Officer, following the decision of Mr A. Papadopoulos to step down. I wish Stamatis every success in his new role within Globalworth.

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CHIEF EXECUTIVE'S REVIEW

Outlook

The current challenging global macroeconomic conditions are expected to continue over the near to mid-term, resulting in an uncertain outlook. As a result, our primary focus continues to be maintaining a solid and resilient operating performance and a prudent financial position with moderate leverage and high levels of liquidity.

Hope for peace!

Dimitris Raptis

Chief Executive Officer

19 September 2022

MANAGEMENT REVIEW

REAL ESTATE INVESTMENT ACTIVITY

- Focused on high-quality logistics / light-industrial facilities in Romania and the refurbishment / repositioning of two mixed-use properties in Poland.
- Romania:
  - Completed the development of four high-quality logistics facilities, adding 61.7k sqm of spaces to our portfolio.
  - Acquired our first small business units' logistics facility in Bucharest Greater Area with an area of 7.1k sqm.
  - Two high-quality logistics facilities under construction expected to add 56.0k sqm of GLA on completion
- Poland:
  - Refurbishment / repositioning of the Renoma and Supersam mixed-use properties in progress, where we are aiming at increasing their class "A" office space and improving their retail/commercial offering.
- Continued (and continuing) to monitor market trends for the acquisition or development of high-quality office and industrial properties in the future.

New Acquisitions

In April 2022, we formed a new strategic partnership with CATTED focusing on the "small business units" segment in logistics and warehouse facilities in Romania. As part of this partnership in which we own a majority (75%) stake, we acquired our first small business units project in the North-Western part of Bucharest, close to our Chitila Logistics Hub. The project, developed by CATTED, has been rebranded to "Business Park Chitila" and comprises 13 small units, offering 7.1k sqm of GLA and was 98.0% occupied on 30 June 2022.

We also acquired a 45k sqm land plot in the North-Eastern part of Bucharest (Stefanesti) where, together with CATTED, we are currently constructing "Business Park Stefanesti", also focused on small business units.

In addition, and to facilitate further the success and the development of the future phases of the Constanta Business Park project, we acquired a 34.5k sqm plot to secure a future railroad connection for the entire park.

Review of Developments

In H1-2022, we continued with our active development programme focusing on high-quality logistics / light-industrial facilities in Romania and the refurbishment/repositioning of two mixed-use properties in Poland. At the beginning of the year, we had four logistics facilities under construction, all of which were delivered in the first half, while the refurbishment/repositioning works of two (of the three) mixed-use properties continued throughout the period. In addition, we commenced the construction of two other new industrial facilities, which we expect to have completed by the end of the year.

New Deliveries

In the first half of 2022, we delivered four new logistics facilities offering 61.7k sqm of GLA. All facilities represented subsequent phases of development in existing established projects which we directly own or through JV partnerships.

At the end of June 2022, the four facilities were 61.8% contracted by multinational or large national tenants like HAVI Logistics, Caroli, Linde, and Agricover. They had a total annualised contracted rent of €2.2 million at an average WALL of 8.4 years. Total annualised rent could increase to €3.3 million at full occupancy.

Developments - Delivered

	Pitesti Industrial Park (Phase II)	Chitila Logistics Hub (Phase B)*) *	Constanta Business Park (Phase B)*	Timisoara Industrial Park II (Phase B)
Location	Pitesti	Bucharest	Constanta	Timisoara
GLA (k sqm)	6.7	16.4	19.6	19.0
Occupancy (%)	100.0%	90.7%**	78.5%	6.1%
Development Cost (€ m)	5.9	12.1	9.4	8.3
GAV (€ m)	7.8	11.0	19	10.8
Contracted Rent (€ m)	0.6	0.8	0.8	0.1
100% Rent (€ m)	0.6	0.9	1.0	0.9
Estimated Yield on Development Cost	9.6%	7.2%	10.1%	11.0%

(*) Joint Venture in which Globalworth owns 50%; figures shown on 100% basis.
(**) Difference up to 100% occupancy is covered by tenant option to expand

MANAGEMENT REVIEW

Current Developments & Refurbishment / Repositioning Projects

In the first half of 2022, we commenced the development of the third and last phase of our Chitila Logistics Hub (Northwest of Bucharest) and our first development of a small business units facility in the North Eastern part of Bucharest, expecting that these facilities will, on completion, further increase our footprint by 56.0k sqm of high-quality GLA.

The Chitila Logistics Hub, following the completion of all its phases (last under construction), will offer in total 77.8k sqm of high-quality last-mile logistics spaces close to Bucharest ring road, providing easy access to the capital. The first phase was delivered in Q3-2020 and is 100.0% occupied, with phase two delivered in Q1-2022 and 90.7% occupied.

Business Park Stefanesti, located in the North-Eastern part of Bucharest, offers easy access to the Bucharest Ring Road and allows for a quick connection to the centre of Bucharest via the A2 motorway. The location is considered very advantageous for housing small business units. The project comprises three buildings to be delivered in phases with a total of 18.0k sqm GLA, offering up to 24 units for rent, ranging from 500 to 1,500 sqm. As of 30 June 2022, the first building was already partially pre-let to Delivery Solutions SRL.

Following the review back in 2020 of our portfolio and in response to market conditions, we commenced refurbishment/repositioning of two of our three mixed-use properties in Poland. Aiming to increase their class “A” office space and improve their retail/commercial offering, work started in our Renoma landmark property in Wroclaw in H2-2020 and in our centrally located Supersam property in Katowice in H2-2021.

- In Renoma, the refurbishment will increase the offer of Class “A” office space on the higher floors. It will also reposition the property’s retail offer towards a more attractive food court and a selected fashion mix on the ground floor and convenience facilities, including a supermarket, gym and drugstore located on the -1 level.
- In Supersam, we are redeveloping the entire level 1 into an office function. On level -1, we are repositioning selected retail modules into high-quality retail & commercial spaces with food and entertainment.

Works are expected to be completed in Renoma in H1-2023 and in Supersam in H2-2022.

Developments – In progress

	Chitila Logistics Hub (Phase C)*	Business Park Stefanesti**
Location	Bucharest	Bucharest
Status	Under construction	Under construction
Expected Delivery	2022	2023
GLA (k sqm)	38.0	18.0
CAPEX to 30 Jun 22 (€ m)	16.4	1.7
GAV (€ m)	17.0	3.9
Estimated CAPEX to Go (€ m)	2.1	10.6
ERV (€ m)	1.7	1.3
Estimated Yield on Development Cost	9.1%	10.2%

(*) Joint Venture in which Globalworth owns 50%; figures shown on 100% basis.
(*) Joint Venture in which Globalworth owns 75%; figures shown on 100% basis.

Properties Under Refurbishment / Repositioning

	Renoma	Supersam
Location	Wroclaw	Katowice
Status	Refurbishment / Repositioning	Refurbishment / Repositioning
Expected Delivery	H1-2023	H2-2022
GLA – on Completion (k sqm)	48.2	26.6
CAPEX to 30 Jun 22 (€ m)	9.8	2.0
GAV (€ m)	111.5	48.1
Estimated CAPEX to Go (€ m)*	14.8	3.6
ERV (€ m)	9.4	4.2
Estimated Yield on Completion of Project**	9.1%	11.2%

** Estimated CAPEX to Go partially excludes tenant contributions which are subject to tenant negotiation and may impact the final yield on Completion of the Project.*
*** Estimated Rental Value increase versus current Contracted rent + ERV on vacant spaces divided by total Development Capex.*

Future Developments

We own, directly or through JV partnerships, other land plots in prime locations in Bucharest, regional cities in Romania and Poland, covering a total land surface of 1.3 million sqm (comprising 2.8% of the Group's combined GAV), for future developments of office, industrial or mixed-use properties. When fully developed, these land plots have the potential to add a total of a further 786.1k sqm of high-quality GLA to our standing portfolio footprint.

These projects, which are classified as for "Future Development", continue to be reviewed by the Group, albeit periodically, with the pace at which they will be developed being subject to tenant demand and general market conditions.

Future Developments

	Podium Park III	Green Court D	Globalworth West	Constanta Business Park (Phased)*	Timisoara Industrial Park I and II (Phased)	Luterana
Location	Krakow	Bucharest	Bucharest	Constanta	Timisoara	Bucharest
Status	Constr. Postponed	Constr. Postponed	Constr. Postponed	Planned	Planned	Planned
GLA (k sqm)	17.7	17.2	33.4	526.2	165.2	26.4
CAPEX to 30 Jun 22 (€ m)	8.5	2.5	5.2	12.3	6.4	7.4
GAV (€ m)	9.6	9.1	7.9	36.3	11.0	14.3
Estimated CAPEX to Go (€ m)**	29.7	23.9	38.5	243.6	63.5	39.7
ERV (€ m)	3.1	3.3	5.1	27.8	6.7	5.8
Estimated Yield on Development Cost	8.1%	12.6%	11.5%	10.8%	9.6%	12.3%

(*) 50:50 Joint Venture; figures shown on 100% basis.
(**) Initial preliminary development budgets on future projects to be revised prior to the permitting.

ASSET MANAGEMENT REVIEW

- 106.1k sqm of commercial space taken-up or extended at an average WALL of 5.0 years despite continued challenging market conditions.
- New take-up accounted for the majority of our leasing activity, maintaining our overall WALL which is effectively unchanged at 4.6 years.
  - New leases (including expansions) accounted for 61.4% of our leasing activity at a WALL of 6.1 years, with renewals signed at a WALL of 4.2 years.
- Total annualised contracted rent increased by 2.5% to €188.4 million compared to year end 2021.
- Total combined portfolio value increased by 1.7% to €3.2 billion, mainly due to new acquisitions and net positive impact from our developments (delivered, in progress or under refurbishment).
  - Like-for-like appraised value of standing commercial properties marginally increased to €2.8 billion (0.8% higher compared to 31 December 2021).

Leasing Review

New Leases

Our principal focus continued to be the prolongation of leases with existing tenants in our portfolio and the take-up of available spaces in standing properties and developments.

In the first six months of 2022, the Group successfully negotiated the take-up (including expansions) or extension of 106.1k sqm of commercial spaces in Poland (34.9% of transacted GLA) and Romania (65.1% of transacted GLA), with an average WALL of 5.0 years. Between 1 January and 30 June 2022, the majority of our leasing activity involved new take-up of available spaces, with such leases accounting for 61.4% of our total leasing activity and were signed at a WALL of 6.1 years, while renewals accounted for 38.6% signed at a WALL of 4.2 years.

The leasing market remains challenging, and as the CEE was beginning to move on from the COVID-19 pandemic, the war in Ukraine impacted the international economic and business environment, resulting in a more uncertain outlook. As such, signing new leases, typically for large multinational and national corporates, is taking longer in the current market environment as potential tenants continue to assess their future occupational plans and adapt to this new environment.

In total, we signed new leases for 65.2k sqm of GLA, with the majority involving spaces (+75%) leased to new tenants, and the remaining areas were taken up by existing tenants which were expanding their operations.

New leases (new tenants) were signed with 39 tenants for 51.1k sqm of GLA at a WALL of 6.6 years. The majority were for office spaces, accounting for 54.4%, with the remainder involving industrial (41.2%) and retail/other commercial spaces. Also, in response to the Ukrainian refugee crisis in this period, we offered 14.5k sqm (2.9k sqm already returned to us) of GLA in our properties in Poland and Romania to local authorities and organisations, which we include in our performance. The largest new leases in this period were with OVT Logisticzentrum (4.1k sqm) in Timisoara Industrial Park II, Max Bet (4.1k sqm) in City Offices in Bucharest and Relive Bike (3.6k sqm) in Constanta Business Park.

In addition, 30 tenants signed new leases, expanding their operations by 14.1k sqm at an average WALL of 4.8 years.

We renewed leases for a total of 41.0k sqm of GLA with 50 of our tenants at a WALL of 4.2 years. The most notable extensions involve Carrefour (5.3k sqm) in the Green Court Complex, Delivery Solutions (4.3k sqm) in Globalworth Square and Elvada Company (2.3k sqm) in Constanta Business Park, while c.62.5% of the renewals by GLA signed were for leases that were expiring in 2023 or later.

Summary Leasing Activity for Combined Portfolio in H1-2022

	GLA (k sqm)	No. of Tenants*	WALL (yrs)
New Leases (incl. expansions)	65.2	68	6.1
Renewals / Extensions	41.0	50	4.2
Total	**106.1**	**109**	**5.0**

Number of individual tenants

Rental Levels

Headline market rental levels have remained relatively stable in our portfolio, despite the uncertainty in the market and the cautious approach of tenants, reflecting the quality of our properties, our active asset management initiatives, and our approach to sustainable development. In addition, we have started to see a widening gap between A-grade properties with strong ESG credentials and B-grade properties from a leasing perspective (and investment perspective), which should benefit our portfolio of high-quality properties in the future.

Our leases typically adjust annually in the first quarter of the year and, in the first half, eligible leases were indexed at an average of 3.5%. However, this positive impact is not fully reflected in our averages, as the rates at which leases were renewed or new leases signed were at their respective headline rates.

At the end of June 2022, our average headline rent in our standing properties for office, retail/commercial and industrial spaces were €14.1/sqm/month (€14.0 at YE-2021), €14.4/sqm/month (€13.9 at YE-2021) and €4.0/sqm/month (€3.8 at YE-2021) respectively.

It must be noted, though, that in both Poland and Romania, increased construction costs and reduced development activity due to the COVID-19 pandemic has limited new supply in these markets. As such, the supply of high-quality offices in central locations in the coming years is expected to be lower compared to the past, which may result in higher tenant demand for such properties, including ours.

Office leases signed in the first half were at an average rent of €14.1/sqm/month, industrial spaces at €3.6/sqm/month, and retail spaces at €14.8/sqm/month. The overall commercial GLA take-up during the first six months of 2022 was at an average rent of €11.2/sqm/month.

Contracted Rents (on annualised basis)

Total annualised contracted rent across our portfolio in Poland and Romania increased by 2.5% to €188.4 million compared to year-end 2021, driven by active asset management, indexation, a new acquisition and lease-up in our development projects.

Total annualised contracted rents in our standing commercial portfolio were €180.8 million on 30 June 2022, up by 3.6% compared to 31 December 2021, increasing to €181.7 million when including rental income generated by renting 169 residential units and other auxiliary spaces in Upground, the residential complex in Bucharest which we partially own.

Like-for-like annualised commercial contracted rents in our standing commercial portfolio also increased by 2.1% to €178.1 million at the end of the first half of 2022 compared to 31 December 2021, mainly as an effect of rent indexation.

Annualised Contracted Rent Evolution H1-2022 (€m)

	Poland	Romania	Group
Rent from Standing Commercial Properties ("SCP") 31 Dec 2021	**87.9**	**86.6**	**174.5**
Less: Space Returned	(4.1)	(1.4)	(5.5)
Plus: Rent Indexation	2.2	2.2	4.4
Plus/Less: Lease Renewals (net impact) & Other	(0.0)	(0.0)	(0.1)
Plus: New Take-up	2.3	2.4	4.8
Total L-f-L Rent from SCP 30 Jun 2022	**88.3**	**89.8**	**178.1**
Plus: Standing Commercial Properties Acquired During the Period	-	0.5	0.5
Plus: Developments Completed During the Period	-	2.2	2.2
Total Rent from Standing Commercial Properties	**88.3**	**92.5**	**180.8**
Plus: Residential Rent	-	0.9	0.9
Total Rent from Standing Properties	**88.3**	**93.3**	**181.7**
Plus: Active and Pre-lets of Space on Projects Under Development / Refurbishment	6.5	0.2	6.7
Total Contracted Rent as at 30 Jun 2022	**94.9**	**93.5**	**188.4**

Combined Annualised Commercial Portfolio Contracted Rent Profile as at 30 June 2022

	Poland	Romania	Group
Contracted Rent (€ m)	**94.9**	**92.7**	**187.5**
Tenant origin - %			
Multinational	72.3%	87.9%	80.0%
National	26.6%	10.7%	18.8%
State Owned	1.1%	1.4%	1.2%

Note: Commercial Contracted Rent excludes c.€0.9 million from residential spaces as at 30 June 2022

Annualised Contracted Rent by Period of Commencement Date as at 30 Jun 2022 (€m)

	Active Leases	H2-2022	H1-2023	H2-2023	>2023	Total
Standing Properties	174.6	6.2	0.9	-	-	181.7
Developments	5.9	0.8	-	-	-	6.7
Total	**180.6**	**6.9**	**0.9**	**-**	**-**	**188.4**

Annualised Commercial Portfolio Lease Expiration Profile as at 30 Jun 2022 (€m)

Year	H2-2022	2023	2024	2025	2026	2027	2028	2029	2030	>2030
Total	**11.1**	**18.5**	**28.5**	**17.6**	**20.1**	**25.6**	**14.1**	**12.4**	**26.5**	**13.1**
% of total	*5.9%*	*9.9%*	*15.2%*	*9.4%*	*10.7%*	*13.7%*	*7.5%*	*6.6%*	*14.1%*	*7.0%*

The Group's rent roll across its combined portfolio is well diversified, with the largest tenant accounting for 5.2% of contracted rents, while the top three tenants account for 10.8% and the top 10 account for 25.9%.

Cost of Renting Spaces

The headline (base) rent presents the reference point, which is typically communicated in the real estate market when a new lease is signed. However, renting spaces typically involves certain costs, such as rent-free periods, fitouts for the space leased, and brokerage fees, which the landlord incurs. These incentives can vary significantly between leases and depend on market conditions, type of lease (new take-up or lease extension), space leased (office, industrial, other), contract duration and other factors.

In calculating our effective rent, we account for the costs incurred over the lease's lifetime, which we deduct from the headline (base) rent, thus allowing us to assess the profitability of a rental agreement. To analyse the effective rent more accurately in this period, we excluded ESG leases offered as assistance to support Ukrainian Refugees initiatives in Poland and Romania.

Overall, in the first half of 2022, we successfully negotiated the take-up (including expansions) or extension of 91.3k sqm of commercial spaces in our portfolio (excluding ESG leases). The weighted average effective rent for these new leases was €8.4/sqm/month with a WALL of 5.3 years. Industrial leases completed in the period, which accounted for 27.3% of the total leasing activity, resulted in lower average headline and effective rent.

The difference between headline (base) and effective rents in the first half of 2022 was, on average, 24.8%, which is lower than for FY2021 (average of 29.2%) but reflects the fact that market conditions continued to be challenging.

In total, new leases signed in the first six months of the year will generate a future rental income of €67.0 million (including auxiliary spaces), with leases from office properties accounting for 77.9% of future rental income

Weighted Average Effective Rent (€ / sqm / m) – H2-2022

	Poland	Romania	Group
Headline Commercial Rent	**16.0**	**8.6**	**11.2**
Less: Rent Free Concessions	(2.1)	(0.9)	(1.3)
Less: Tenant Fitouts	(1.6)	(1.1)	(1.3)
Less: Broker Fees	(0.4)	(0.1)	(0.2)
Effective Commercial Rent	**12.0**	**6.5**	**8.4**
WALL (in years)	5.0	5.6	5.3

Note: Certain casting differences in subtotals / totals are due to figures presented in 1 decimal place

Collections Review

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

Our rate of collections of rents invoiced and due in the first half of 2022 remained high at 99%[1] (over 99% for 2021FY), due to the long-term partnerships we have established and maintained with high-quality national and multinational tenants since the inception of the Group, which have helped us minimise the impact on rent collections in this period of higher economic uncertainty and ensure sustainable cash flow generation.

Portfolio Valuation

In line with our practice of biannual valuations, our entire portfolio in Poland and Romania was revalued as at 30 June 2022.

The valuations were performed by CBRE and Knight Frank for our properties in Poland, with Colliers and Cushman and Wakefield valuing our properties in Romania (more information is available under note 4 of the unaudited interim condensed consolidated financial statements as of and for the period ended 30 June 2022).

Assigning the appraisal of our portfolio to four independent and experienced service providers makes the process of determining the value properties transparent and impartial. Through our oversight, we ensure that a consistent methodology, reporting, and timeframe are respected.

Our portfolio since the inception of the Group has been growing due to new additions, through the acquisition or development of high-quality properties in Poland and Romania, our asset management initiatives, and the performance of the real estate markets in which we operate.

