

GLOBALWORTH REAL ESTATE INVESTMENTS LIMITED

**INTERIM REPORT AND UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS**

30 JUNE 2023

TABLE OF CONTENTS

Financial Highlights: H1-2023	3
Chief Executive's Review	4
Management Review	7
Financial Review	22
Unaudited Interim Condensed Consolidated Financial Statements	29
Additional Information	67
Glossary	69
Company Directory	73

FINANCIAL HIGHLIGHTS: H1-2023

Combined portfolio open
market value

€3.1bn

-2.4% on YE-22

Shareholders' equity

€1.6bn

-1.6% on YE-22

EPRA NRV per share

€7.55

-8.9% on YE-22

IFRS Earnings before tax

-€44.3m

+€45.7m in H1-22

Adjusted normalised EBITDA

€66.0m

+4.1% on H1-22

Net Operating Income

€73.7m

+5.6% on H1-22

IFRS Earnings per share

-11 cents

+15 cents in H1-22

EPRA Earnings per share

15 cents

-6.3% on H1-22

Dividends paid in H1-23

15 cents

+15.4% on H1-22

CHIEF EXECUTIVE'S REVIEW

Dear Stakeholders,

We have started the year amid high inflation and continued geopolitical uncertainties that have driven interest rates to their highest levels in the last 10 years, which will in all likelihood lead to subdued economic growth in CEE and EU, during the next two years. Nevertheless, there are signs that inflation is abating and in the absence of other shocks, we expect a gradual return to a sustainable improvement of GDP growth and improving real estate market conditions.

The European Commission has revised its EU GDP forecast upwards to 1.0% in May, with Poland and Romania, expected to have GDP growth of 0.7% and 3.2% respectively, in 2023.

Globalworth's performance throughout the business remained resilient, despite global challenges, as we continued to implement our "local landlord" approach, with an increasing focus on sustainability.

Our initiatives encompassed investments in both existing and new high-quality properties, the diligent management of our portfolio to preserve and enhance our operational performance, and the maintenance of an efficient and flexible capital structure, resulting in a robust overall performance. All of this was achieved while simultaneously providing a safe and healthy environment for our people, tenants, and communities to work, visit, and engage with.

At this point, I would like to express my gratitude to all our team members for their positive attitude, dedication, and commitment, as well as extend our appreciation to our shareholders, partners, and communities for their unwavering support in helping us achieve these results.

Investment in Our Portfolio

Our portfolio predominantly consists of Class "A" office spaces. Nevertheless, during the first half of 2023, we directed our development efforts towards high-quality logistics facilities in Romania and the redevelopment of two mixed-use properties in Poland.

Consequently, in H1-2023, we successfully completed the construction of the Targu Mures Logistics Hub, encompassing a total of 18.3k square meters of Gross Lettable Area (GLA), fully leased to highly credible tenants. Simultaneously, progress continued on the development of the two final phases within Stefanesti Business Park, situated in the Bucharest Greater Area, which upon completion will contribute an additional 13.3k square meters of GLA to our industrial/light logistics portfolio in Romania.

In 2023, we anticipate the conclusion of refurbishment works on two out of the three mixed-use properties in our Polish portfolio. This will result in the enhancement and expansion of their office space offerings. For our other existing properties, we remain committed to ongoing investments aimed at preserving and, where necessary, enhancing their quality.

Beyond the overall positive tone of our operational performance and owing to the prevailing economic uncertainties and challenging market conditions, the value of our like-for-like standing commercial portfolio, as well as our total combined portfolio, decreased during the first half of 2023 by 3.0% to €2.8 billion and 2.5% to €3.1 billion, respectively. This decline is primarily attributable to the effects of revaluations in June 2023.

Our Leasing and Occupancy

The leasing of spaces within our portfolio constitutes a pivotal determinant of our business's success. It brings me satisfaction to report that during the initial half of 2023, we adeptly managed the leasing of 181.0k square meters of commercial spaces, with a Weighted Average Lease Length (WALL) of 6.9 years. This achievement is particularly noteworthy in light of the persistently demanding market conditions.

As of June 30, 2023, the average occupancy rate across our combined commercial portfolio stood at 85.5% (including tenant options, this figure reached 85.7%), exhibiting marginal fluctuation in comparison to the year-end 2022 statistics, which indicated 85.6% (or 85.9% including tenant options). Following the sale of Warta Tower in July 2023, a property that had become fully vacant by the close of June, our standing commercial occupancy, when adjusted, rose to 87.7%.