Overall, our total combined portfolio value increased from €0.1 billion in 2013 to €3.0 billion in 2019. It remained effectively unchanged in 2020 due to the impact of the COVID-19 pandemic, which was reflected in our year-end valuations. It then marginally increased at year-end 2021 to €3.1 billion (+3.9% compared to the end of 2020) and had reached €3.2 billion by the end of June 2022 (+1.7% compared to the end of 2021).

Portfolio growth in the first half of 2022 is mainly attributed to the delivery of four high-quality logistics / light-industrial properties in Romania, the acquisition of a “small business units” facility and the net positive impact from our developments (in progress or under refurbishment). The like-for-like appraised value of our standing commercial properties was €2.8 billion at the end of the period, 0.8% higher compared to 31 December 2021.

In valuing our properties, the key market indicators used by the four independent appraisers, although they vary, consider factors such as the commercial profile of the property, its location and the country in which it is situated. These factors have remained consistent with year-end 2021, with ERVs remaining stable and yields remaining stable or marginally softening, while discount rates have adjusted to reflect inflationary pressure coming from energy prices.

[1] Information as at 19 September 2022.

Combined Portfolio Value Evolution 30 Jun 2022 (€m)

	Poland	Romania	Group
Total Portfolio Value at 31 Dec 2021	**1,612.8**	**1,539.5**	**3,152.3**
Less: Properties Held in Joint Venture (*)	-	(86.7)	(86.7)
Total Investment Properties at 31 Dec 2021	**1,612.8**	**1,452.8**	**3,065.6**
Plus: Transactions	-	(0.2)	(0.2)
o/w New Acquisitions	-	7.2	7.2
o/w Disposals	-	(7.4)	(7.4)
Plus: Capital Expenditure	5.3	3.7	9.0
o/w Developments	5.3	3.7	9.0
o/w Standing Properties	-	-	-
o/w Future Developments	-	-	-
Plus: Net Revaluations Adjustments	10.3	17.2	27.5
o/w Developments	(1.7)	4.3	2.5
o/w Standing Properties	12.0	8.2	20.2
o/w Lands, Future Developments & Acquisitions	-	4.7	4.7
Total Investment Properties at 30 Jun 2022	**1,628.3**	**1,473.5**	**3,101.8**
Plus: Properties Held in Joint Venture (*)	-	104.2	104.2
o/w Capital Expenditure & Acquisitions	-	12.3	12.3
o/w Net Revaluation Adjustments	-	5.3	5.3
Total Portfolio Value at 30 Jun 2022	**1,628.3**	**1,577.7**	**3,206.1**

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

Note: Certain casting differences in subtotals / totals are due to figures presented in 1 decimal place

STANDING PORTFOLIO REVIEW

- Standing portfolio footprint increased by 64.2k sqm to 1,366.5k sqm of GLA, mainly attributed to the delivery of four new high-quality logistics properties and the acquisition of our first small business units facility in Romania.
- Total combined standing GLA of 1.4 million sqm, with total standing portfolio value at €2.9 billion.
- Average standing occupancy of our combined commercial portfolio of 88.1% (88.4% including tenant options), marginally lower vs. year-end 2021 (88.5% or 88.7% including tenant options), due to net impact of five standing properties added to our portfolio.
  - Like-for-like occupancy marginally increased by 0.9% despite the challenging market conditions and WARTA Tower now being effectively vacant.
- Total contracted rent of €181.7 million in our standing properties (over 85% coming from standing office properties).
- Standing WALL remaining high at 4.5 years (versus 4.6 years at year-end 2021).
- All our properties in Poland are now internally managed, resulting in 89.4% of our combined standing commercial portfolio by value (96.8% of office and mixed-use standing properties) being internally managed by the Group.

Standing Portfolio Evolution

Our combined portfolio of standing properties grew in 2022 with the addition of five logistics facilities in Romania. Two facilities were added in Bucharest, including our first small business units facility acquired in April, and three in regional cities of Romania (Pitesti, Constanta and Timisoara), with a total GLA of 68.8k sqm.

Overall, our standing portfolio is predominantly focused on 30 Class “A” offices (50 properties in total) and a mixed-use investment (with five 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), which account for 90.3% of our standing portfolio by value.

In addition, in Romania, we fully own two logistics / light-industrial parks with six facilities in Timisoara, one industrial park in Pitesti (2 facilities), two modern warehouses in Arad and Oradea, and, since earlier this year, we now own the majority stake in a small business units facility in Bucharest. We also have 50% ownership through a joint venture of two other logistics/business parks (with four standing facilities) in Bucharest and Constanta. We also own part of a residential complex in Bucharest.

As of 30 June 2022, our combined standing portfolio comprised 40 investments (39 on 31 December 2021) with 71 buildings (66 on 31 December 2021) in Poland and Romania.

MANAGEMENT REVIEW

During the period, our standing commercial portfolio's total GLA increased by 68.9k sqm or 5.4% to reach 1,340.8k sqm at the end of June. This increase in the size of our portfolio was attributable to the delivery of 61.7k sqm in four high-quality logistics facilities, the acquisition of a 7.1k sqm small business units facility all in Romania, and the remeasurement of certain areas in our portfolio.

Overall, our standing portfolio (commercial and other) increased in GLA by 4.9% to 1,366.5k sqm due to the sale of residential units in our Upground Residential project.

The appraised value of our combined standing portfolio as of 30 June 2022 was €2.9 billion (+98% in commercial properties). This overall increase is mainly attributable to the addition of new properties through acquisition and completion plus a relatively small revaluations uplift of properties held throughout the period (like-for-like), partly offset by the sale of certain units in our Upground residential complex. The value of like-for-like properties increased by 0.7% as of 30 June 2022 compared to 31 December 2021 (additional information can be found in the "Asset Management Review").

Globalworth Combined Portfolio: Key Metrics

Total Standing Properties	30 Dec. 2020	31 Dec. 2021	30 Jun. 2022
Number of Investments	37	39	40
Number of Assets	64	66	71
GLA (k sqm)	1,271.3	1,302.3	1,366.5
GAV (€ m)	2,805.5	2,866.3	2,928.7
Contracted Rent (€ m)	178.7	175.4	181.7

Of which Commercial Properties	30 Dec. 2020	31 Dec. 2021	30 Jun. 2022
Number of Investments	36	38	39
Number of Assets	63	65	70
GLA (k sqm)	1,238.9	1,272.0	1,340.8
GAV (€ m)	2,745.9	2,810.3	2,880.5
Occupancy (%)	90.9% (91.7%*)	88.5% (88.7%*)	88.1% (88.4%*)
Contracted Rent (€ m)	177.7	174.5	180.8
Potential rent at 100% occupancy (€ m)	199.2	201.2	207.8
WALL (years)	4.5	4.7	4.5

(*) Including tenant options

Evolution of Combined Standing Portfolio over 2022

	31 Dec. 2021	LfL Change*	New Acq.	New Deliv.	Sales (& Other Adj**)	30 Jun. 2022
GLA (k sqm)	**1,302.3**	-	7.1	61.7	(4.5)	**1,366.5**
GAV (€ m)	**2,866.3**	21.0	7.3	41.5	(7.4)	**2,928.7**

(*) Like-for-Like change represents the changes in GLA or GAV of standing properties owned by the Group at 31 December 2021 and 30 June 2022.

(**) Includes impact in areas (sqm) from the remeasurement of certain properties and other GAV adjustments (redevelopment capex, reclassification).

MANAGEMENT REVIEW

Standing Portfolio Occupancy

Our standing commercial portfolio's average occupancy as of 30 June 2022 was 88.1% (88.4% including tenant options), representing a 0.4% decrease over the past six months (88.5% as of 31 December 2021 / 88.7% including tenant options).

Standing occupancy has been affected by the addition of five industrial properties (four deliveries and one acquisition) with an average occupancy of 65.5%, lower than the Group average, resulting in a lower average standing commercial occupancy rate across our portfolio.

On a like-for-like basis, occupancy slightly increased by 0.9% to 89.3% at the end of the first half of 2022 but is virtually unchanged if we exclude the effect of ESG leases. We see this relative stagnation as a changing point under normalising market conditions. Therefore, we remain confident that we will be able to lease the available spaces in our portfolio in the future as business conditions return to a more balanced state.

Across the portfolio, at the end of the first half of 2022, we had 1,226.2k sqm of commercial GLA leased to more than 660 tenants at an average WALL of 4.6 years, the majority of which is let to national and multinational corporates that are well-known within their respective markets.

Occupied GLA in our standing portfolio accounted for 96.4% of the total GLA leased at a WALL of 4.5 years. In addition, we had 42.1k sqm leased in the two mixed-use properties, which are currently under refurbishment/repositioning and 2.6k sqm in our first small business units development project, which are not included in our standing portfolio metrics.

Occupancy Evolution H1-2022 (GLA 'k sqm) – Commercial Portfolio

	Poland	Occupancy Rate (%)	Romania	Occupancy Rate (%)	Group	Occupancy Rate (%)
Standing Available GLA - 31 Dec. 21	**542.1**		**729.9**		**1,272.0**	
Acquired GLA	-		7.1		7.1	
New Built GLA	-		61.7		61.7	
Remeasurements, reclassifications	(0.0)		0.2		0.1	
Standing Available GLA - 30 Jun. 22	**542.1**		**798.8**		**1,340.8**	
Occupied Standing GLA - 31 Dec. 21	**464.1**	**85.6%**	**662.1**	**90.7%**	**1,126.2**	**88.5%**
Acquired/Developed Occupied GLA	-		45.0		45.0	
Expiries & Breaks	(25.4)		(12.9)		(38.3)	
Renewals*	16.0		21.8		37.8	
New Take-up	16.1		31.9		48.0	
Other Adj. (relocations, remeasurements, etc)	0.5		(0.0)		0.5	
Occupied Standing GLA - 30 Jun. 22	**455.3**	**84.0%**	**726.1**	**90.9%**	**1,181.4**	**88.1%**

** Renewals are neutral to the occupancy calculation.*

Standing Properties Operation and Upgrade Programme

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

We believe that through a "hands-on" approach with continuous active management and investment in our portfolio, we can preserve and enhance the value of our properties, generate long-term income, and offer best-in-class real estate space to our business partners.

To be able to provide spaces for our current and future business partners' requirements, we keep (re)investing in our properties, maintain and, where required, improve the quality of our buildings and our services.

We are pleased that all our properties in Poland are now internally managed by the Group, with the latest addition being the Green Horizon class "A" office in Lodz. In Romania, we manage all but one of our offices in-house. Overall, we internally manage 962.6k sqm of high-quality office and mixed-use space with an appraised value of €2.6 billion. Of our total standing commercial portfolio, internally managed properties account for 89.4% by value (96.8% of office and mixed-use standing properties) as of 30 June 2022.

Our Upgrade Programme has resumed at a more normalised pace since last year, following its scaling back for part of 2020 due to COVID-19. As a result of our ongoing in-house initiatives and property additions, we hold a modern portfolio with 52 of our standing commercial properties, accounting for 73.3% by GLA and 74.9% by commercial portfolio value, which have been delivered or significantly refurbished in or after 2014. In the first half of 2022, we invested €9.4 million in select improvement initiatives in our standing portfolio.

In Q3-2022, we chose Honeywell Forge to help us lower maintenance costs and reduce energy consumption in our portfolio.

SUSTAINABLE DEVELOPMENT UPDATE / OTHER INITIATIVES

- 23 properties were certified or recertified with BREEAM Very Good or higher certifications to our portfolio in H1-2022
- Newly certified and recertified properties included Globalworth Square (Bucharest), CB Lubicz and Quattro Business Park (Krakow), Skylight and Lumen (Warsaw)
- Overall, 57 green certified properties in our portfolio valued at €2.8 billion
- Issued the fourth sustainable development report for the Group for FY 2021
- Globalworth maintained its low-risk rating by Sustainalytics and A by MSCI
- c.€270k donated to over 15 initiatives in Romania and Poland.

Green Buildings

Consistent with our commitment to energy-efficient properties, we certified or recertified 23 properties in our portfolio with BREEAM Very Good or higher certifications.

Three properties in Romania were environmentally certified for the first time in 2022, with Globalworth Square (Bucharest) receiving the highest BREEAM certification (Outstanding) and two industrial properties in Timisoara certified with BREEAM Very Good. Also, we renewed the expired certification for CB Lubicz (Krakow) in the first part of the year.

In addition, 18 other properties had their certifications updated in this period, and we are pleased that we were able to improve the level of certification, from LEED Gold to LEED Platinum, for the entire Green Court Complex and our City Offices property in Bucharest.

Overall, as of 30 June 2022, our combined standing portfolio comprised 55 green-certified properties, accounting for 92.8% of our standing commercial portfolio by value. BREEAM-accredited properties account for 80.4% of our green-certified standing portfolio by value, with the remaining properties being holders of other certifications (LEED Gold or Platinum, Edge).

In addition, the Renoma and Supersam mixed-use properties in Poland, which are currently under refurbishment/repositioning, have maintained their BREEAM Excellent accreditations, as the works performed are in accordance with a strict set of guidelines which do not impact their green certification status.

At Globalworth, we are aiming for 100% of our portfolio to be green-accredited. We are currently in the process of certifying or recertifying 16 other properties in our portfolio, principally targeting BREEAM certifications.

Furthermore, as part of our overall green initiatives, we kept securing 100% of the energy used in our Polish properties from renewable sources and 97% for our Romanian properties. This represents a significant increase from 2020 and 2019, where 56% and 40% (respectively) of the energy used in our portfolio was generated from renewable sources.

In addition, in Q3-2022, we received a WELL Health-Safety Rating in 17 properties in Poland, including Warsaw Trade Tower, Skylight & Lumen and Spektrum Tower Class “A” offices in Warsaw, and all three of our mixed-use projects (Hala Koszyki in Warsaw, Supersam in Katowice or Renoma in Wrocław).

The WELL Health-Safety Rating is an evidence-based, third-party verified rating for all new and existing building and space types focusing on operational policies, maintenance protocols, stakeholder engagement and emergency plans to address a post-COVID-19 environment now and into the future.

Receipt of the WELL rating for our Polish properties follows that of Romania when in December 2021, we successfully received a WELL Health-Safety Rating for 15 (of the 16) office buildings in Bucharest. Overall, 93.1% by value of our office and mixed-use portfolio (including Renoma and Supersam) is rated for a WELL Health-Safety. This is further evidence of the quality of our portfolio, which is recognised as among the safest in the world in terms of sanitation and providing a friendly and healthy work environment.

Social Initiatives

In the first half of 2022, Globalworth and the Globalworth Foundation continued with their very active social programme, contributing €270k to over 15 initiatives in Romania and Poland.

MANAGEMENT REVIEW

Initiatives to which we contributed included:

- **2031 NOW_our cities in 10 years** an international competition dedicated to students in architecture, city planning and design from Poland and Romania // organised with the prestigious magazine Igloo
- **Virtual Sports Fitness** - over 400 children and young people with intellectual disabilities were able to benefit from the digital solution for Virtual Sports Fitness implemented with funding from the Globalworth Foundation
- **The first school robotics hackathon in Bucharest -** 200 students from 11 educational institutions competed in Globalworth Green Urban Robohackathon
- **The Butterfly Trail in Văcărești Natural Park -** a new way to explore the Văcărești Natural Park.

Reporting

As part of our effort to improve disclosure in relation to our sustainable development strategy, initiatives and performance, we published Globalworth's "2021 Sustainable Development Report".

This is the third report published by the Group and has been prepared in accordance with the GRI Standards: Core option and with the European Public Real Estate Association's Sustainability Best Practice Reporting Recommendations (EPRA sBPR).

In addition, in July and in line with our commitment as part of the issue of our inaugural €400 million Green Bond financing, we issued our second "Green Bond Report" which has received independent limited assurance from EY on the allocations of the net proceeds.

PORTFOLIO SNAPSHOT

Our real estate investments are in Poland and Romania, the two largest markets in the CEE. As at 30 June 2022, our portfolio was spread across 12 cities, with Poland accounting for 50.8% by value and Romania 49.2%.

Combined Portfolio Snapshot (as at 30 June 2022)

	Poland	Romania	Combined Portfolio
Standing Investments[1]	19	21	**40**
GAV[2] / Standing GAV (€m)	€1,628m / €1,459m	€1,578m / €1,470m	**€3,206m / €2,929m**
Occupancy	84.0%	90.9% (91.3% incl. tenant options)	**88.1% (88.4% incl. tenant options)**
WALL[3]	3.8 years	5.3 years	**4.6 years**
Standing GLA (k sqm)[4]	542.1k sqm	824.4k sqm	**1,366.5k sqm**
Contracted Rent (€m)[5]	€94.9m	€93.5m	**€188.4m**
GAV Split by Asset Usage			
Office	82.7%	76.2%	**79.5%**
Mixed-Use	17.3%	0.0%	**8.8%**
Industrial	0.0%	15.7%	**7.7%**
Others	0.0%	8.1%	**4.0%**
GAV Split by City			
Bucharest	0.0%	84.7%	**41.7%**
Timisoara	0.0%	6.2%	**3.1%**
Pitesti	0.0%	3.8%	**1.9%**
Constanta	0.0%	3.9%	**1.9%**
Arad	0.0%	1.1%	**0.5%**
Oradea	0.0%	0.4%	**0.2%**
Warsaw	44.2%	0.0%	**22.5%**
Krakow	21.1%	0.0%	**10.7%**
Wroclaw	16.0%	0.0%	**8.1%**
Katowice	10.9%	0.0%	**5.5%**
Lodz	4.2%	0.0%	**2.1%**
Gdansk	3.5%	0.0%	**1.8%**
GAV as % of Total	**50.8%**	**49.2%**	**100.0%**

1. Standing Investments representing income producing properties. One investment can comprise multiple buildings. e.g. Green Court Complex comprises three buildings or one investment
2. Includes all property assets, land and development projects valued at 30 June 2022
3. Includes pre-let commercial standing and development/re-development assets. WALL of standing commercial properties in Romania, Poland and the Combined portfolio are 5.3 years, 3.8 years and 4.5 years, respectively.
4. Including 25.7k sqm of residential assets in Romania
5. Total rent comprises commercial (€180.8 million) and residential (€0.9 million in Romania) standing properties, rent in assets under redevelopment (€6.5 million in Poland) and development pre-lets (€0.2 million in Romania).

MANAGEMENT REVIEW

CAPITAL MARKETS UPDATE

- The first half was characterised by higher volatility in the economic and business environment negatively impacting capital markets.
- Globalworth's share price in this period trading consistently below its last reported 31 December 2021 EPRA NRV, but outperforming the FTSE EPRA Developed Europe and the FTSE EPRA Global indices.
- GWI 18/25 and 20/26 bonds yield at 7.9% and 8.6% at 30 June 2022 respectively Vs 0.9% and 1.1% at 30 June 2021.
- Remaining €323 million of principal amount of inaugural GWI 17/22 bond repaid on maturity in June 2022.
- S&P and Fitch re-affirmed the investment grade rating following their 2021 year-end review of Globalworth, with Moody's maintaining and stabilising their rating outlook of Globalworth in Q4 2021.

Equity Capital Markets and Shareholder Structure Update

The first half of 2022 was characterised by increased inflation, central bank tightening, supply chain disruption, the war in the Ukraine and the continuing impact of COVID-19 (albeit smaller compared to the past), all of which we expect to continue in 2022, maintaining the higher volatility in the capital markets.

Direct real estate valuations have not seen material changes in H1-22, however, equity investors have been reassessing their risk premiums in this period due to the higher volatility in the market. The higher risk premiums have resulted in higher discount rates, implying lower equity valuations.

As of 30 June 2022, FTSE EPRA Developed Europe and the FTSE EPRA Global indices recorded a negative performance of 29.7% and 19.5%, respectively, for the six months starting on 1 January 2022. Globalworth has in comparison outperformed these indices as its negative performance was 8.8%, however this can be attributed to the limited free float of the Group.

Globalworth's share price in this period has been trading consistently below its last reported 31 December 2021 EPRA NRV level of €8.66 / share, reaching its lowest closing price on 21 June at €5.25 per share and its highest price on 12 January at €6.68 per share.

Zakiono Enterprises Ltd, which is jointly and equally owned by CPI Property Group S.A. ("CPI") and Aroundtown SA ("Aroundtown"), holds 60.6% of the share capital of the Group, followed by Growthpoint Properties Ltd with 29.4%.

Globalworth Shareholding

		30 June 21	30 June 22
CPI Property Group	Together: Zakiono Enterprises	29.5%	60.6%
Aroundtown		22.0%	
Growthpoint Properties		29.5%	29.4%
Oak Hill Advisors		5.3%	5.3%
EBRD		5.0%	-
Other		8.7%	4.7%

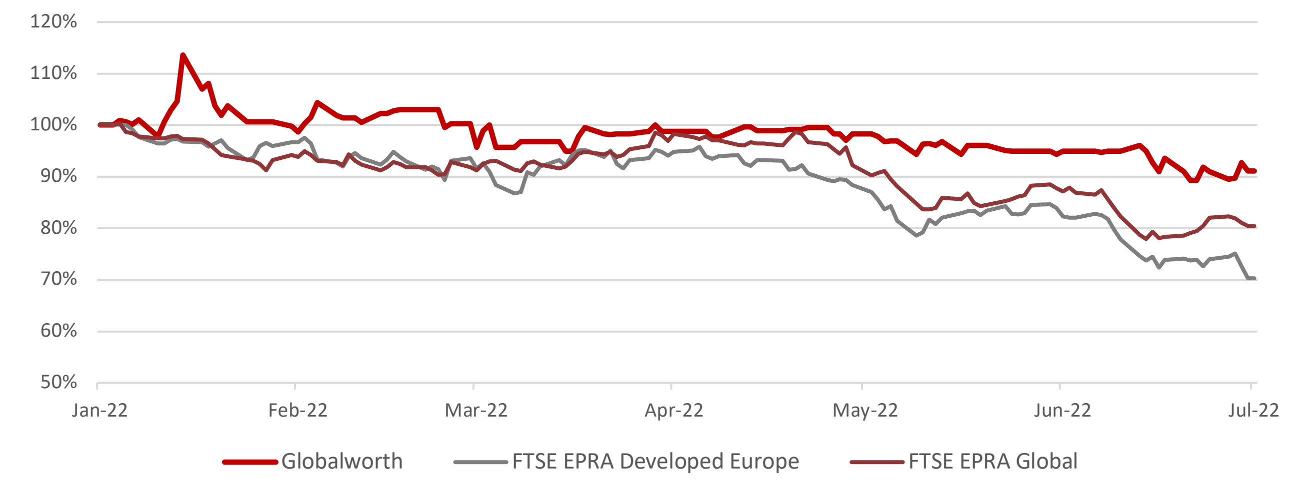
Basic Data on Globalworth Shares
(Information as at 30 June 2022)

Number of Shares	221.6m plus 0.8m shares held in treasury
Share Capital	€1.7bn
WKN / ISIN	GG 00B979FD04
Symbol	GWI
Free Float	9.9%
Exchange	London AIM

Globalworth Share Performance

	H1-2022	H1-2021
Market Capitalisation (€ million) – 30 June	1,188	1,528
30-June Closing Price (€)	5.36	6.91
52-week high (€)	6.68	7.48
52-week low (€)	5.25	5.70
Dividend paid per share	0.13	0.15

Globalworth H1-2022 Share Price Performance



Bonds Update

We finance ourselves through a combination of equity and debt, and we compete with a large number of other real estate companies for investor trust to support our initiatives.

At the beginning of the year, we had three Eurobonds outstanding for a total of €1.3 billion with weighted average maturity of 3.0 years.

In June our inaugural GWI 17/22 bond was maturing, and we are pleased to have completed the repayment of the remaining principal of €323.1 million, which was the outstanding balance of the 17/22 notes following the partial tender and settlement of €226.9 million 17/22 notes in July 2020.

We currently have two Eurobonds outstanding, issued in March 2018 and July 2020 (inaugural green bond) and expiring in 2025 and 2026, respectively, with a weighted average cost of 3.0%, and, together with the €85.0 million unsecured facility raise in June 2022 from the IFC, these provide us with a simplified capital structure and improve the efficiency of our capital allocation.

In addition, in order to be able to issue Eurobonds in an efficient and quick way, potentially benefiting from favourable market opportunities, in 2018 we established a Euro Medium Term Notes (EMTN) programme allowing the Group to issue up to €1.5 billion of bonds. Currently, the Group has raised €950 million as part of its EMTN programme, allowing a further €550 million of bonds to be issued in the future.

Globalworth is rated by all three major agencies, with each of S&P, Fitch and Moody's maintaining their investment credit rating following their review of the Group, and despite the volatile and challenging market environment, which is testament to the nature and quality of our portfolio, the resilience of our cash flows, and the measures we have taken to protect the business and its assets in this period.

In 2022, our bonds performance has been impacted by the higher volatility in the market and rising interest rates. On average, our 18/25 and 20/26 bonds traded at 2.9% and 4.0%, respectively, during the period. However, yield to maturity has been increasing as the year progressed, closing at 7.9% and 8.9% on 30 June 2022.

Rating

	S&P	Fitch	Moodys
Rating	BBB-	BBB-	Baa3
Outlook	Stable	Stable	Stable

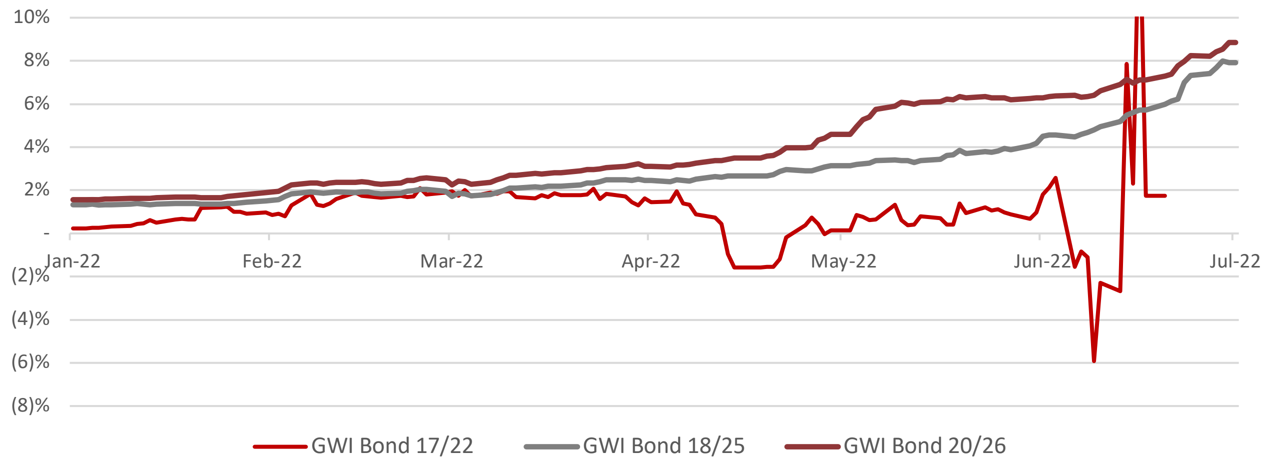
Basic Data on the Globalworth Bonds

	GWI bond 17/22	GWI bond 18/25	GWI bond 20/26
ISIN	XS1577957837	XS1799975922	XS2208868914
SEDOL	BD8Q3P6	BD9MPV	-
Segment	Euronext Dublin, BVB	Euronext Dublin, BVB	Euronext Dublin
Minimum investment amount	€100,000	€100,000 and €1,000 thereafter	€100,000 and €1,000 thereafter
Coupon	2.875%	3.000%	2.950%
Issuance volume	€550 million	€550 million	€400 million
Outstanding 30 Jun. 2022	-	€550 million	€400 million
Maturity	20 June 2022 (€323 million paid on maturity)	29 March 2025	29 July 2026

Performance of the Globalworth Bonds

	H1-2022	H1-2021
GWI bond 17/22		
30 June closing price	-	102.76
Yield to maturity at 30 June	-	0.02%
GWI bond 18/25		
30 June closing price	88.29	107.72
Yield to maturity at 30 June	7.92%	0.89%
GWI bond 20/26		
30 June closing price	80.54	108.46
Yield to maturity at 30 June	8.85%	1.14%

Globalworth H1-2022 Eurobond Yield Performance



FINANCIAL REVIEW

1. Introduction and Highlights

Our performance in the first half of 2022 was resilient, despite the global challenges, as we continued implementing our "local landlord" approach in managing our business.

To help explain our performance, we use a number of measures typically observed in our sector. These include quoting several measures on a consolidated basis (including our joint ventures), as it best describes how we manage our portfolio and overall business, like-for-like measures and measures prescribed by EPRA.

The measures defined by EPRA are designed to enhance transparency and comparability across the European real estate sector.

Revenues **€116.5** 7.8% on H1-21	NOI[1] **€69.9m** -3.2% on H1-21
IFRS Earnings per share[2] **15 cents** -9 cents in H1-21	Combined Portfolio Value (OMV)[1] **€3.2bn** +2% on 31 Dec. 2021
EPRA NRV[1,3] **€1,930.7m** 0.7% on 31 Dec. 2021	EPRA NRV per share[1,3] **€8.72** 0.7% on 31 Dec. 2021
Adjusted normalised EBITDA[1,4] **€63.4m** -2.1% on H1-21	EPRA Earnings per share[1,2] **16 cents** 18.1% on H1-21
LTV[1,5] **41.0%** 40.1% at 31 Dec. 2021	Dividends paid in H1- 22 per share **13 cents** -13.0% on H1-21

1. See Glossary (pages 68-72) for definitions.
2. See note 12 of the unaudited condensed consolidated financial statements for calculation.
3. See note 19 of the unaudited condensed consolidated financial statements for calculation.
4. See page 22 for further details.
5. See note 21 of the unaudited condensed consolidated financial statements for calculation.

FINANCIAL REVIEW

2. Revenues and Profitability

Consolidated revenue in the first half of 2022 was €116.5 million, up by 7.8% from the prior year.

Gross Rental income continued to grow, reaching €90.2 million for H1-2021, higher by €3.1 million compared H1-2021, decreasing to €75.2 million when accounting for costs associated with the renting of spaces in our portfolio, and which are amortised during the life of the lease.

(Net) Rental Income remained effectively unchanged compared to the same period in 2021 as:

- the additional rental income of €3.1 million from properties added to our portfolio, including developments delivered over the past 12 months (GW Square and PIP Caroli in Romania - €1.9 million), acquisitions completed in 2021 and partially accounted for in H1-2021 (Industrial Park West Arad and Industrial Park West Oradea, in Romania - €1.9 million), and additional rent from properties under refurbishment in Poland (Renoma and Supersam – €0.7 million), and

- the additional rental income of €0.5 million from like-for-like standing properties in Romania,

were offset by:

- lower rental income of €1.1 million from like-for-like standing properties in Poland (excluding properties held for sale), and

- lower net rental income from properties held for sale in Poland €2.7 million (56% decrease), as TUIR Warta, the principal tenant in Warta Tower vacated its premises at the end of 2021 with the space remaining partially vacant in 2022.

The overall €8.4 million increase in our consolidated revenue was due to an €11.1 million or 38.5% increase in service charge income from standing properties (37.2% increase in Poland and 40.3% in Romania) as a result of an average increase in service charge rate per square metre of 27% across our standing portfolio, increase in like-for-like occupied occupancy and increase in the size of our portfolio, partially offset by a €2.6 million or 66.5% reduction in fit-out service income which is mainly dependent on new fit-out contracts for new tenants.

- Overall our revenues remained relatively evenly split between our two markets of operation, with Poland accounting for 52% (54% in H1-2021) and Romania 48% (46% in H1-2021).

Net Operating Income ("NOI"), after taking into account property and fitout costs, was €69.9 million, lower by 3.2% compared to H1-2021. Overall operating expenses in our portfolio increased by €13.4 million to €44.7 million of which c.90% were reinvoiced to tenants as the vast majority of our leases are triple-net. The portion of our operating expenses not reinvoiced typically involved spaces available to be leased and resulted in net operating costs being higher by €2.1 million across the Group.

- NOI was split 51% Poland / 49% Romania, compared to 56% Poland / 44% Romania in H1-2021.

Adjusted normalised EBITDA[2] (including share of minority interests) was €63.4 million, lower by 2.1% compared to H1-2021 (€64.8 million), as the decrease in NOI was partially offset by lower administrative and other expenses.

Net finance costs were €26.4 million for the period, lower by 1.2% (or €0.3 million lower) compared H1-2021 (€26.7 million), due to:

- higher finance income (by €0.3 million) from interest charged to our joint venture partner for shareholder loans given to the joint venture; and

- lower finance expenses (by 0.1% or €0.02 million) as a result of a reduction in the negative interest charged on Euro and Polish Zloty deposits and current accounts balances which were offset by higher interest expenses from current and new financing facilities.

Joint ventures generated net gains in H1-2022 and our share of these amounted to €2.0 million compared to net losses of €1.3 million for H1-2021. This positive result is mainly due to our share of the net valuation gains of €3.4 million (net of the related deferred tax effect) compared to net valuation losses of €2.7 million (net of the related deferred tax effect) in H1-2021.

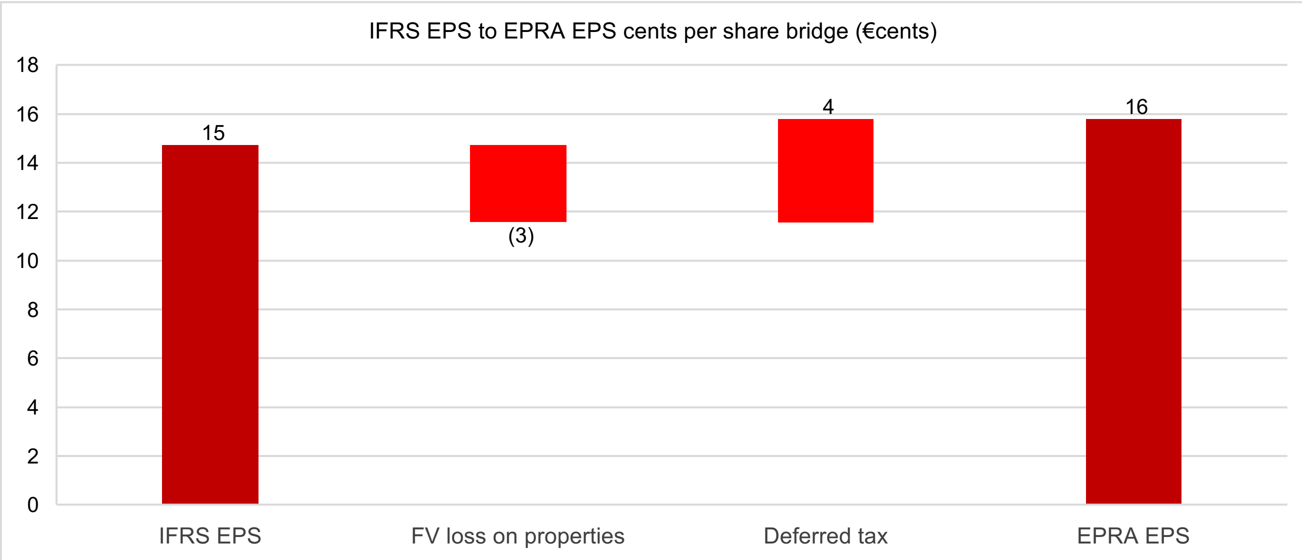
Earnings before tax were €45.7 million for H1-2022 (€18.9 million in H1-2021), mainly due to €7.0 million revaluation gains recorded for the period compared to revaluation losses of €14.7 million in H1-2021.

- €13.4 million revaluation gain from the industrial segment offsetting €4.3 million and €2.1 million revaluation losses from the office and mixed-used segments respectively.

FINANCIAL REVIEW

EPRA earnings for the first six months of 2022 were €34.3 million (or 16 cents per share), up by 18.2% from the prior year due to improved operating results as administrative costs were lower and lower income tax expenses (excluding deferred tax expense on investment property) compared to the same period in 2021. [2]

IFRS earnings, similar to earnings before tax, improved to 15 cents per share compared to 6 cents per share in H1-2021. Total IFRS earnings were higher by 166.7% to €32.6 million compared to H1-2021.



3. Balance Sheet

The two largest assets in our balance sheet are real estate and cash which account for c.98% of our total assets on the balance sheet as at 30 June 2022.

Overall, the combined market value of the portfolio increased by €54 million to €3,206 million (31 Dec. 21: €3,151 million), comprising of €3,102 million included in our investment property and €104 million representing the 100% value of the properties owned by the two joint ventures in which we own a 50% stake.

The balance sheet value of our investment property (freehold and properties held for sale) was €3,102 million as at 30 June 2022, €36.7 million higher compared to year-end 2021. This increase is mainly due to the acquisition of our first small business units project in the North-Western of Bucharest (€5.5 million), the purchase of land for future development (€1.8 million), CAPEX invested in our portfolio (€18.7 million), net additional lease incentives (€10.7 million) and fair value gains on freehold properties (€7.0 million), which were offset by the disposal of residential units (€ 7.4 million).

In the first half we proceeded with the repayment of the remaining €323 million of our inaugural €550 million which principally contributed in in lowering our cash position to €184.7 million at 30 June 2022 (€418.7 million at 31 Dec. 21).

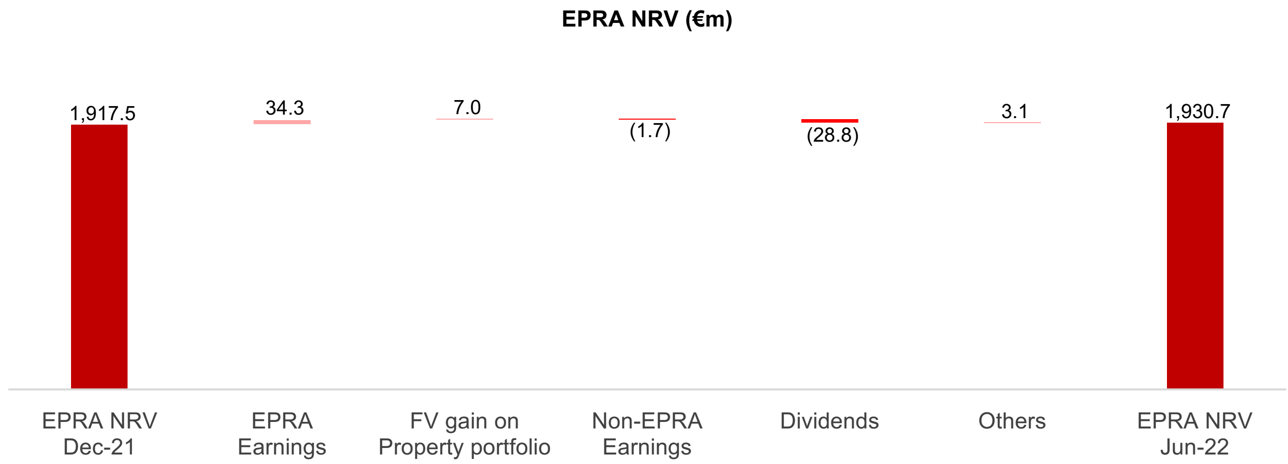
Total assets at the end of the period were €3,452 million, lower by 5% compared to 31 December 2021 (€3,627 million).

EPRA NRV was €1,930.7 million as at 30 June 2022, marginally higher by 0.7% compared to 31 December 2021 (€1,917.5 million). As a result, EPRA NRV per share also increased to €8.72 per share (31 December 2021: €8.66 per share).

Increase in EPRA NRV over the first six-months of the year were largely due to the €7.0 million positive effect of fair value gains on the portfolio and EPRA earnings of €34.3 million from the performance of the group, offset by €28.8 million of dividends paid in March 2022 to shareholders in respect of the six months ended 31 December 2021.

[2]Earnings before finance cost, tax, depreciation, amortisation of other non-current assets (H1-2022: €70.3 million positive; H1-2021: €47.1 million positive), plus: net fair value loss on investment property and financial instruments (H1-2022: €7.1 million gain; H1-2021: €15.0 million loss), less: other income (H1-2022: €0.3 million; H1-2021: €0.5 million); plus: acquisition costs (H1-2022: €0.07 million negative; H1-2021: €0.0 million); plus: non-recurring administration and other expense items (H1-2022: €0.4million; H1-2021: €3.2 million).

FINANCIAL REVIEW



4. Dividends

Globalworth distributes bi-annually at least 90% of its EPRA Earning to its shareholders. As a result, in March 2022, it paid an interim dividend of 13 cents per share (€28.8 million) in respect of the six-month period ended 31 December 2021. In addition, on 31 August 2022, Globalworth declared its first interim dividend in respect of the six-month period ended 30 June 2022 of 14 cents per share (€31.0 million).