In both the Polish and Romanian markets, higher construction costs and interest rates have led to a reduction in development activity and significantly constrained new supply. Consequently, the forthcoming years are anticipated to witness a diminished availability of top-tier office spaces in central locations, below the average levels witnessed in previous periods, potentially driving higher tenant demand for existing properties.

CHIEF EXECUTIVE'S REVIEW

Furthermore, the divergence between A-grade properties of robust ESG credentials and B-grade properties has been growing, both from an investment and leasing perspective. This development is poised to generate benefits to our portfolio of high-quality properties in the future.

Headline rental rates have remained stable, and the combination of reduced supply and high inflation is anticipated to serve as a strong buffer against the adverse impact of a decline in tenant demand due to a weakening economic landscape.

Notably, total annualised contracted rent experienced a 6.8% surge, reaching €202.2 million compared to the year-end 2022 figures. Like-for-like annualised commercial contracted rents within our standing commercial portfolio exhibited a 5.4% upswing, at €191.0 million by the close of the first half of 2023.

Our Financial Results

Gross rental income increased with €5.1 million compared to the first half of last year as an effect of indexation of 8.8% that partially offset by the reduced rates at which existing leases were renewed for extended period or new leases were signed.

Furthermore, a decline in service charge income amounting to €3.0 million, offset by a reduction in operating expenses of €1.4 million, culminated in a Net Operating Income that surged by 5.6%, reaching €3.9 million, when compared to H1 2022.

Nonetheless, our adjusted normalised EBITDA exhibited a 4.1% increase, reaching €66.0 million, attributable to the favourable effects stemming from cost savings in recurring administrative and other expenditure categories.

Regrettably, our net result for the initial half of 2023 amounted to a net loss of €25.1 million, in contrast to the net profit of €32.6 million recorded in H1 2022. This transformation was primarily precipitated by a fair value loss on investment property, albeit partially offset by an augmented finance income resulting from the buyback of €100 million in bonds.

Dividend

During the March 2023, we announced the second interim dividend of €0.15 per share in respect of the six-month financial period ended 31 December 2022 with a scrip dividend alternative at a reference price of €2.28 per scrip to preserve liquidity. Approximately 98.1% of the shareholders elected to receive scrip dividend shares thus resulting in only €0.6 million cash dividend outflow.

Similarly, on 30 August 2023, we announced for the first six-months of 2023 an interim dividend of €0.14 per share along with a scrip dividend alternative at a reference price based on a 20% discount to five consecutive dealing days until the 13 September 2023. As communicated in the scrip circular, the Company has received irrevocable undertakings from approximately 92% of its shareholders to elect for the Scrip Dividend alternative shares in respect of all of their full cash entitlement to the Interim Dividend. Therefore, we expect the net cash outflow amount from the cash dividend component to be minimal similarly to March 2023.

Balance Sheet

We are mostly focused on our liquidity initiatives, including deploying extra cash resources in unsecured note buybacks by taking advantage of short-term discount opportunities. We are also executing our liability management strategy by extending near-term secured facilities and progressively arranging new secured facilities for 5 to 10 year terms with local and regional banks in our markets. Our strong presence in the two capital cities, Bucharest and Warsaw, with several commercial office buildings having occupancy above 85% and high ESG credentials, provides us with a unique strength in sourcing additional secured facilities in the short term.

It is important to note that Globalworth has no material debt maturing until March 2025. Additionally, as of 30 June 2023, we have €130 million in cash and cash equivalents, which was further strengthened by the additional sale proceeds from Warta Tower in July. We also have a further €265 million in undrawn debt facilities, out of which €50 million is available to draw until December 31, 2025.

In addition, during the interim period, we repurchased 2025 notes with a face value of €100 million at a discounted price of €83.17 from utilising our existing cash resources. This brought down our leverage ratio to 42.7% LTV, which is the same as it was on December 31, 2022, despite a 3% decline in the value of our like-for-like standing commercial portfolio.

CHIEF EXECUTIVE'S REVIEW

The EPRA Net Reinstatement Value (NRV) as of 30 June 2023 was €1.8 billion, or €7.55 per share. This represents an 8.9% decrease from €8.29 per share on December 31, 2022. The decrease was primarily due to the issuance of a €14.3 million scrip dividend shares in April 2023, which diluted the NRV per share as well as a valuation loss on the property portfolio in H1-2023. This was partially mitigated by higher rental growth from indexation.

Fitch Ratings re-affirmed, in July 2023, Globalworth's investment grade rating and changed the outlook to negative following their 2023 annual review of Globalworth. S&P downgraded Globalworth's credit rating to BB+ with a stable outlook.

Environmental and social

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

We continued investing in our green portfolio and, during the first six months of 2023, we certified or recertified 15 properties. At the end of June 2023, we had 52 green-certified properties valued at €2.4 billion.