The results for the period are set out in the consolidated statement of comprehensive income on page 29.

5. Financing & Liquidity Review

The international business and the economic environments have continued to be impacted by the ongoing uncertainty caused by the COVID-19 pandemic and also by the war in Ukraine. This has brought about supply chain disruptions, higher inflation and interest rates, and increased volatility, resulting in a more uncertain outlook. Throughout this period, and with these issues in mind, our main focus has been to continue implementing our “local landlord” approach in managing our business.

Our initiatives have included investments in existing and new high-quality properties, managing our portfolio to preserve and improve our operational performance, and maintaining an efficient and flexible capital structure, all of which have resulted in a robust overall performance.

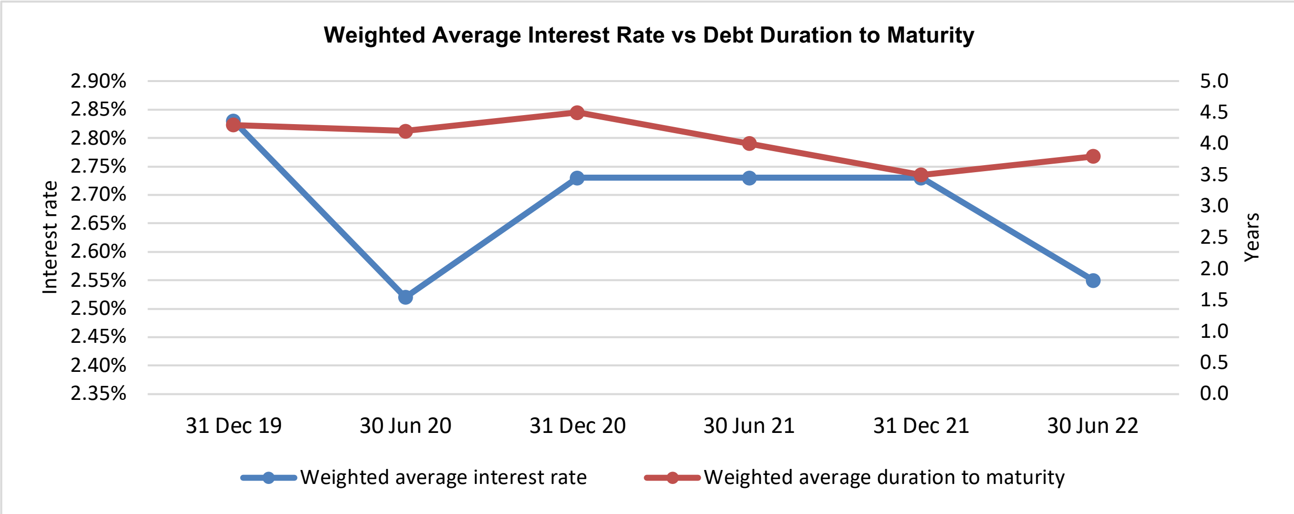
Debt Summary

The total debt of the Group at 30 June 2022 was €1.5 billion (31 Dec. 2021: €1.6 billion) comprising of medium to long-term debt, denominated entirely in Euro currency. The majority of the debt is in two bonds totalling €1.0 billion, with bank loans of €0.5 billion.

In the first half, we proceeded with the repayment from our own resources of the remaining €323 million of our inaugural €550 million bond that was due to mature in June 2022, thus resulting in Globalworth having no material debt maturing until March 2025. In addition, during the period, we repaid the coupon on the 2022 Bond, entered into a 6-year term loan agreement for €85 million with IFC, and drew down on part of the RCF available to us until April 2024.

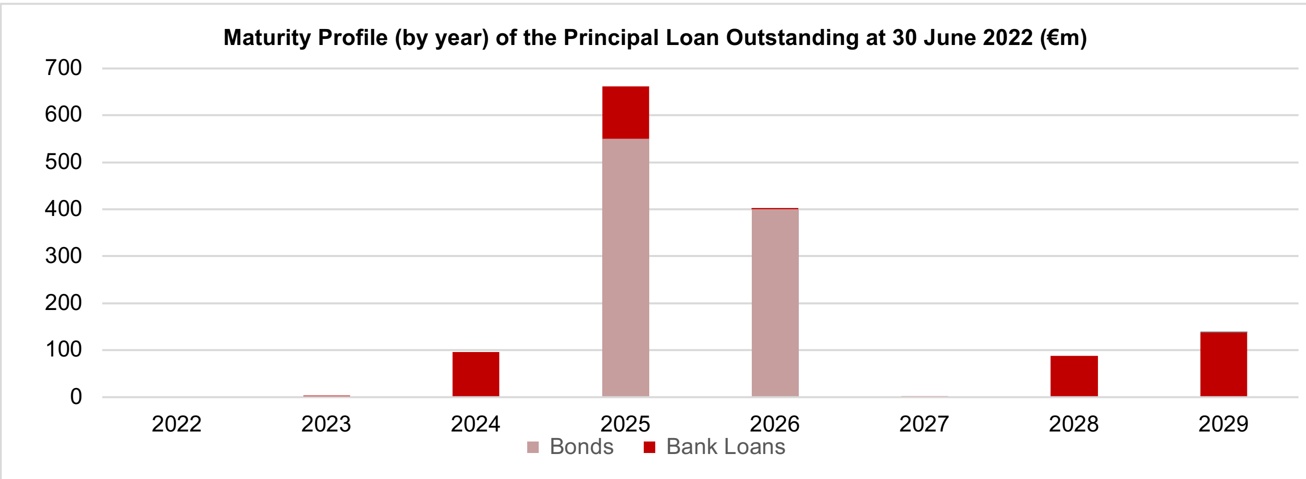
The Group continuously strives to maintain a low weighted average interest rate cost, which as at 30 June 2022 was 2.55% (2.73% at 31 Dec 2021), while the average maturity period improved to 3.8 years (3.5 years at 31 December 2021), as depicted in the chart below.

In this higher inflationary and interest rate environment, it is important to note that at the end of the period, Globalworth had c.85% of its debt facilities at fixed interest rate cost (81%) or floating interest rates which are though hedged (4%).



Servicing of Debt During 2022

In the first half of 2022, we repaid €1.4 million in bank debt principal amounts, the entire remaining balance of the 2022 Eurobond (€323.1 million) and €29.3 million of accrued interest on the Group's outstanding debt facilities.



Liquidity & Loan to value ratio (LTV")

Managing our resources has been a key area of focus for the Group, especially since the COVID-19 pandemic outbreak, and this careful management has carried on throughout this period of higher volatility and uncertainty.

As at 30 June 2022, the Group had cash and cash equivalents of €184.7 million (31 December 2021: €418.7 million) of which an amount of €6.8 million was restricted due to various conditions imposed by the financing Banks. In addition, the Group had available liquidity from committed undrawn loan facilities of €155 million.

The Group's loan to value ratio at 30 June 2022 was 41.0%, compared to 40.1% at 31 December 2021. This is consistent with the Group's strategy to manage its long-term target LTV of around or below 40%.

Debt Structure as at 30 June 2022

Debt Structure - Secured vs. Unsecured Debt

The majority of the Group's debt at 30 June 2022 is unsecured: 75.3% (31 December 2021: 77.9%), with the remainder secured with real estate mortgages, pledges on shares, receivables and loan subordination agreements in favour of the financing parties.

Debt Denomination Currency and Interest Rate Risk

Our loan facilities are entirely Euro denominated and bear interest based either on one month, three months or six months Euribor plus a margin (19.4% of the outstanding balance compared to 8.5% at 31 December 2021), or at a fixed interest rate (80.6% of the outstanding balance compared to 91.5% at 31 December 2021).

The high degree of fixed interest rate debt ensures a natural hedging to the Euro, the currency in which the most significant part of our liquid assets (cash and cash equivalents and rental receivables) is originally denominated and the currency for the fair market value of our investment property. Based on the Group's debt balances at 30 June 2022, an increase of 100 basis points in the EURIBOR will result in an increase of interest expense of €2.9 million per annum.

Debt Covenants

As of 30 June 2022, the Group is in compliance with all of its debt covenants.

The Group's financial indebtedness is arranged with standard terms and financial covenants, the most notable as at 30 June 2022 being the following:

Unsecured Eurobonds, Revolving Credit Facility and IFC loan

- the Consolidated Coverage Ratio, with minimum value of 200% (150% applicable for the Revolving Credit Facility and IFC loan);
- the Consolidated Leverage Ratio, with maximum value of 60%;
- the Consolidated Secured Leverage Ratio with a maximum value of 30%; and
- the Total Unencumbered Assets Ratio, with minimum value of 125% (additional covenant applicable for the Revolving Credit Facility and IFC loan).

Secured Bank Loans

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

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 100 to 104 of the Annual Report for the year ended 31 December 2021, which is available at www.globalworth.com.

These risks comprise the following:

- Market conditions and the economic environment, particularly in Romania and Poland;
- Changes in the political or regulatory framework in Romania, Poland or the European Union;
- Execution of investment strategy;
- Risk of negative changes in the valuation of the portfolio;
- Inability to lease space;
- Counterparty credit risk;
- Sustainable portfolio risk and Response to Climate Change;
- Lack of available financing and refinancing;
- Risk of breach of loan covenants;
- Risk of changes in Interest and Foreign Exchange Rates; and
- Compliance with fire, structural, health and safety, or other regulations.

There has been no significant change in these risks during the six-month period ended 30 June 2022, and these risks are expected to continue to remain relevant during the second half of 2022.

7. Going Concern

The Directors have considered the Company's ability to continue to operate as a going concern based on the Management's cash flow projections for the 15 months subsequent to the date of approval of the unaudited interim condensed consolidated financial statements. The Directors believe that the Company would have sufficient cash resources to meet its obligations as they fall due and continue to adopt the going concern basis in preparing the unaudited interim condensed consolidated financial statements as of and for the six months ended 30 June 2022.

GLOBALWORTH REAL ESTATE INVESTMENTS LIMITED

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2022

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022

	Note	**30 June 2022 €'000**	30 June 2021 €'000
Revenue	7	**116,551**	108,110
Operating expenses	8	**(46,696)**	(35,957)
Net operating income		**69,855**	72,153
Administrative expenses	9	**(6,484)**	(9,323)
Acquisition costs		**(7)**	-
Fair value gain/(loss) on investment property	3	**7,019**	(14,703)
Share-based payment expense	20	–	(432)
Depreciation and amortisation expense		**(309)**	(259)
Other expenses		**(720)**	(795)
Other income		**295**	476
Foreign exchange gain/(loss)		**307**	(50)
Gain/loss from fair value of financial instruments at fair value through profit or loss	14	**73**	(243)
Profit before net financing cost		**70,029**	46,824
Finance cost	10	**(27,547)**	(27,523)
Finance income		**1,179**	839
Share of profit/(loss) of equity-accounted investments in joint ventures	22	**2,012**	(1,273)
Profit before tax		**45,673**	18,867
Income tax expense	11	**(12,245)**	(6,333)
Profit for the period		**33,428**	12,534
Items that will not be reclassified to profit or loss			
Gain on equity instruments designated at fair value through other comprehensive income		**36**	–
Other comprehensive income for the period, net of tax		**36**	–
Total comprehensive income for the period		**33,464**	12,534
Profit attributable to:		**33,428**	12,534
– ordinary equity holders of the Company		**32,606**	12,534
– non-controlling interests		**822**	–
Total comprehensive income attributable to:		**33,464**	12,534
– ordinary equity holders of the Company		**32,642**	12,534
– non-controlling interests		**822**	-
		Cents	Cents
Earnings per share			
– Basic	12	**15**	**6**
– Diluted	12	**15**	**6**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	30 June 2022 Unaudited €'000	31 December 2021 Audited €'000
ASSETS			
Investment property	3	**3,005,689**	2,966,080
Goodwill		**12,349**	12,349
Advances for investment property	5	**3,483**	3,436
Investments in joint ventures	22	**66,155**	48,908
Equity investments		**12,628**	12,109
Other long-term assets		**1,927**	2,083
Prepayments		**460**	338
Deferred tax asset	11	**17**	151
Non-current assets		**3,102,708**	3,045,454
Financial assets at fair value through profit or loss	14	**7,397**	7,324
Trade and other receivables	15	**17,951**	16,208
Contract assets		**6,138**	6,106
Guarantees retained by tenants		**47**	885
Income tax receivable		**1,769**	117
Prepayments		**4,591**	2,104
Cash and cash equivalents	16	**184,709**	418,748
		222,602	451,492
Investment property held for sale		**126,926**	130,537
Total Current assets		**349,528**	582,029
Total assets		**3,452,236**	3,627,483
EQUITY AND LIABILITIES			
Issued share capital		**1,704,476**	1,704,476
Treasury shares	20.2	**(4,889)**	(4,917)
Share-based payment reserve	20	**156**	156
Retained earnings		**42,749**	38,914
Equity attributable to ordinary equity holders of the Company		**1,742,492**	1,738,629
Non-controlling interests		**827**	–
Total equity		**1,743,319**	1,738,629
Interest-bearing loans and borrowings	13	**1,431,659**	1,285,641
Deferred tax liability	11	**163,731**	150,713
Lease liabilities	3.2	**17,834**	18,762
Guarantees retained from contractors		**1,628**	2,661
Deposits from tenants		**4,050**	3,844
Trade and other payables		**956**	956
Non-current liabilities		**1,619,858**	1,462,577
Interest-bearing loans and borrowings	13	**18,623**	348,279
Guarantees retained from contractors		**3,737**	3,361
Trade and other payables		**32,306**	39,788
Contract liability		**1,729**	1,940
Other current financial liabilities		**47**	261
Current portion of lease liabilities		**1,426**	1,303
Deposits from tenants		**16,603**	16,068
Income tax payable		**702**	550
		75,173	411,550
Liabilities directly associated with the assets held for sale		**13,886**	14,727
Total current liabilities		**89,059**	426,277
Total equity and liabilities		**3,452,236**	3,627,483

The financial statements were approved by the Board of Directors on 19 September 2022 and were signed on its behalf by:

Andreas Tautscher,
Director

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022

	Note	Issued share capital €'000	Treasury shares €'000	Share-based payment reserve €'000	Fair value reserve of financial assets at FVOCI €'000	Retained earnings €'000	Total €'000	Non-controlling interests €'000	Total Equity €'000
As at 1 January 2021		**1,704,374**	**(12,977)**	**6,184**	**-**	**57,783**	**1,755,364**	**-**	**1,755,364**
Shares issued to the Executive Directors and other senior management employees		-	339	(339)	-	-	-	-	-
Interim dividends		-	72	-	-	(66,358)	(66,286)	-	(66,286)
Share based payment expense under the subsidiaries' employees share award plan		-	-	532	-	-	532	-	532
Shares vested under the subsidiaries' employees share award plan		-	1,253	(1,253)	-	-	-	-	-
Share issued for cash under Executive share option plan		102	-	(2)	-	-	100	-	100
Cash-based portion of deferred annual bonus plan converted to deferred shares settlement		-	-	(79)	-	-	(79)	-	(79)
Share issued for long term plan termination and employee incentive plan		-	1,476	33	-	-	1,509	-	1,509
Shares vested under the deferred annual bonus incentive plan		-	4,920	(4,920)	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	47,489	47,489	-	47,489
As at 31 December 2021		**1,704,476**	**(4,917)**	**156**	**-**	**38,914**	**1,738,629**	**-**	**1,738,629**
Interim dividends	18	-	28	-	-	(28,807)	(28,779)	-	(28,779)
Shares issued in a newly acquired subsidiary		-	-	-	-	-	-	5	5
Gain on equity instruments designated at FV through OCI		-	-	-	36	-	36	-	36
Settlement of fair value reserve of equity instruments designated at FVOCI in cash		-	-	-	(36)	36	-	-	-
Total comprehensive income for the year		-	-	-	-	32,606	32,606	822	33,428
As at 30 June 2022		**1,704,476**	**(4,889)**	**156**	**-**	**42,749**	**1,742,492**	**827**	**1,743,319**

	Note	Issued share capital €'000	Treasury shares €'000	Share-based payment reserve €'000	Fair value reserve of financial assets at FVOCI €'000	Retained earnings €'000	Total €'000	Non-controlling interests €'000	Total Equity €'000
As at 1 January 2021		**1,704,374**	**(12,977)**	**6,184**	**-**	**57,783**	**1,755,364**	**-**	**1,755,364**
Shares issued to the Executive Directors and other senior management employees		-	180	(180)	-	-	-	-	(28,779)
Interim dividends		-	9	2	-	(33,130)	(33,119)	-	5
Share based payment expense under the subsidiaries' employees share award plan		-	-	432	-	-	432	-	36
Shares vested under the subsidiaries' employees share award plan		-	823	(823)	-	-	-	-	-
Deferred annual bonus plan settled in cash		-	-	(79)	-	-	(79)	-	33,428
As at 30 June 2021		**1,704,374**	**(9,592)**	**3,557**	**-**	**37,187**	**1,742,492**	**-**	**1,735,526**

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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022

	Note	**30 June 2022 €'000**	30 June 2021 €'000
Profit/(loss) before tax		**45,673**	18,867
Adjustments to reconcile profit before tax to net cash flows			
Fair value (gain)/loss on investment property	3.3	**(7,019)**	14,703
Loss on sale of investment property		**654**	162
Share-based payment expense	20	**-**	432
Depreciation and amortisation expense		**309**	259
Net increase in allowance for doubtful debts	17.2	**9**	563
Foreign exchange (gain)/loss		**(307)**	50
(Gain)/loss from fair valuation of financial instrument	14	**(73)**	243
Share of (profit)/loss of equity-accounted joint ventures	22	**(2,012)**	1,273
Net financing costs		**26,368**	26,685
Operating profit before changes in working capital		**63,602**	63,237
(Increase)/decrease in trade and other receivables		**(4,888)**	(4,560)
Decrease in trade and other payables		**(2,699)**	(9,309)
Interest paid		**(29,286)**	(29,436)
Interest received		**207**	178
Income tax paid		**(974)**	(1,315)
Interest received from joint ventures		**250**	-
Cash flows from operating activities		**26,212**	18,795
Investing activities			
Expenditure on investment property completed and under development or refurbishment		**(33,642)**	(25,715)
Payment for land acquisitions		**(1,732)**	–
Proceeds from sale of land		**501**	–
Payment for acquisition of investment property		**(5,584)**	(18,011)
Proceeds from sale of investment property		**6,331**	524
Investment in financial assets at fair value through profit or loss	14	**-**	(143)
Proceeds from sale of financial assets through profit and loss		**-**	85
Payments for equity investments		**(483)**	(220)
Investment in and loans given to joint ventures	22	**(17,173)**	(5,770)
Proceeds from joint ventures for loans given	22	**2,377**	–
Payment for purchase of other long-term assets		**(156)**	(68)
Cash flows used in investing activities		**(49,561)**	(49,318)
Financing activities			
Proceeds for issuance of new shares in subsidiary from non-controlling interest		**5**	–
Proceeds from interest-bearing loans and borrowings	13	**146,825**	–
Payments of interest-bearing loans and borrowings	13	**(324,545)**	(1,398)
Payment of interim dividend to equity holders of the Company	18	**(28,779)**	(33,130)
Payment for lease liability obligations	3.2	**(1,630)**	(1,463)
Payment of bank loan arrangement fees and other financing costs		**(2,152)**	(1,208)
Cash flows from financing activities		**(210,276)**	(37,199)
Net increase in cash and cash equivalents		**(233,625)**	(67,722)
Effect of exchange rate fluctuations on cash and bank deposits held		**(414)**	(186)
Cash and cash equivalents at the beginning of the period	16	**418,748**	527,801
Cash and cash equivalents at the end of the period	16	**184,709**	459,893

1 Basis of Preparation

Corporate Information

Globalworth Real Estate Investments Limited ('the Company' or 'Globalworth') is a company with liability limited by shares and incorporated in Guernsey on 14 February 2013, with registered number 56250. The registered office of the Company is at Anson Court, La Route des Camps, St Martin, Guernsey GY4 6AD. Globalworth, being a real estate Company, has had its ordinary shares admitted to trading on AIM (Alternative Investment Market of the London Stock Exchange) under the ticker "GWI" since 2013.

The Company's Eurobonds have been admitted to trading on the official List of the Irish Stock Exchange in June 2017, March 2018 and July 2020, respectively. In addition, the Company's Eurobond maturing in March 2025 has been admitted to trading on the Bucharest Stock Exchange in May 2018. The Group's principal activities and nature of its operations are set out in the strategic report section of the 2021 Annual Report.

Directors

The Directors of the Company are:

- Dimitris Raptis, Executive, Chief Executive Officer, Member of the Investment and Remuneration Committees
- Martin Bartyzal, Independent Non-Executive, Chair of the Board, Member of the Remuneration Committee, Audit and Risk Committee
- Norbert Sasse, Non-Executive, Member of the Investment Committee
- George Muchanya, Non-Executive, Member of the Nomination Committee
- Richard van Vliet, Independent Non-Executive, Member of the Audit, Risk and Remuneration Committees
- Andreas Tautscher, Senior Independent Non-Executive, Chair the Audit and Risk Committee, Member of Nomination Committee
- David Maimon, Independent Non-Executive, Chair of the Audit and Risk Committee, Member of the Investment Committee
- Piotr Olendski, Independent Non-Executive, Chair on the Remuneration Committee
- Daniel Malkin, Independent Non-Executive, Chair of the Nomination Committee, Member of the Audit and Risk Committees
- Favieli Stelian, Independent Non-Executive, Chair of the Investment Committee, Member of the Remuneration Committee

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 2022 have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting". These consolidated financial statements are prepared in Euro ("EUR" or "€"), rounded to the nearest thousand, being the functional currency and presentation currency of the Company. These financial statements have been prepared on a historical cost basis, except for investment property, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income which are measured at fair value.

These financial statements are prepared on a going concern basis. The Directors believe that it is appropriate to adopt the going concern basis in preparing the financial statements. The Directors based their assessment on the Group's detailed cash flow projections for the period up to 31 December 2023. These projections take into account the very significant available cash resources of the Group (as at 30 June 2022 these amounted to €185 million – note 16), the latest contracted rental income, anticipated additional rental income from new possible lease agreements during the period covered by the projections, modification of existing lease contracts as well as repayment of contracted debt financing, CAPEX, and other commitments. The projections show that, in the period up to 31 December 2023, the Company anticipates having sufficient liquid resources to continue to fund ongoing operations and asset development without the need to raise any additional debt or equity financing, or the need to reschedule existing debt facilities or other commitments.

Accounting policies

These consolidated financial statements apply the same accounting policies, presentation and methods of calculation as those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2021, which were prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union ('EU') and the Companies (Guernsey) Law 2008, as amended. The consolidated financial statements included in this Interim Report should be read in conjunction with the consolidated financial statements for the year ended 31 December 2021. On 1 January 2022, the Group adopted certain new accounting policies where necessary to comply with amendments to IFRS, refer to note 26 for more details.

Basis of Consolidation

These condensed consolidated financial statements comprise the financial statements of the Company and its subsidiaries ('the Group') as of and for the period ended 30 June. Subsidiaries are fully consolidated (refer to note 23) from the date of acquisition, being the date on which the Group obtains control, and continues 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.

Foreign Currency transactions and balances

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

2 Critical Accounting Judgements, Estimates and Assumptions

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

Selection of Functional Currency

The Company and its subsidiaries used their judgment, based on the criteria outlined in IAS 21 "The Effects of Changes in Foreign Exchanges Rates", and determined that the functional currency of all the entities is the EUR. In determining the functional currency consideration is given to the denomination of the major cash flows of the entity e.g., revenues and financing.

As a consequence, the Company uses EURO (€) as the functional currency, rather than the local currency Romanian Lei (RON) for the subsidiaries incorporated in Romania, Polish Zloty (PLN) for the subsidiaries in Poland and Pounds Sterling (GBP) for the Company and the subsidiary incorporated in Guernsey.

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

- Investment Property, see note 3 and Fair value measurement and related estimates and judgements, see note 4;
- Commitments (operating leases commitments – Group as lessor), see note 6;
- Taxation, see note 11;
- Financial assets at fair value through profit or loss, see note 14;
- Trade and other receivables, see note 15;
- Share-based payment reserve, see note 20;
- Investment in Joint Ventures, see note 22; and
- Investment in Subsidiaries, see note 23.

This section focuses on the assets on the balance sheet of the Group which form the core of the Group's business activities. This includes investment property (both 100% owned by the Group and by the Joint Ventures), related disclosures on fair valuation inputs, commitments for future property developments and investment property-leasehold and related lease liability recognised for the right of perpetual usufruct of the land.

Further information about the property portfolio is described in the Management Review section of the Interim Report.

3 Investment Property

		Investment property – *freehold*						
		Completed investment property	Investment property under refurbishment	Investment property under development	Land for further development	Sub-total	**Investment property leasehold-Right of usufruct of the land**	**TOTAL**
	Note	€'000	€'000	€'000	€'000	€'000	€'000	€'000
1 January 2021		**2,778,320**	**103,130**	**59,750**	**40,450**	**2,981,650**	**31,364**	**3,013,014**
Asset acquisition		18,011	-	-	-	18,011		18,011
Subsequent expenditure		20,790	7,381	25,279	1,299	54,749		54,749
Net lease incentive movement		18,384	(97)	1,015	-	19,302		19,302
Capitalised borrowing costs		-	53	486	-	539		539
Transfer to completed investment property		63,600	-	(63,600)	-	-		-
Transfer to investment property under development		-	-	2,500	(2,500)	-		-
Transfer to investment property under refurbishment		(47,520)	47,520			-		-
Disposal during the year		(3,260)	-	-	-	(3,260)		(3,260)
Transfer to held for sale		(120,690)	-	-	-	(120,690)	(9,847)	(130,537)
Fair value gain /(loss) on investment property		(9,375)	(1,986)	5,420	51	(5,890)	152	(5,738)
31 December 2021		**2,718,260**	**156,001**	**30,850**	**39,300**	**2,944,411**	**21,669**	**2,966,080**
Asset acquisition		5,584	-	-	-	5,584		5,584
Land acquired during the period		-	-	-	1,785	1,785		1,785
Subsequent expenditure		9,118	5,174	3,874	313	18,479		18,559
Net lease incentive movement		10,123	336	80	-	10,539		10,539
Other operating lease commitment		-	-	-	-	-		-
Capitalised borrowing costs		-	119	37	-	156		156
Disposal during the year		(7,873)	-	-	-	(7,873)		(7,873)
Transfer to held for sale			-	-	-	-		-
Fair value gain /(loss) on investment property		6,907	(2,079)	1,209	5,302	11,339	(400)	10,939
30 June 2022		**2,742,119**	**159,551**	**36,050**	**46,700**	**2,984,420**	**21,269**	**3,005,689**

3.1 Investment Property – Freehold

Judgements

Classification of Investment Property

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

Asset acquisition

On 22 March 2022, the Group acquired through its subsidiary North Logistics Hub SRL a land located in the north-east periphery of Bucharest, Romania for an amount of €1.8 million, namely Business Park Stefanesti, for the development of an industrial park.

On 20 April 2022, the Group acquired through its subsidiary Logistics Hub Chitila SRL one industrial investment property located in the north-west periphery of Bucharest, Romania for an amount of €5.6 million, namely Business Park Chitila The project will generate €0.5 million in rental income, annually.

Disposal of Investment Property not in the Ordinary Course of Business

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

Other Disclosures Related to Investment Property

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

3.2 Investment property – Leasehold

Right of Perpetual Usufruct of the Land (the "RPU") or "right-of-use assets"

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) 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' in the statement of financial position under the line item "Investment property". The corresponding lease liabilities are presented under the line item 'Lease liabilities' as non-current and the related short-term portion are presented in the line item "Current portion of lease liability".

	Note	31 December 2021	CAPEX	Fair value loss	Movement during the period	30 June 2022
Completed Investment property	3.1	120,690	309	(3,599)	(3.290)	**117,400**
Investment property - leasehold	3.2	9,847	-	(321)	(321)	**9,526**
Investment property held for sale		130,537	309	(3,920)	(3,611)	**126,926**
Lease liabilities	3.2	9,141	-	-	(506)	**8,635**
Deferred tax liability	11.1	5,586	-	-	(335)	**5,251**
Liabilities directly associated with the assets held for sale		**14,727**	**-**	**-**	**(841)**	**13,886**
Net assets held for sale		**115,810**	**-**	**-**	**-**	**113,040**

3.3 Investment property – Fair value gain/(loss)

	Note	30-Jun-22 €'000	30-Jun-21 €'000
Fair value gain /(loss) on investment property		**7,019**	(14,703)
– Related to investment property -freehold	3.1	**10,939**	(14,703)
– Related to investment property -held for sale	3.2	**(3,920)**	-

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

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

The fair value hierarchy levels are specified in accordance with IFRS 13 Fair Value Measurement. Some of the inputs to the valuations are defined as "unobservable" by IFRS 13 and these are analysed in the tables below. Any change in valuation technique or fair value hierarchy (between level 1, level 2 and level 3) is analysed at each reporting date or as of the date of the event or variation in the circumstances that caused the change. As of 30 June 2022 (2021: same) the values of all investment properties were classified as level 3 fair value hierarchy under IFRS 13 and there were no transfers from or to level 3 from level 1 and level 2.

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

Property valuations are inherently subjective as they are made on the basis of assumptions made by the valuer. Valuation techniques comprise the discounted cash flows, the sales comparison approach and the residual value method.

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:

Class of property	Carrying value 30 June 2022 €'000	Carrying value 31 December 2021 €'000	Valuation Technique	Country	Input	30 June 2022	31 December 2021
	1,459,220	1,447,220			Rent per sqm	**€11.5–€26**	€11.5–€24
Completed Investment Property			DCF	Poland	Discount rate	**4.16%–12.31%**	4.53%–11.56%
Completed Held for sale	**(117,400)**	(120,690)			Exit yield	**5.25%–7.50%**	5.25%–7.50%
	1,370,700	1,336,200	DCF	Romania	Rent per sqm	**€2.00–€35.00**	€2.91– €35.00
					Discount rate	**7.75%–9.20%**	7.50%–8.75%
					Exit yield	**6.25%–7.75%**	6.25%–8.00%
Sub-total	**2,712,520**	2,662,730					
	48,200	55,531	SC	Romania	Sales value (sqm)	**€1,878**	€1,848
	2,760,720	2,718,261					
	9,550	9,550	RM	Poland	Rent per sqm	**€13.50**	€13.50
					Discount rate	**6.76%-7.53%**	6.76%-7.53%
					Exit yield	**6.50%**	6.50%
Investment property under development					Capex (€m)	**€26.64**	€27.98
	20,900	21,300	RM	Romania	Rent per sqm	**€5.75–€15.00**	€3.75 – €15.00
					Discount rate	**7.75%-9.00%**	7.75%-9.00%
					Exit yield	**6.25%-7.75%**	6.75%-7.75%
					Capex (€m)	**€83.32**	€43.42
	159,550	156,000	RM	Poland	Rent per sqm	**€13.25 –€14.25**	€13.25 –€14.00
Investment property under refurbishment					Discount rate	**6.69%-7.77%**	6.77%-7.82%
					Exit yield	**6.89%-7.63%**	6.87%-7.62%
					Capex (€m)	**€22.18**	€30.24
Land bank – for further development	**9,500**	15,200	SC	Romania	Sales value (sqm)	**€25.00-€2,941**	€25.00-€2,627
					Rent per sqm	**€2.75-€17.5**	€2.75-€17.00
	24,200	24,100	RM	Romania	Exit yield	**6.75%-8.25%**	6.85%-8.25%
TOTAL	**2,984,420**	2,944,411					

DCF: Discounted Cash Flows, DC: Direct Capitalisation, SC: Sales Comparison, RM: Residual Method

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Sensitivity Analysis on significant estimates used in the valuation

The assumptions on which the property valuations have been based include, but are not limited to, rent 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 rent 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	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
			€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Completed	**2022**	**Poland**	**40,120**	**(40,170)**	**(66,900)**	**72,910**	**–**	**–**	**–**	**–**		**–**
	2022	**Romania**	**32,200**	**(32,400)**	**(34,300)**	**36,900**	**–**	**–**	**1,500**	**(1,500)**	**(16,000)**	**12,900**
	2021	Poland	40,140	(40,120)	(66,510)	72,480	–	–	–	–		
	2021	Romania	33,800	(33,800)	(33,300)	36,200	–	–	1,800	(1,700)	(15,200)	12,500
Under development	**2022**	**Poland**	**1,450**	**(1,450)**	**(1,670)**	**1,810**	**(1,320)**	**1,320**	**–**	**–**		
	2022	**Romania**	**3,400**	**(3,300)**	**(3,100)**	**3,500**	**(2,600)**	**2,800**	**–**	**–**	**–**	
	2021	Poland	1,450	(1,450)	(1,670)	1,810	(1,320)	1,320	–	–		
	2021	Romania	2,400	(2,300)	(1,300)	1,400	(800)	1,000	–	–	–	
Under refurbishment	**2022**	**Poland**	**5,400**	**(5,390)**	**(6,490)**	**6,990**	**(330)**	**320**	**–**	**–**		**–**
	2021	Poland	5,400	(5,390)	(6,490)	6,990	(590)	590	–	–		–
Further development	**2022**	**Poland**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	
	2022	**Romania**	**2,100**	**(2,100)**	**(2,100)**	**2,300**	**(2,400)**	**2,600**	**1,300**	**(1,300)**	**–**	
	2021	Poland	–	–	–	–	–	–	–	–	–	–
	2021	Romania	2,200	(2,000)	(1,900)	2,200	(2,300)	2,500	1,400	(1,500)	–	–

1. The quantitative sensitivity analysis was computed as €0.25 change in rental value per month, per sqm for four industrial properties (2021: four industrial properties at €0.25 change in rental value per month, per sqm).
2. The quantitative sensitivity analysis was computed as €1.5 change in sales price per sqm for industrial properties portfolio.
3. The vacancy in perpetuity sensitivity analysis is not followed for the Polish properties portfolio as this factor is considered in the valuation methodology as part of yields and not a variable in isolation.

4.1 Investment properties owned by Joint Ventures

	Note	Completed investment property €'000	Investment property under development €'000	Land for further development €'000	TOTAL €'000
1 January 2021		28,800	-	25,400	51,200
Land acquired during the period		-	-	130	130
Subsequent expenditure		11,742	10,196	864	22,802
Net lease incentive movement		789	-	-	789
Capitalised borrowing costs		202	87	-	289
Transfer to investment property		1,200	-	(1,200)	-
Transfer to investment property under development			2,804	(2,804)	-
Fair value gain/(loss) on investment property		(2,333)	613	13,210	11,490
31 December 2021		**37,400**	**13,700**	**35,600**	**86,700**
Land acquired during the period		8	-	802	810
Subsequent expenditure		833	11,368	80	12,281

Net lease incentive movement		50	-	-	50
Capitalised borrowing costs		92	242	-	334
Transfer to completed investment property		11,900	(11,900)		
Fair value gain/(loss) on investment property	22.3	317	3,590	165	4,072
30 June 2022	22.3	**50,600**	**17,000**	**36,647**	**104,247**

Sensitivity analysis on significant estimates used in the valuation of investment properties owned by the joint venture

As disclosed in note 22, the Group also has investments in two joint ventures where investment properties were valued at fair value under the similar Group accounting policies by Colliers Valuation and Advisory SRL, an independent qualified professional valuer.

The table below describes key information about the fair value measurements, valuation technique and significant unobservable inputs (Level 3) used in arriving at the fair value under IFRS 13.

Class of Joint Venture property	**Carrying value** **30 June 2022** **€'000**	31 December 2021 €'000	**Valuation technique**	**Country**	**Input**	**Range** **30 June 2022**	31 December 2021
Completed Investment property	**50,600**	37,700	DCF	Romania	Rent per sqm	**€3.12-€9.00**	€2.00-€8.50
					Discount rate	**8.25%-8.75%**	8.50%
					Exit yield	**7.00%–7.25%**	7.25%–7.50%
Investment property under development	**17,000**	13,700	RM	Romania	Discount rate	**8.50%**	8.50%
					Exit yield	**7.00%**	7.25%–7.50%
					Capex (€m)	**€2.00**	€14.69
Land bank – for further development	**36,647**	35,600	SC	Romania	Sales value sqm	**€29.00-€70.00**	€29.00-€70.00
TOTAL	**104,247**	86,700					

DCF: Discounted Cash Flows, DC: Direct Capitalisation, SC: Sales Comparison, RM: Residual Method

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

Joint Ventures Investment Property	Year	Country	€0.25 change in rental value per month, per sqm Increase €'000	Decrease €'000	25 bps change in market yield Increase €'000	Decrease €'000	5% change in capex Increase €'000	Decrease €'000	€1.5 change in sales prices per sqm Increase €'000	Decrease €'000	2.5% change in vacancy in perpetuity Increase €'000	Decrease €'000
– Completed	**2022**	**Romania**	**1,200**	**(1,100)**	**(700)**	**900**	**–**	**–**	**–**	**–**	**(500)**	**600**
	2021	Romania	700	(800)	(600)	600	–	–	–	–	(500)	500
– Under development	**2022**	**Romania**	**1,200**	**(1,300)**	**(500)**	**500**	**(100)**	**100**	**–**	**–**	**–**	**–**
	2021	Romania	1,600	(1,800)	(800)	600	(800)	600	–	–	–	–
– Further development	**2022**	**Romania**	**–**	**–**	**–**	**–**	**–**	**–**	**1,353**	**(1,447)**	**–**	**–**
	2021	Romania	–	–	–	–	–	–	1,400	(1,200)	–	–

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5 Advances for investment Property

	30 June 2022 €'000	31 December 2021 €'000
Advances for land and other property acquisitions	**2,000**	2,000
Advances to contractors for investment properties under development	**1,483**	1,436
	3,483	3,436

6 Commitments

Commitments for Investment Property

As at 30 June 2022 the Group had agreed construction contracts with third parties and is consequently committed to future capital expenditure in respect of completed investment property of €8.3 million (2021: €20 million), investment property under development of €9.6 million (2021: €3.5 million) and had committed with tenants to incur incentives (such as fit-out works, leasing fees and other lease incentives) of €12.7 million (2021: €13.8 million).

The Group's Joint Ventures were committed to the construction of investment property for the amount of €9.7 million at 30 June 2022 (2021: €6.3 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 (2021: one year or more) and rentals are subject to annual upward revisions based on the consumer price index. The future aggregate minimum rentals receivable under non-cancellable operating leases for investment properties – freehold are as follows:

	30 June 2022 €'000	31 December 2021 €'000
Not later than 1 year	**171,080**	155,902
Later than 1 year and not later than 5 years	**441,635**	389,289
Later than 5 years	**156,312**	152,647
	769,027	697,838

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

Revenue from asset management fees, marketing and other income are recognised at the time the service is provided.

	30 June 2022 €'000	30 June 2021 €'000
Rental income	**75,214**	75,378
Revenue from contracts with customers		
Service charge income	**39,888**	28,795
Fit-out services income	**1,301**	3,884
Asset management fees	**31**	24
Marketing and other income	**117**	29
	41,337	32,732
	116,551	108,110

The total contingent rents and surrender premia recognised as rental income during the period amount to €0.9 million (30 June 2021: €0.8 million) and €nil (30 June 2021: €0.4 million), respectively.

8 Operating Expenses

	30 June 2022 €'000	30 June 2021 €'000
Property management, utilities and insurance	**44,739**	31,304
Property maintenance costs and other non-recoverable costs	**825**	791
Property expenses arising from investment property that generate rental income	**45,564**	32,095
Property expenses arising from investment property that did not generate rental income	**11**	10
Fit-out services costs	**1,121**	3,852
	46,696	35,957

9 Administrative expenses

	30 June 2022 €'000	30 June 2021 €'000
Directors' emoluments	**463**	579
Salary and remuneration costs	**3.783**	4,141
Accounting, secretarial and administration costs	**240**	404
Legal and other advisory services	**592**	829
Audit and non-audit services	**182**	54
Corporate social responsibility	**256**	546
Travel and accommodation	**78**	74
Marketing and advertising services	**414**	237
Post, telecommunication, and office supplies	**252**	232
Stock exchange expenses	**224**	294
Exceptional and non-recurring expenses	–	1,933
	6.484	9,323

During the period ended 30 June 2021, exceptional and non-recurring expenses include mainly professional advisory fees in connection with the cash offer for Globalworth shares, made by CPI Property Group S.A. and Aroundtown SA through Zakiono Enterprises Limited in May 2021.

10 Finance Cost

	Note	**30 June 2022 €'000**	30 June 2021 €'000
Interest on secured loans		**3,410**	3,548
Interest on unsecured credit facilities		**116**	–
Interest on fixed rate bonds		**18,230**	18,161
Debt cost amortisation and other finance costs	10.1	**4,368**	4,178
Interest on lease liabilities	3.2	**909**	905
Bank charges		**514**	731
Gross finance cost		**27,547**	27,523
Less borrowing costs capitalised on investment property		**156**	479
		27,703	28,002

The average capitalisation rate used to determine the borrowings eligible for capitalisation was 3.33% (30 June 2021: 3.33%).

10.1 Debt cost amortisation and other finance costs

	30 June 2022 €'000	30 June 2021 €'000
Debt issue cost amortisation – secured bank loans	**298**	256
Debt issue cost amortisation – unsecured facility	**744**	738
Debt issue cost amortisation – fixed rate bonds	**3,326**	3,184
	4,368	4,178

11 Taxation

	30 June 2022 €'000	30 June 2021 €'000
Current income tax expense	**(572)**	814
– Related to current period	***777***	*793*
– Related to prior period	***(1,349)***	*21*
Deferred income tax expense	**12,817**	5,519
	12,245	6,333

Current income tax expense

The Corporate income tax rate "CIT" applicable to the Company in Guernsey is nil. The subsidiaries in Romania, Poland and Cyprus are subject to tax on local sources of income. The taxable income arising in each jurisdiction is subject to the following standard corporate income tax rates: Romania at 16%, Cyprus at 12.5% and Poland at 19% (however for small entities with revenue up to €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%).

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 at a rate of 0.035% per month. From 2019, the taxpayer has a right to apply for the refund of previously paid minimum tax which was not deducted from the advance corporate income tax. This minimum tax can be set-off against CIT if CIT is higher. The tax is applied only to leased buildings while no tax applies on vacant buildings or on vacant space in partially occupied buildings. Due to the COVID-19 pandemic, the minimum tax scheme was suspended since 1 March 2020 (until such a future date when the authorities would resume its effect) and the Group's subsidiaries are subject to corporate income tax.

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

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

There are uncertainties in Romania and Poland where the Group has significant operations and this is due 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 audit with respect to the corporate income tax settlement for the fiscal year 2017.

Deferred tax (asset)/liabilities

	30 June 2022 €'000	31 December 2021 €'000
Deferred tax asset	**(17)**	(151)
Deferred tax liabilities - classified to held for sale	**(5,251)**	(5,586)
Deferred tax liabilities	**163,714**	150,562
	168,982	156,299

Deferred income tax expense

	Consolidated statement of financial position		**Consolidated statement of comprehensive income**	
	30 June 2022	31 December 2021	**30 June 2022**	30 June 2021
Net Deferred Tax	**€'000**	€'000	**€'000**	€'000
Acquired through asset acquisition	**–**	–	**–**	–
Valuation of investment property at fair value	**190,868**	181,542	**9,326**	374
Deductible temporary differences	**(1,773)**	(2,587)	**814**	1,266
Interest expense and foreign exchange loss on intra-group loans	**(17,590)**	(19,609)	**2,019**	4,063
Discounting of tenant deposits and long-term deferred costs	**65**	72	**(7)**	12
Share issue cost recognised in equity	**(7)**	(7)	**–**	–
Valuation of financial instruments at fair value	**191**	139	**52**	5
Recognised unused tax losses	**(2,789)**	(3,402)	**613**	(201)
	168,965	156,148	**12,817**	5,519

Unused assessed tax losses

As at 30 June 2022, the Group has unused assessed tax losses carried forward of €60.5 million (2021: €54.3 million) in Romania and €22.4 million (2021: €20.8 million) in Poland that are available for offsetting against future taxable profits of the entity which has the tax losses. The tax losses in Romania and Poland can be carried forward over seven and five consecutive tax years from the year of origination, respectively. In Poland, in any particular tax year, the taxpayer may not deduct more than 50% of the loss incurred in the year for which it was reported. Additionally, starting from 2020, the taxpayer may utilise one-time tax losses generated after 31 December 2018 in the amount of being the greater of PLN 5 million or 50% of tax loss of any given fiscal year in the following five fiscal years.

As of the statement of financial position date the Group had recognised deferred tax assets of €2.8 million (2021: €3.4 million) in Romania and Poland for which deferred tax asset recognition criteria were met under IAS 12, out of the total available deferred tax assets of €13.9 million (31 December 2021: €11.7 million), calculated at the corporate income tax rates of 16% in Romania and 19% (9% for small entities) in Poland, respectively.

Expiry year	2022	2023	2024	2025	2026	2027	2028	2029	**Total**
Total available deferred tax assets (€m)	1.5	2.2	4.5	0.8	2.2	1.0	0.7	1.0	**13.9**

From the above total available deferred tax assets, of €11.1 million (31 December 2021: €8.3 million) was not recognised (Romania and Poland) in the income statement of the Group as the amount could not be utilised from the future taxable income as per the criteria under IAS 12.

Temporary non-deductible interest expenses and net foreign exchange

Furthermore, in addition to the above, there are also temporary non-deductible interest expenses and net foreign exchange losses of €256.3 million, €37.0 million in Romania and €219.3 million in Poland (31 December 2021: €258.4million, €51.2 million in Romania and €207.2 million in Poland) related to intercompany and bank loans. Such amounts can be carried forward indefinitely and each year an amount up to 30% of tax EBITDA (but not less than PLN 3 million in Poland) would become tax deductible for each respective subsidiary, for which €17.2 million (€0.7 million in Romania and €16.5 million in Poland) deferred tax asset was recorded (31 December 2021: €19.7 million, €1.3 million in Romania and €18.4 million in Poland).

In Romania such temporary non-deductible interest expenses can be carried forward indefinitely until it is tax deductible as per EBITDA threshold. However, in Poland interest expense which was already paid prior to financial position date (and corresponding net foreign exchange loss on such interest expense) can only be utilised over five consecutive tax years from the year of origination and unpaid interest expense (and corresponding net foreign exchange loss on such interest expense) is available for utilisation indefinitely.

Judgements, Estimates and Assumptions Used for Assessed Tax Losses and Related Deferred Tax Assets

At each statement of financial position date, the Group assesses whether the realisation of future tax benefits is sufficiently probable to recognise deferred tax assets. This assessment requires the exercise of judgement on the part of management with respect to, among other things, benefits that could be realised from available tax strategies and future taxable income, as well as other positive and negative factors. The recorded amount of total deferred tax assets could be reduced if estimates of projected future taxable income, or if changes in current tax regulations are enacted that impose restrictions on the timing or extent of the Group's ability to utilise future tax benefits.

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 guidelines:

Date	Event	Note	Number of shares issued ('000)	% Of the period	Weighted average ('000)
1 Jan 2021	**At the beginning of the year**		**220,297**		**220,297**
Jan - June 2021	Effect of shares vested and exercised under Employees share-based payment plans		426	65	278
30 June 2021	**Shares in issue at period-end (basic)**		**220,723**		**220,575**
	Dilutive shares:				
Jan- March	– at the beginning of the year		895	100	895
2021	– vested and exercised under employees share-based plans		(421)	65	(274)
30 June 2021	**Shares in issue at period-end (diluted)**		**221,197**		**221,196**
1 Jan 2022	**At the beginning of the year**		**221,373**		**221,373**
30 June 2022	Shares in issue at year-end (basic)		221,373		221,373
Jan- Jun 2022	Effect of dilutive shares	20	97	54	52
30 June 2022	**Shares in issue at period-end (diluted)**		**221,470**		**221,425**

Unvested share option warrants of €2.85 million were not included in basic or diluted number of shares being unvested and anti-dilutive on issue date (refer to note 20.1 for further information)

	30 June 2022 €'000	30 June 2021 €'000
Profit attributable to equity holders of the Company for the basic and diluted earnings per share	**32,606**	12,534
IFRS earnings per share	**Cents**	Cents
– Basic	**15**	6
– Diluted	**15**	6

EPRA Earnings Per Share

The following table reflects the reconciliation between IFRS earnings as per the statement of comprehensive income and EPRA earnings (non-IFRS measure):

	Note	30 June 2022 €'000	30 June 2021 €'000
Earnings attributable to equity holders of the Company (IFRS)		**32,606**	12,534
Changes in fair value of financial instruments and associated close-out costs		**(283)**	(325)
Fair value gain/(loss) on investment property	3	**(7,019)**	14,703
Losses on disposal of investment properties		**585**	162
Changes in value of financial assets at fair value through profit or loss	13	**(73)**	243
Acquisition costs on share deals		**7**	–
Deferred tax charge in respect of above adjustments		**9,378**	379
Non-controlling interests share of the above adjustments		**821**	-
Adjustments in respect of joint ventures		**(1,694)**	1,337
EPRA earnings attributable to equity holders of the Company		**34,329**	29,033

EPRA earnings per share	**Cents**	Cents
– Basic	**16**	13
– Diluted	**16**	13

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 2022 €'000	31 December 2021 €'000
Current		
Secured loans and accrued interest	**3,458**	3,521
Unsecured loans and accrued interest	**15,165**	344,758
Sub-total	**18,623**	348,279
Non-current		
Secured loans	**357,034**	356,416
Unsecured fixed rate Bonds and unsecured credit facilities	**1,074,625**	929,225
Sub-total	**1,431,659**	1,285,641
TOTAL	**1,450,282**	1,633,920

13.1 Key terms and conditions of outstanding debt

				30 June 2022		31 December 2021	
Facility	Currency	Nominal interest rate	Maturity date	**Face value €'000**	**Carrying value €'000**	Face value €'000	Carrying value €'000
Loan 16	EUR	EURIBOR 1 month + margin	May 2025	**12,802**	**14,099**	13,485	13,482
Loan 25	EUR	Fixed rate Bond	June 2022	**-**	**-**	328,066	327,225
Loan 37	EUR	Fixed rate Bond	March 2025	**554,203**	**549,408**	562,522	556,920
Loan 38[1]	EUR	Fixed rate & Floating rate EURIBOR 3 months + margin	May 2025	**100,105**	**99,628**	100,110	99,556
Loan 41	EUR	EURIBOR 3 month + margin	March 2029	**85,309**	**84,662**	85,313	84,613
Loan 43	EUR	EURIBOR 3 month + margin	December 2024	**35,228**	**35,114**	36,032	35,902
Loan 44/45	EUR	Fixed rate	February 2027	**62,293**	**62,028**	62,295	62,000
Loan 46	EUR	Fixed rate	November 2029	**65,043**	**64,419**	65,045	64,384
Loan 47	EUR	EURIBOR 3 month + margin	April 2024	**60,029**	**59,060**	-	-
Loan 48	EUR	Fixed rate Bond	July 2026	**410,862**	**397,247**	405,011	389,838
Loan 49	EUR	Fixed rate	March 2029	**440**	**440**	-	-
Loan 50	EUR	Fixed rate	March 2029	**1,401**	**1,401**	-	-
Loan 51	EUR	EURIBOR 6 month + margin	March 2028	**85,071**	**84,075**	-	-
Total				**1,472,786**	**1,450,282**	1,657,879	1,633,920

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

Unsecured corporate Bonds

The five-year Euro-denominated Bond (Loan 25) matured on 20 June 2022 and it was fully repaid by the Group together with the carrying interest.

In March 2018, the Group issued a €550 million unsecured Eurobond (Loan 37) and it carries a fixed interest rate of 3.0%.

In July 2020 the Company successfully completed under its €1.5 billion Euro Medium Term Notes Programme the issuance of €400 million new Notes, due in 2026.

Financial covenants for unsecured corporate Bonds

Financial covenants on unsecured fixed rate bonds are calculated on a semi-annual basis at 30 June and 31 December each year and include the Consolidated Coverage Ratio, with minimum value of 200%, the Consolidated Leverage Ratio, with maximum value of 60%, and the Consolidated Secured Leverage Ratio with a maximum value of 30%.

Unsecured Revolving Credit Facility

On 16 June 2022, the amount €60 million was drawn down in order to strengthen the liquidity of the Group, for an initial period of 1 month that was further extended. Therefore, as at 30 June 2022, the amount of €155 million was available for utilisation form the RCF and will continue to be available until the end of March 2024, with maturity at the end of April 2024.

The RCF terms have been structured to, generally, align with the Company's existing Euro Medium Term Note (EMTN) programme for fixed rate Bonds (except for Consolidated Coverage Ratio, with minimum value of 150%). In addition to the financial covenants applicable for unsecured fixed rate bonds, the RCF facility contains a supplementary financial covenant of the Total Unencumbered Assets Ratio with minimum value of 125%.

Unsecured International Finance Corporation (“IFC”) Loan

At the end of May 2022, the Group entered into a six-year term unsecured loan agreement for €85 million with IFC. On 14 June 2022, the full amount was drawn down. The IFC loan terms have been aligned with the Company's Revolving Credit Facility terms including financial covenants.

13.2 Secured facilities

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 60%–83% (2021: 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 of 120% (2021: 120%). DSCR is calculated for each respective credit facility separately at a pre-determined date under each facility, on the preceding 12-months historical ratio or projected future 12-months period ratio; and
- minimum interest cover ratio (“ICR”), historic with minimum values from 350% and projected with minimum values from 250% (2021: 250%), which was applicable to two properties as at 30 June 2022 (31 December 2021: same). Historic ICR is calculated, as Actual Net Rental Income as a percentage of the Actual Interest Costs for the twelve preceding months period from the calculation date. Projected ICR is calculated as Projected Net Rental Income as a percentage of the Projected Interest Costs for the twelve months period commencing immediately after the date of the calculation.

Secured bank loans are secured by investment properties which were recognised in the statement of financial position at fair value of €808.4 million at 30 June 2022 (2021: €800.4 million) and also carry pledges on rent and other receivable balances of €3.7 million (2021: €3.2 million), VAT receivable balances of €1.0 million (2021: €0.9 million) and a movable charge on the respective bank accounts (refer to note 16).

The Group is in compliance with all financial covenants and there were no payment defaults during the period ended 30 June 2022 (2021: same). As of 30 June 2022, the Group had undrawn borrowing facilities of €155 million (2021: €215 million).

13.3 Loan from non-controlling interest holders to a subsidiary

In March 2022 and April 2022, North Logistics Hub SRL and Logistics Hub Chitila SRL, two newly incorporated subsidiaries, received a loan from minority shareholders for an amount of €0.4 million and €1.4 million respectively, representing 25% of CAPEX investment in the projects which were financed through shareholders loans both from the Group and minority shareholder in proportion to the equity interest in the Company. The loans are unsecured and carry a fixed interest of 4%.

14 Financial assets at fair value through profit or loss

Project name	Interest rate	Maturity date	31 December 2021	Additions	Disposal	Valuation gain	**30 June 2022**
			€'000	€'000	€'000	€'000	**€'000**
My Place I	fixed	September 2022	4,103	–	–	73	**4,176**
My Place II	fixed	March 2023	3,221	–	–	–	**3,221**
TOTAL			**7,324**	**-**	**-**	**73**	**7,397**

Right of First Offer Agreements ('ROFO' bonds)

The fair value of the financial assets (ROFO bonds) is individually determined by taking into account a number of factors. The significant key factors are fair value of underlying investment properties, outstanding cost to complete the construction and leasing progress. Any significant change in inputs may result in significant change in the fair value of ROFO. For example, as at 30 June 2022 a 5% change in outstanding cost to complete or the fair value of underlying investment property would have increased or decreased the ROFO fair value by €0.5 million (2021: €0.9 million and €1 million), respectively.

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. The fair value of debentures is calculated based on percentage of completion of each ROFO projects and developer margin of the project which is calculated as a difference between each ROFO Project value upon completion and the project's construction budget. As at 30 June 2022, a gain of €0.07 million (2021: loss of €0.24 million) from the fair valuation of the above financial instruments was recognised in the statement of comprehensive income, categorised Level 3 within the fair value hierarchy.

The Group is committed to invest in each of the ROFO Assets at least 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 2022, the cumulative investment made by the Group under the ROFO Agreement amounts to €16.6 million (2021: €16.6 million). In September 2022 ROFO bonds and loans related to My Place I are expected to be repaid in the amount of €4 million.

15 Trade and Other receivables

	30 June 2022 €'000	31 December 2021 €'000
Rent and service charges receivable	**15,556**	11,049
VAT and other taxes receivable	**1,975**	4,236
Advances to suppliers for services	**183**	219
Sundry debtors	**237**	704
	17,951	16,208

Rent and Service Charges receivable

Rent and service charges receivable are presented in the above table net of an allowance for bad or doubtful debts of €5.5 million (2021: €5.8 million). Rent and service charges receivable are non-interest-bearing and are typically due within 30-90 days (see more information on credit risk and currency profile in note 17.2). For the terms and conditions for related party receivables, see note 25.

16 Cash and Cash Equivalents

	30 June 2022 €'000	31 December 2021 €'000
Cash at bank and in hand	**163,179**	188,005
Short-term deposits	**21,530**	230,743
Cash and cash equivalents at period end	**184,709**	418,748

Cash at bank and in hand includes restricted cash balances of €6.8 million (2021: €7.5 million) and short-term deposits include restricted deposits of €0.3 million (2021: €0.2 million). The restricted cash balance can be used to repay the outstanding debts and repayment of deposits to tenants. The cash balance of €0.10 million (2021: €0.08 million) held by the Globalworth Foundations (Fundatia Globalworth in Romania and Fundacja Globalworth in Poland) is restricted only for charity purposes.

Short-term deposits are made for varying periods depending on the immediate cash requirements of the Group and earn interest at rates on Euro deposits ranging from minus 0.60% to positive 0.01% (2021: minus 0.60% to positive 0.01%) per annum, for RON deposits from 0.68% to 3.75% (2021: 0.10% to 1.75%) per annum and for PLN deposits from minus 0.24% to nil (2021: minus 0.24% to nil) per annum. For RON deposits highest interest rate was earned on overnight deposits.

17 Financial Risk Management – Objective and Policies

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

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

17.1 Market Risk

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

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

17.1 a) Foreign currency risk

The Group has entities registered in several EU countries, with the majority of the 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 2022				31 December 2021			
	Denominated in				Denominated in			
Amounts in €'000 equivalent value	**RON**	**PLN**	**GBP**	**USD**	RON	PLN	GBP	USD
ASSETS								
Cash and cash equivalents	**25,778**	**20,605**	**4**	**16**	12,607	15,047	37	30
Trade and other receivables	**11,601**	**5,063**	**–**	**–**	9,391	6,269	–	–
Contract assets	**3,433**	**2,706**	**–**	**–**	4,352	1,601	–	–
Income tax receivable	**33**	**1,538**	**–**	**–**	33	74	–	–
Total	**40,845**	**29,912**	**4**	**16**	26,383	22,991	37	30
LIABILITIES								
Trade and other payables	**14,670**	**11,036**	**–**	**–**	15,490	10,063	–	–
Lease liability	**–**	**27,895**	**–**	**–**	–	29,206	–	–
Income tax payable	**204**	**310**	**–**	**–**	361	191	–	–
Guarantees from subcontractors	**1,020**	**2,047**	**–**	**–**	1,807	1,808	–	–
Deposits from tenants	**3,394**	**6,901**	**–**	**5**	3,503	6,713	–	5
Total	**19,288**	**48,189**	**–**	**5**	21,161	47,981	–	–
Net exposure	**21,557**	**(18,277)**	**4**	**11**	5,222	(24,990)	37	25

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.

	30 June 2022		31 December 2021	
All amounts in €'000	**Profit or (loss)**	**Equity**	Profit or (loss)	Equity
RON	**(1,078)**	**1,078**	(261)	(261)
PLN	**914**	**914**	1,192	1,192
USD	**(1)**	**(1)**	(1)	(1)
GBP	**(0)**	**(0)**	(2)	(2)

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

17.1 b) Interest Rate Risk

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

The Group's interest rate risk principally arises from interest-bearing loans and borrowings. As at 30 June 2022, the total outstanding balance of interest-bearing loans and borrowing 80.6% (2021: 91.5%) carry fixed rate interest, as a consequence, the Group is exposed to fair value interest rate risk, which has been disclosed under IFRS. As of 30 June 2022, the fair value of such fixed rate debt was lower by €118.3 million (31 December 2021: higher with €78 million) than the carrying value as disclosed in note 17.2 in the fair value hierarchy table.

Furthermore, as at 30 June 2022, from the total outstanding interest-bearing loans and borrowing balance 19.4% (2021: 8.5%) carry variable interest rate, which range from EURIBOR 1-month to EURIBOR 6-month rates, see note 13 for details on each individual loan. These loans expose the Group to cash flow interest rate risk and in order to minimise this risk, the Group hedged 21.8% (31 December 2021: 40.3%) of such variable interest rate exposure with fixed-variable interest rate swap instrument and interest rate cap instruments with strike price range from minimum 3% to 4%.

Based on the Group's debt balances at 30 June 2022, an increase or decrease of 100 basis points in the EURIBOR will result in an increase or decrease (net of tax) of interest expense by €2.9 million per annum (2021: €1.4 million per annum), with a corresponding impact on equity for the same amount, respectively.

17.2 Credit Risk

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

	Note	**30 June 2022 €'000**	31 December 2021 €'000
Financial assets measured at fair value through profit or loss	14	**7,397**	7,324
Equity investments		**12,628**	12,109
Loan receivable from joint venture	22	**47,226**	31,991
Trade receivables – net of provision	15	**15,556**	11,049
Contract assets		**6,138**	6,106
Other receivables	15	**237**	704
Guarantees retained by tenants		**47**	885
VAT and other taxes receivable	15	**1,975**	4,236
Income tax receivable		**1,769**	117
Cash and cash equivalents	16	**184,709**	418,748
		277,682	493,269

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

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

Contract assets and Trade Receivables

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

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

Estimates and assumptions used for impairment of trade receivables and contract assets

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

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

	30 June 2022 €'000	31 December 2021 €'000
Opening balance	**5,776**	4,976
Provision for specific doubtful debts	**130**	1,432
Reversal of provision for doubtful debts	**(191)**	(298)
Utilised	**(256)**	(188)
Foreign currency translation income	**14**	(146)
Closing balance	**5,473**	5,776

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

30 June 2022 (€'000)	**Neither past due nor impaired**	**due but not impaired**				
		<90 days	**<120 days**	**<365 days**	**>365 days**	**TOTAL**
Trade and other receivables – gross	**10,612**	**3,881**	**152**	**1,565**	**4,819**	**21,029**
Less: Specific provision	**–**	**44**	**50**	**199**	**4,819**	**5,112**
Less: Expected credit loss	**4**	**198**	**7**	**152**	**–**	**361**
Carrying amount	**10,612**	**3,639**	**95**	**1,214**	**–**	**15,559**
Expected credit loss rate	**0.0%**	**5.4%**	**7.4%**	**12.5%**	**–**	

31 December 2021 (€'000)	Neither past due nor impaired	due but not impaired				
		<90 days	<120 days	<365 days	>365 days	TOTAL
Trade and other receivables – gross	6,827	2,481	214	2,469	4,474	16,825
Less: Specific provision	–	103	62	707	4,474	5,346
Less: Expected credit loss	4	198	7	221	–	430
Carrying amount	6,823	2,540	145	1,541	–	11,049
Expected credit loss rate	0.1%	7.8%	4.8%	14.3%	–	

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.

VAT and other taxes receivable

This balance relates to corporate income tax paid in advance, VAT and other taxes receivable from the tax authorities in Romania and Poland. 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 credit rating profile (assigned by S&P, Moody's or Fitch) in upper medium grade range (i.e. A+ to A- for long-term and P-2, F1, F2 for short-term) for 73% (2021: 65%) of the cash and cash equivalents balance of the Group, in lower medium grade range (BBBs) for 27% (2021: 35%) of the cash and cash equivalents balance of the Group and insignificant amounts (2021: same) in non-investment grade. Surplus funds from operating activities are deposited only for short-term period, which are highly liquid with reputable institutions.

Loans receivable from joint ventures

The outstanding loan balance is neither past due nor impaired. Loans receivable from joint ventures are considered to be low credit risk where they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations.

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.

			Fair value hierarchy			
		Carrying amount	Level 1	Level 2	Level 3	Total
	Year	€000	€000	€000	€000	€000
Interest-bearing loans and borrowings	**2022**	**1,450,282**	**813,345**	**–**	**518,692**	**1,332,037**
(Note 13)	2021	1,633,920	1,330,142	–	381,567	1,711,709
Other current financial liabilities	**2022**	**47**	**–**	**47**	**–**	**47**
	2021	261	–	261	–	261
Financial asset at fair value through	**2022**	**7,397**	**–**	**–**	**7,397**	**7,397**
profit or loss	2021	7,324	–	–	7,324	7,324
Lease liabilities (note 3)	**2022**	**19,260**	**–**	**–**	**19,260**	**19,260**
	2021	20,065	–	–	20,065	20,065

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

17.3 Liquidity Risk

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

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

All amounts in €'000 30 June 2022	Contractual payment term					Difference from carrying amount	Carrying amount
	<3 months	3 months-1 year	1-5 years	>5 years	Total		
Interest-bearing loans and borrowings	**18,821**	**351,149**	**1,220,530**	**211,470**	**1,801,970**	**(351,688)**	**1,450,282**
Lease liability	**–**	**1,908**	**8,585**	**110,899**	**121,392**	**(102,132)**	**19,260**
Trade payables and guarantee retained from contracts (excluding advances from customers)	**14,637**	**16,421**	**2,246**	**253**	**33,558**	**(671)**	**32,887**
Other payables	**17**	**–**	**–**	**–**	**17**	**–**	**17**
Deposits from tenants	**16,461**	**1,070**	**2,785**	**940**	**21,256**	**(603)**	**20,653**
Income tax payable	**702**	**–**	**–**	**–**	**702**	**–**	**702**
Total	**50,638**	**370,548**	**1,234,146**	**323,562**	**1,978,895**	**(455,094)**	**1,523,801**

All amounts in €'000 31 December 2021	Contractual payment term					Difference from carrying amount	Carrying amount
	<3 months	3 months- 1 year	1-5 years	>5 years	Total		
Interest-bearing loans and borrowings	18,821	351,149	1,220,530	211,470	1,801,970	(168,050)	1,633,920
Lease liability	–	1,855	8,737	114,604	125,196	(105,131)	20,065
Trade payables and guarantee retained from contracts (excluding advances from customers)	18,863	17,601	3,696	0	39,990	1,292	41,282
Other payables	17	–	–	–	17	–	17
Provision for tenant lease incentives	–	–	–	–	0	–	–
Deposits from tenants	15,917	168	3,212	1,182	20,479	(567)	19,912
Income tax payable	550	–	–	–	550	–	550
Total	53,998	370,773	1,236,175	327,256	1,988,202	(272,456)	1,715,746

Other current financial liabilities

Other current financial liabilities represented the mark-to-market value of CAP instruments for covering the increase of 3-month EURIBOR above strikes of 3 and 4% interest rate capes, obtained from the counterparty financial institution and were valued at €0.05 million at 30 June 2022 (2021: €0.3 million). The fair value of derivative was developed in accordance with the requirements of IFRS 13. The swap agreement under which the Group was entitled to receive a floating rate of 1-month EURIBOR and was required to pay a fixed rate of interest of 3.62% p.a. matured in June 2022.

A financial income of €0.3 million (30 June 2021: €0.3 million), representing the fair value movement during the period, was recognised in the income statement for the period ended 30 June 2022.

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

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

18 Dividends

	30 June 2022 €'000	31 December 2021 €'000
Declared and paid during the period		
Interim cash dividend: €0.13 per share	**28,807**	66,358

On 10 March 2022, 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 2021 of €0.13 per ordinary share, which was paid on 01 April 2022 to the eligible shareholders.

19 Financial Position Key Performance Measures

The net assets value ("NAV"), EPRA Net Reinstatement Value ("EPRA NRV") 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 2022 €'000	31 December 2021 €'000
Net assets attributable to equity holders of the Company		**1,742,492**	1,738,629

Number of ordinary shares used for the calculation of:		**Number ('000)**	Number ('000)
– NAV per share	12	**221,373**	221,373
– Diluted NAV and EPRA NRV per share	12	**221,470**	221,373

	€	€
NAV per share	**7.87**	7.85
Diluted NAV per share	**7.87**	7.85

EPRA NRV Per Share	Note	30 June 2022 €'000	31 December 2021 €'000
Net assets attributable to equity holders of the Company		**1,742,492**	1,738,629
Exclude:			
Deferred tax liability on investment property	11	**190,868**	181,542
Fair value of interest rate swap instrument	17	**(48)**	236
Goodwill as a result of deferred tax		**(5,697)**	(5,697)
Adjustment in respect of the joint venture and non-controlling interests for above items		**3,134**	2,753
EPRA NRV attributable to equity holders of the Company		**1,930,749**	1,917,463

	€	€
EPRA NRV per share	**8.72**	8.66

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20 Share-Based Payment Reserve

Share-based payments reserve	Note	30 June 2022 €'000	31 December 2021 €'000
Executive share option plan reserve	20.1	**156**	156

Share-based payments expense	Note	30 June 2022 €'000	30 June 2021 €'000
Total expense during the period		–	432

20.1 Executive Share Option Plan

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

In 2013, the Group granted warrants to the Founder (at 30 June 2021 the unvested warrants were held by Zakiono Enterprises Limited) 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.

As of 30 June 2022, under the share option warrants scheme Zakiono Enterprises Limited had the right to subscribe in two tranches of 2.83 million ordinary shares in total (1.415 million for each tranche) 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 €10.00 per share and €12.50 per share for each tranche respectively. As defined per IAS 33 "Earnings per share" ordinary shares to be issued for each unvested share option warrants were not included in basic or diluted number of shares as disclosed in note 12.

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 ended 30 June 2022.

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

	30 June 2022		31 December 2021	
	Cost €'000	Number ('000)	Cost €'000	Number ('000)
Closing balance	**156**	**2,830**	156	2,830
Weighted average remaining contractual life (years)		**1.08**		1.58

There were no warrants vested and exercisable at 30 June 2022 (31 December 2021: same)

20.2 Treasury shares

	30 June 2022		31 December 2021	
	Amount €'000	Number ('000)	Amount €'000	Number ('000)
Opening balance	**(4,917)**	**(1,053)**	(12,977)	(2,109)
Shares for Executive Directors and other senior management employees	**-**	**-**	339	43
Shares for subsidiaries' employee share award plan	**-**	**-**	1,253	172
Shares for long-term incentive plan			1,476	130
Shares vested under the deferred annual bonus incentive plan	**-**	**-**	4,920	711
Dividend on treasury shares held by a subsidiary	**28**	**-**	72	-
Closing balance	**(4,889)**	**(1,053)**	(4,917)	(1,053)

21 Capital Management

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

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

	Note	**30 June 2022 €'000**	31 December 2021 €'000
Interest-bearing loans and borrowings (face value)	13	**1,472,786**	1,657,879
Less:			
Cash and cash equivalents	16	**184,709**	418,748
Group Interest-bearing loans and borrowings (net of cash)		**1,288,077**	1,239,131
Add:			
50% Share of Joint Ventures interest-bearing loans and borrowings		**7,658**	7,342
50% Share of Joint Ventures cash and cash equivalents		**(2,227)**	(846)
Combined Interest-bearing loans and borrowings (net of cash)		**1,293,509**	1,245,628
Group open market value as of financial position date		**3,101,820**	3,065,101
Add:			
50% Share of Joint Ventures open market value as of financial position date	22	**52,124**	43,350
Open market value as of financial position date		**3,153,944**	3,108,451
Loan-to-value ratio ("LTV")		**41.0%**	40.1%

Since the carrying value of lease liability closely matches with fair value of the investment property – leasehold under the applicable accounting policy as per IFRS 16 therefore both lease asset and liability, related to the right of perpetual usufruct of the lands, are excluded from the above calculation for the current and prior periods.

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

22 Investment in Joint ventures

Investments	Note	**30 June 2022 €'000**	31 December 2021 €'000
Opening balance		**16,917**	11,907
Share of profit during the period		**2,012**	5,010
Sub-total		**18,929**	16,917
Loans receivable from joint ventures			
Opening balance		**31,991**	16,451
Loan provided to the joint ventures		**17,173**	23,354
Loan repayments from the joint ventures		**(2,377)**	(8,111)
Interest repayment from the joint ventures		**(250)**	(536)
Interest income on the loans to joint ventures		**689**	833
Sub-total		**47,226**	31,991
TOTAL		**66,155**	48,908

22.1 Investments in the Joint Ventures

In April 2019, the Group's subsidiary, Globalworth Holdings Cyprus Limited, entered into a joint venture agreement with Bucharest Logistic Park SRL, through which it acquired a 50% shareholding interest (€0.09 million investment) in Global Logistics Chitila SRL ("Chitila Logistics Hub"), an unlisted company in Romania, owning land for further development, at acquisition date, in Chitila, Romania. As at 30 June 2022 and 31 December 2021, the investment properties were 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, at acquisition date, in Constanta, Romania. As at 30 June 2022 and 31 December 2021, the investment properties were classified as industrial segment for the Group.

Judgements and assumptions used for Joint Ventures

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

As at 30 June 2022, 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 2022 (2021: €nil), except construction commitments disclosed in note 6.

22.2 Summarised Statements of Financial Position of the Joint Ventures as at reporting date

The summarised statements of financial position of the joint ventures are disclosed below, which represents the assets and liabilities recognised in the financial statements of each joint venture without adjusting of the balance payable to or receivable from the Group. Transactions and balances receivable or payable between the Group and the individual joint ventures are disclosed in note 25.

	30 June 2022 €'000 Constanta Business Park	30 June 2022 €'000 Chitila Logistics Hub	30 June 2022 €'000 Combined	31 December 2021 €'000 Constanta Business Park	31 December 2021 €'000 Chitila Logistics Hub	31 December 2021 €'000 Combined
Completed investment property	**24,800**	**25,800**	**50,600**	12,900	14,000	26,900
Investment property under development/ Land bank – for further development	**36,647**	**17,000**	**53,647**	42,600	17,200	59,800
Other non-current assets	**12**	**137**	**149**	438	1,577	2,015
Total non-current assets	**61,459**	**42,937**	**104,396**	55,938	32,777	88,715
Other current assets	**424**	**1,297**	**1,721**	431	2,029	2,460
Cash and cash equivalents	**1,459**	**2,994**	**4,453**	1,364	327	1,691
Total assets	**63,342**	**47,228**	**110,570**	57,733	35,133	92,866
Loans payable to the Group	**13,303**	**33,921**	**47,224**	8,835	23,156	31,991
Bank loans (at amortised cost)	**7,671**	**7,613**	**14,484**	7,827	6,857	14,684
Loan from Joint venture partner	**573**	**3,142**	**3,715**	150	2,796	2,946
Deferred tax liability	**6,001**	**188**	**6,189**	5,505	-	5,505
Other non-current liabilities	**157**	**46**	**203**	157	12	169
Total non-current liabilities	**27,705**	**44,910**	**72,615**	22,474	32,821	55,295
Loan from Joint venture partner	**-**	**28**	**28**	15	290	305
Other current liabilities	**145**	**2,165**	**2,310**	2,473	3,168	5,641
Current portion of bank loans	**31**	**-**	**31**	-	-	-
Total liabilities	**27,882**	**47,103**	**74,985**	24,962	36,279	61,241
Net assets	**35,460**	**125**	**35,585**	32,771	(1,146)	31,625

The Group has signed loan facilities amounting to €59.2 million (2021: €54.1 million) with Chitila Logistics Hub and Constanta Business Park joint ventures to fund the development costs of the projects, out of which €13.3 million was available for future drawdown as of 30 June 2022 (2021: €23 million). Further details about the fair valuation of investment property owned by the Joint Ventures are disclosed in note 4.1.

22.3 Summarised Statements of Financial Performance of the Joint Ventures

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

	30 June 2022 €'000 Constanta Business Park	30 June 2022 €'000 Chitila Logistics Hub	30 June 2022 €'000 Combined	30 June 2021 €'000 Constanta Business Park	30 June 2021 €'000 Chitila Logistics Hub	30 June 2021 €'000 Combined
Revenue	**610**	**1,198**	**1,808**	428	343	771
Operating expenses	**(208)**	**(446)**	**(654)**	(187)	(234)	(421)
Administrative expenses	**(28)**	**(42)**	**(70)**	(33)	(22)	(55)
Fair value gain/(loss) on investment property	**2,932**	**1,140**	**4,072**	508	(3,675)	(3,167)
Foreign exchange loss	**-**	**(42)**	**(42)**	(5)	(13)	(18)
Profit/(loss) before net financing cost	**3,306**	**1,808**	**5,114**	711	(3,601)	(2,890)
Finance expense	**(124)**	**(355)**	**(479)**	(217)	(249)	(466)
Finance income	**4**	**6**	**10**	1	1	2
Income tax (expense)/income	**(497)**	**(188)**	**(685)**	(48)	541	493
Total comprehensive income for the period	**2,689**	**1,271**	**3,960**	447	(3,308)	(2,861)

Income tax expense mainly represents deferred tax (expense)/income on the valuation of investment property.

22.4 Share of profit/(loss) of equity-accounted investments in joint ventures

The following table presents a reconciliation between the profit/(loss) for the period ended 30 June 2022 and 30 June 2021 recorded in the individual financial statements of the joint ventures with the Share of profit recognised in the Group's financial statements under the equity method.

	30 June 2022 €'000 Constanta Business Park	**30 June 2022 €'000 Chitila Logistics Hub**	**30 June 2022 €'000 Combined**	30 June 2021 €'000 Constanta Business Park	30 June 2021 €'000 Chitila Logistics Hub	30 June 2021 €'000 Combined
Profit/(loss) for the period	**2,689**	**1,271**	**3,960**	447	(3,308)	(2,861)
Group 50% share of profit/(loss) for the period	**1,345**	**636**	**1,981**	224	(1,654)	(1,430)
Adjustments for transactions with the Group	**56**	**(25)**	**31**	114	43	157
Share of profit/ (loss) of equity-accounted investments in joint ventures	**1,401**	**611**	**2,012**	338	(1,611)	(1,273)

23 Investment in Subsidiaries

Details on all direct and indirect subsidiaries of the Company, over which the Group has control and consolidated as of 30 June 2022 and 31 December 2021, are disclosed in the table below. The Group did not have any restrictions (statutory, contractual or regulatory) on its ability to transfer cash or other assets (or settle liabilities) between the entities within the Group.

As of 30 June 2022, the Group consolidated the following subsidiaries, being holding companies as principal activities.

Subsidiary	Note	**30 June 2022 Shareholding interest (%)**	31 December 2021 Shareholding interest (%)	Place of incorporation
Globalworth Investment Advisers Limited		**100**	100	Guernsey, Channel Islands
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 Minory Investments Limited Globalworth Tech Limited		**100**	100	Cyprus
IB 14 Fundusz Inwestycyjny Zamkniety Aktywow Niepublicznych Lima Sp. z o.o.				

As of 30 June 2022, the Group consolidated the following subsidiaries, which own real estate assets in Romania and Poland, being asset holding companies as their principal activities, except for Globalworth Building Management SRL, GPRE Property Management Sp. z o.o. and GPRE Management Sp. z o.o. with building management activities in Romania and Poland, and Fundatia Globalworth in Romania and Fundacja Globalworth in Poland, non-profit organisations with corporate social responsibility activities.

Subsidiary	Note	**30 June 2022 Shareholding interest (%)**	31 December 2021 Shareholding interest (%)	Place of incorporation
Aserat Properties SRL				
BOB Development SRL				
BOC Real Property SRL				
Corinthian Five SRL				
Corinthian Tower SRL				
Corinthian Twin Tower SRL				
Elgan Automotive SRL				
Elgan Offices SRL				
Globalworth Asset Managers SRL				
Globalworth Building Management SRL		**100**	100	Romania
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				
Industrial Park West SRL				
Nord 50 Herastrau Premium SRL				
Otopeni Logistics Hub SRL	23.3	**100**	n/a	Romania
West Logistics Hub SRL	23.3	**100**	n/a	Romania
North Logistics Hub SRL	23.3	**75**	n/a	Romania
Logistics Hub Chitila SRL	23.3	**75**	n/a	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.				
GPRE Property Management Sp. z o.o.				
GPRE Management Sp. z o.o.				
A4 Business Park Sp. z o.o.				
West Link Sp. z o.o.				
Lamantia Sp. z o.o.				
Dom Handlowy Renoma Sp. z o.o.				
Nordic Park Offices Sp. z o.o.				
Warta Tower Sp. z o.o.		**100**	100	Poland
Quattro Business Park Sp. z o.o.				
West Gate Sp. z o.o.				
Gold Project Sp. z o.o.				
Spektrum Tower Sp. z o.o.				
Warsaw Trade Tower 2 Sp. z o.o.				
Rondo Business Park Sp. z o.o.				
Artigo Sp. z o.o.				
Ingadi Sp. z o.o.				
Imbali Sp. z o.o.				
Kusini Sp. z o.o.				
Podium Park Sp. z o.o.				
Fundacja Globalworth				

23.1 Subsidiaries under liquidation process

Following companies are dormant and have applied for the voluntary liquation during 2020: Casalia Holdings Limited, Dunvant Holding Limited, Oystermouth Holding Limited, Pieranu Enterprises Limited, Ramoro Limited and Vaniasa Holdings Limited.

23.2 Mergers during the period

Kinolta Investments Limited was merged in Globalworth Holdings Cyprus Limited, a company registered in Cyprus, on 11 January 2022.

23.3 New Subsidiaries

On 27 January 2022, two new subsidiaries, named Otopeni Logistics Hub SRL and West Logistics Hub SRL respectively, were set up for future projects.

On 3 March 2022 and 4 April 2022, two new subsidiaries, named North Logistics Hub SRL and Logistic Hub Chitila SRL respectively, were set up for future projects in partnership with Catted Industrial SRL being a minority interest shareholder representing 25% equity shareholding in the subsidiaries.

This section includes segmental disclosures highlighting the core areas of Globalworth's operations in the Office, 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, mixed-use and other (industrial) segments. This section also includes the transactions with related parties, new standards and amendments, contingencies that existed at the period end and details on significant events which occurred subsequent to the period end.

24 Segmental Information

The Group earns revenue and holds non-current assets (investment properties) in Romania and Poland, the geographical area of its operations. For investment property, discrete financial information is provided on a property-by-property basis (including those under construction or refurbishment) to members of executive management, which collectively comprise the Executive Directors of the Group. The information provided is Net Operating Income ('NOI' i.e. gross rental income less property expenses) and valuation gains/losses from property valuation at each semi-annual basis. The individual properties are aggregated into Office, Mixed-use, Industrial and Residential segments. Industrial property segment and head office segments are presented on collective basis as Others in the table below since their individual assets, revenue and absolute profit (or loss) are below 10% of all combined total asset, total revenue and total absolute profit (or loss) of all segments. All other segments disclosed separately as these meets 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), Mixed-use and the Other segment (acquires, develops, leases and manages industrial spaces and corporate office). Share-based payments expense is not allocated to individual segments as underlying instruments are managed at Group basis. Segment assets and liabilities reported to executive management on a segmental basis are set out below:

30 June 2022

	Office	Mixed-use	Residential	Other	Inter-segment eliminations	Total
	€'000	€'000	€'000	€'000	€'000	€'000
Rental income – Total	64,042	5,686	798	4,911	(223)	75,214
Romania	30,878	–	798	4,911	(141)	36,446
Poland	33,164	5,686	–	–	(82)	38,768
Revenue from contract with customers - Total	34,382	3,700	411	4,368	(1,524)	41,337
Romania	14,569	–	411	4,368	(315)	19,033
Poland	19,813	3,700	–	–	(1,209)	22,304
Revenue-total	98,424	9,386	1,209	9,279	(1,747)	116,551
Operating expenses	(37,539)	(4,652)	(489)	(4,443)	427	(46,696)
Segment NOI	60,885	4,734	720	4,836	(1,320)	69,855
NOI - Romania	28,886	–	720	4,836	(402)	34,040
NOI – Poland	31,999	4,734	–	–	(918)	35,815
Administrative expenses	(4,347)	(85)	(25)	(2,027)	-	(6,484)
Acquisition costs	–	–	–	(7)	–	(7)
Fair value (loss)/gain on investment property	(4,311)	(2,104)	45	13,389	–	7,019
Depreciation and amortisation expense	(285)	–	(10)	(14)	–	(309)
Other expenses	(98)	38	* (660)	–	–	(720)
Other income	290	19	1	2	(17)	295
Foreign exchange (loss)/gain	208	102	2	(5)	–	307
Finance cost	(4,509)	(139)	(3)	(22,896)	–	(27,547)
Finance income	465	–	16	698	–	1,179
Segment result	48,298	2,565	86	(6,024)	(1,337)	43,588
Gain from fair value of financial instruments	73	–	–	–	–	73
Share of (loss)/profit of equity-accounted investments in joint ventures	–	–	–	2,012	–	2,012
Profit/(loss) before tax	48,371	2,565	86	(4,012)	(1,337)	45,673

* Other expenses include a loss on sale of non-core investment property (residential apartments) of €654 thousand (30 June 2021: €162 thousand).

30 June 2021

	Office €'000	Mixed-use €'000	Residential €'000	Other €'000	Inter-segment eliminations €'000	Total €'000
Rental income – Total	65,374	5,168	786	4,273	(223)	75,378
Romania	28,491	–	786	4,273	(141)	33,409
Poland	36,883	5,168	–	–	(82)	41,969
Revenue from contract with customers - Total	28,231	2,571	253	3,035	(1,358)	32,732
Romania	13,459	–	253	3,035	(256)	16,491
Poland	14,772	2,571	–	–	(1,102)	16,241
Revenue-total	93,605	7,739	1,039	7,308	(1,581)	108,110
Operating expenses	(29,740)	(3,276)	(419)	(2,947)	425	(35,957)
Segment NOI	63,865	4,463	620	4,361	(1,156)	72,153
NOI - Romania	27,152	–	620	4,361	(350)	31,783
NOI – Poland	36,713	4,463	–	–	(806)	40,370
Administrative expenses	(5,790)	(336)	(107)	(3,702)	612	(9,323)
Acquisition costs	–	–	–	–	–	–
Fair value (loss)/gain on investment property	(11,475)	(6,181)	(576)	3,529	–	(14,703)
Depreciation on other long-term assets	(213)	–	(27)	(19)	–	(259)
Other expenses	(649)	18	* (164)	–	–	(795)
Other income	220	15	–	255	(14)	476
Foreign exchange (loss)/gain	39	(48)	(13)	(28)	–	(50)
Finance cost	(4,635)	(250)	(1)	(22,637)	–	(27,523)
Finance income	488	–	9	342	–	839
Segment result	41,850	(2,319)	(259)	(17,899)	(558)	20,815
Share-based payment expense	–	–	–	(432)	–	(432)
Gain from fair value of financial instruments	(243)	–	–	–	–	(243)
Share of (loss)/profit of equity-accounted investments in joint ventures	–	–	–	(1,273)	–	(1,273)
Profit/(loss) before tax	41,607	(2,319)	(259)	(19,604)	(558)	18,867

Revenues are derived from a large number of tenants and no tenant contributes more than 10% of the Group's rental revenues for the period ended 30 June 2022 (30 June 2021: €nil).

30 June 2022

Segments	**Office €'000**	**Mixed-use €'000**	**Residential €'000**	**Other €'000**	**Inter segment eliminations €'000**	**Total €'000**
Segment non-current assets	**2,467,119**	**290,736**	**58,163**	**191,094**	**(1,424)**	**3,005,689**
Romania	**1,224,500**	**–**	**58,163**	**191,094**	**(257)**	**1,473,500**
Poland	**1,242,619**	**290,736**	**–**	**–**	**(1,167)**	**1,532,189**
Total assets	**3,892,626**	**298,655**	**61,447**	**201,252**	**(1,744)**	**3,452,236**
Total liabilities	**557,278**	**22,955**	**4,215**	**1,110,793**	**(210)**	**1,695,031**
Additions to non-current assets						
– Romania	**5,732**	**–**	**66**	**11,510**	**–**	**17,308**
– Poland	**13,575**	**5,660**	**–**	**–**	**–**	**19,235**

31 December 2021

Segments	Office €'000	Mixed-use €'000	Residential €'000	Other €'000	Inter segment eliminations €'000	Total €'000
Segment non-current assets	2,448,634	287,342	65,494	166,142	(1,532)	2,966,080
Romania	1,220,900	–	65,494	166,142	(205)	1,452,331
Poland	1,227,734	287,342	–	–	(1,327)	1,513,749
Total assets	3,092,367	294,007	68,863	174,203	(1,957)	3,627,483
Total liabilities	554,962	21,752	4,881	1,292,863	(331)	1,874,127
Additions to non-current assets						
– Romania	29,775	–	482	28,379	–	58,636
– Poland	25,397	8,568	–	–	–	33,965

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

25 Transactions with Related Parties

The Group's related parties are Joint ventures, the Company's Executive and Non-Executive Directors, key other Executives, as well as all the 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 transaction/balances Amounts**	**30 June 2022 €'000**	30 June 2021 €'000	**30 June 2022 €'000**	31 December 2021 €'000
Global Logistics Chitila SRL (50% Joint Venture)	Shareholder loan receivable	**-**	-	**33,921**	23,156
	Trade and other receivables	**-**	-	**12**	11
	Finance income	**476**	122	**-**	-
	Office rent	**6**	6	**-**	-
	Asset management fees	**20**	9	**-**	-
Black Sea Vision SRL (50% Joint Venture)	Shareholder loan receivable	**-**	-	**13,303**	8,835
	Trade and other receivables	**-**	-	**7**	12
	Finance income	**212**	213	**-**	-
	Office rent	**6**	6	**-**	-
	Asset management fees	**11**	9	**-**	-
Mr. Dimitris Raptis (Chief Executive Officer)	Rent revenue	**1**	1	**0.7**	0

26 New and Amended Standards

Starting from 1 January 2022 the Group adopted the following amended standards and interpretations. The new amendments had no significant impact on the Group's financial position and performance.

Narrow scope amendments and new Standards	**Effective Date (EU endorsement)**
Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and Annual Improvements 2018-2020	**Jan-22**

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 on the Group's consolidated financial statements.

Narrow scope amendments and new Standards	**Effective Date (EU endorsement)**
IFRS 17 Insurance Contracts	**Jan-23**
Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	**Jan-23**
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies	**Jan-23**
Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	**Jan-23**
Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	**Jan-23**
Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information	**Jan-23**
Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	**Deferred**

27 Contingencies

Taxation

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

Transfer Pricing

According to the applicable relevant tax legislation in Romania and Poland, the tax assessment of related party transactions is based on the concept of market value for the respective transfers. Following this concept, the transfer prices should be

adjusted so that they reflect the market prices that would have been set between unrelated companies acting independently (i.e. based on the “arm’s length principle”). It is likely that transfer pricing reviews will be undertaken in the future in order to assess whether the transfer pricing policy observes the “arm’s length principle” and therefore no distortion exists that may affect the taxable base of the taxpayer in Romania and Poland.

Legal Proceedings

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

28 Subsequent events

On 31 August 2022, the Company announced that its Board of Directors had approved the payment of an interim dividend in respect of the six-month financial period ended 30 June 2022 of €0.14 per ordinary share, which will be paid on 30 September 2022 to shareholders on the register as at close of business on 9 September 2022 with a corresponding ex-dividend date of 8 September 2022.

ADDITIONAL INFORMATION

EPRA NAV Metrics

	EPRA NRV 30-Jun-22 €'000	EPRA NRV 31-Dec-21 €'000	EPRA NTA 30-Jun-22 €'000	EPRA NTA 31-Dec-21 €'000	EPRA NDV 30-Jun-22 €'000	EPRA NDV 31-Dec-21 €'000
Net assets attributable to equity holders of the parent	1,742,492	1,738,629	1,742,492	1,738,629	1,742,492	1,738,629
Include / exclude						
I) Hybrid instruments	–	–	–	–	–	–
Diluted NAV	**1,742,492**	**1,738,629**	**1,742,492**	**1,738,629**	**1,742,492**	**1,738,629**
Include:						
II. a) Revaluation of IP (if IAS 40 cost option is used)	–	–	–	–	–	–
II. b) Revaluation of IPUC (if IAS 40 cost option is used)	–	–	–	–	–	–
II. c) Revaluation of other non-current investments	–	–	–	–	–	–
III.) Revaluation of tenant leases held as finance leases	–	–	–	–	–	–
IV.) Revaluation of trading properties	–	–	–	–	–	–
Diluted NAV at fair value	**1,742,492**	**1,738,629**	**1,742,492**	**1,738,629**	**1,742,492**	**1,738,629**
Exclude:						
V) Deferred tax in relation to fair value gains of IP	190,868	181,542	95,434	90,771	n/a	n/a
VI) Fair value of financial instruments	(48)	236	(48)	236	(48)	236
VII) Goodwill as a result of deferred tax	(5,697)	(5,697)	(5,697)	(5,697)	(5,697)	(5,697)
VIII. a) Goodwill as per the IFRS balance sheet	n/a	n/a	(6,652)	(6,652)	(6,652)	(6,652)
VIII. b) Intangibles as per the IFRS balance sheet	n/a	n/a	(41)	(73)	(41)	(73)
IX) Adjustment in respect of joint venture and NCI share for above items	3,134	2,753	3,134	2,753	n/a	n/a
Include:						
IX) Fair value of fixed interest rate debt	n/a	n/a	n/a	n/a	118,246	(77,789)
X) Revaluation of intangibles to fair value	n/a	n/a	n/a	n/a	n/a	n/a
XI) Real estate transfer tax / acquisition costs	–	–	–	–	n/a	n/a
NAV	**1,930,749**	**1,917,463**	**1,828,622**	**1,819,967**	**1,848,300**	**1,648,654**
Fully diluted number of shares	221,470	221,373	221,470	221,373	221,470	221,373
NAV per share (EUR)	8.72	8.66	8.26	8.22	8.35	7.45

STANDING PORTFOLIO - BREAKDOWN BY LOCATION & TYPE

(data as of 30 June 2022)

	Number of		Value	Area	Occupancy Rate	Rent			Contracted Headline Rent / Sqm or Unit		
	Investments (#)	Properties (#)	GAV (€m)	GLA (k sqm)	by GLA (%)	Contracted Rent (€m)	WALL Years	100% Rent (€m)	Office (€/sqm/m)	Commercial (€/sqm/m)	Industrial (€/sqm/m)
Office & Mixed-Use Portfolio											
Bucharest New CBD	8	12	898.9	344.6	89.4%	57.3	4.6	64.0	14.0	13.9	--
Bucharest Other	4	6	285.9	118.2	94.3%	19.0	5.7	20.6	13.6	13.2	--
Romania: Office	**12**	**18**	**1,184.8**	**462.8**	**90.6%**	**76.4**	**4.8**	**84.6**	**13.9**	**13.7**	**--**
Warsaw	9	14	720.2	210.9	76.6%	38.2	3.8	49.1	17.7	17.8	--
Krakow	4	12	334.5	150.1	83.6%	22.5	2.7	26.8	13.6	13.6	--
Wroclaw	2	3	148.9	56.6	99.0%	9.4	5.6	9.5	13.1	13.0	--
Lodz	1	2	68.5	35.5	85.8%	4.6	5.0	5.4	11.6	11.8	--
Katowice	2	5	129.5	63.3	89.0%	9.3	4.0	10.4	12.8	12.5	--
Gdansk	1	1	57.5	25.6	99.6%	4.4	3.2	4.4	13.3	13.1	--
Poland: Office & Mixed-Use	**19**	**37**	**1,459.2**	**542.1**	**84.0%**	**88.3**	**3.8**	**105.7**	**14.7**	**14.7**	**--**
Total Office & Mixed-Use Portfolio	**31**	**55**	**2,644.0**	**1,004.9**	**87.1%**	**164.7**	**4.3**	**190.2**	**14.3**	**14.3**	**--**
Logistics / Light-Industrial											
Timisoara	2	6	86.8	140.3	83.6%	5.5	5.3	6.5	6.5	3.9	3.6
Arad	1	1	16.6	20.1	100.0%	1.2	12.6	1.2	6.5	4.8	4.5
Oradea	1	1	5.9	6.9	100.0%	0.4	13.2	0.4	5.2	4.9	4.8
Pitesti	1	2	59.4	75.2	100.0%	4.2	8.6	4.2	5.1	4.6	4.6
Constanta	1	2	24.8	40.6	89.3%	1.7	6.0	1.9	7.3	3.7	3.4
Bucharest	2	3	33.1	46.9	96.4%	2.5	7.1	2.5	7.5	4.3	3.9
Total Industrial Portfolio	**8**	**15**	**226.6**	**330.0**	**91.2%**	**15.4**	**7.3**	**16.8**	**6.5**	**4.2**	**4.0**
Other Portfolio											
Bucharest New CBD Upground Complex - Residential	1	1	48.2	25.7	nm	0.9	2.3	0.9	--	--	--
Bucharest New CBD Upground Complex - Commercial	--	--	9.9	6.0	95.6%	0.7	9.9	0.7	--	9.8	--
Total Other Portfolio			**58.1**	**31.6**	**nm**	**1.6**	**5.7**	**1.6**	**--**	**9.8**	**--**
Total Standing Commercial Portfolio	**39**	**70**	**2,880.5**	**1,340.8**	**88.1%**	**180.8**	**4.5**	**207.8**	**14.1**	**11.7**	**4.0**
Of which Romania	*20*	*33*	*1,421.3*	*798.8*	*90.9%*	*92.5*	*5.3*	*102.1*	*13.4*	*9.8*	*4.0*
Of which Poland	*19*	*37*	*1,459.2*	*542.1*	*84.0%*	*88.3*	*3.8*	*105.7*	*14.7*	*14.7*	*--*

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 2022, plus those properties held as Joint Ventures (currently the lands relating to Chitila Logistics Hub and Constanta Business Park projects) presented at 100%.

Completed Investment Property

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

Completion Dates

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

Contracted Rent

The annualised headline rent as at 30 June 2021 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 or period.

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 (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.

EDGE

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

EPRA

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

EPRA Earnings

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

EPRA Earnings Per Share

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

EPRA Net Assets Value (“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. This metric was used at year or period ends up to 31 December 2021.

EPRA Net Reinstatement Value (“EPRA NRV”)

The objective of the EPRA Net Reinstatement Value measure is to highlight the value of net assets on a long-term basis. Assets and liabilities that are not expected to crystallise in normal circumstances such as the fair value movements on financial derivatives and deferred taxes on property valuation surpluses are therefore excluded. Since the aim of the metric is to also reflect what would be needed to recreate the company through the investment markets based on its current capital and financing structure, related costs such as real estate transfer taxes are included, as applicable. This metric is used by the Group from 2021 onwards as an equivalent to the previously used EPRA NAV metric.

EPRA Net Tangible Assets (“EPRA NTA”)

The underlying assumption behind the EPRA Net Tangible Assets calculation assumes entities buy and sell assets, thereby crystallising certain levels of deferred tax liability.

EPRA Net Disposal Value (“EPRA NDV”)

The EPRA Net Disposal Value provides the reader with a scenario where deferred tax, financial instruments, and certain other adjustments are calculated as to the full extent of their liability, including tax exposure not reflected in the Balance Sheet, net of any resulting tax. This measure should not be viewed as a “liquidation NAV” because, in many cases, fair values do not represent liquidation values.

EPRA NAV, EPRA NRV, EPRA NTA, EPRA NDV Per Share

EPRA NAV, or EPRA NRV, or EPRA NTA, or EPRA NDV divided by the diluted number of shares outstanding at the year or period end.

Estimated Rental Value (“ERV”)

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

Estimated Vacancy Rates

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

EURIBOR

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

Financial Year

Period from 1 January to 31 December.

FFO

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

GLA

Gross leasable area.

IFRS

International Financial Reporting Standards as adopted by the European Union.

Interest Cover Ratio ("ICR")

Calculated as net operating income divided by the debt service / interest.

Investment

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

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 includes 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 certain vacant spaces in certain properties owned in Poland.

MSCI

MSCI is an international finance company headquartered in New York City and listed on New York Stock Exchange and serves as a global provider of equity, fixed income, hedge fund stock market indexes, multi-asset portfolio analysis tools and ESG products. An MSCI ESG Rating is designed to measure a company's resilience to long-term, industry material environmental, social and governance (ESG) risks.

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).

Occupancy Rate

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

Passing Rent

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

Open Market Value ("OMV" or "GAV")

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

Property Under Development

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

Residual Value Method

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

ROBOR

Romanian Interbank Offer Rate.

Sales Comparison Approach

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

SPA

Share sale purchase agreement.

SQM

Square metres.

The Company or the Group

Globalworth Real Estate Investments Limited and its subsidiaries.

The Investment Adviser

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

Total Unencumbered Assets Ratio

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

Unsecured Consolidated Total Assets

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

WALL

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

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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