In addition, our environmental target to reduce GHG emissions intensity by 46% by 2030 versus our baseline 2019 levels (for Scope 1 and 2) was validated by the globally recognised Science Based Targets initiative (SBTi).

Management change

Stamatis Sapkas, Group CFO, who has contributed significantly to our financial leadership during their tenure decided to step down in June, in order to pursue personal and professional opportunities. Stamatis' responsibilities will be assumed by Mr. Rashid Mukhtar, a dedicated member of our team since 2013, known for his capable financial stewardship and deep understanding of our company's financial landscape.

Outlook

Despite prevailing challenges such as inflation and heightened stresses induced by higher nominal rates in the financing markets, there are discernible signs of macroeconomic variables stabilising. Barring the emergence of unforeseen disruptions, both financial and real estate markets are anticipated to further solidify their stability.

The limited supply of office spaces is expected to act as a catalyst, propelling rents and occupancy rates upwards, thereby fostering robust fundamentals for the office market. However, it is imperative that risks associated with ESG-related capital expenditures are diligently managed and addressed in a manner that enhances overall value.

Over the past 12 months, our primary focal point has remained unwavering – maintaining operational excellence and safeguarding a level of liquidity that positions us to uphold a prudent capital structure while seizing investment opportunities as they materialise.

Dennis Selinas

Chief Executive Officer

18 September 2023

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 Targu Mures Logistics Hub, adding 18.3k sqm of spaces to our portfolio.
 - Two high-quality logistics facilities under construction expected to add 13.3k 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

Review of Developments

In H1-2023, 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 three logistics facilities under construction, of which Targu Mures Logistic Hub was delivered in the first half and the other two to be delivered in the second half of the year, while the refurbishment/repositioning works of two (of the three) mixed-use properties continued throughout the period.

New Delivery

In the first half of 2023, we delivered our first project in Targu Mures with a leasable area of 18.3k sqm. At the end of June, the project, which is held through a JV partnership, was 100% let to two large multinational companies, Friesland Campina and EKR Elektrokontakt (Nexans Group).

Delivery

	Targu Mures Logistic Hub*
Location	Targu Mures
GLA (k sqm)	18.3
Occupancy (%)	100.0%
Development Cost** (€ m)	16.2
GAV (€ m)	13.2
Contracted Rent (€ m)	1.5
WALL (years)	10.2
Estimated Yield on Development Cost	9.0%

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

(**) Development cost includes amounts to be spent post delivery in order to accommodate additional tenant requests that yet to be reflected in GAV value at 30 June 2023

Current Developments & Refurbishment / Repositioning Projects

In the first 6 months of 2023, we continued with the developing of the second and third phase of our Business Park Stefanesti which is located Northeast of Bucharest, expecting that these facilities will, on completion, further increase our footprint with 13.3k sqm of high-quality GLA.

Business Park Stefanesti, which is our second small business units investment in Bucharest area, offers easy access to the Bucharest Ring Road and allows for a quick connection to the centre of Bucharest via the A3 motorway. The project comprises three buildings, the first one being delivered in November 2022 and, as of June 2023, being 100% leased to Delivery Solutions SRL, one of the leading delivery companies in Romania, while the second and third phase are, in average, 34.8% pre-let by the end of June 2023.

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.

MANAGEMENT REVIEW

- 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 in Renoma and Supersam are expected to be completed in 2023.

Developments – In progress

	Business Park Stefanesti II*	Business Park Stefanesti III*
Location	Bucharest	Bucharest
Status	Under construction	Under construction
Expected Delivery	2023	2023
GLA (k sqm)	5.9	7.4
Development Cost (€ m)	4.2	5.2
GAV (€ m)	5.2	6.5
100% Rent (€ m)	0.4	0.6
Estimated Yield on Development Cost	10.1%	10.7%

(* 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	H2-2023	H2-2023
GLA – on Completion (k sqm)	48.2	26.7
CAPEX to 30 Jun 23 (€ m)	19.4	3.8
GAV (€ m)	114.9	49.8
Estimated CAPEX to Go (€ m)*	7.8	2.2
ERV (€ m)	9.5	4.5
Estimated Yield on Completion of Project**	9.2%	10.6%

* 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 and regional cities in Romania and Poland, covering a total land surface of 1.2 million sqm (comprising 2.7% 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 785.7k sqm of high-quality GLA to our standing portfolio footprint.

In the first half of 2023, we sold a plot of land of 3.2k sqm located in the northern part of Bucharest.

These projects, which are classified as “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.

MANAGEMENT REVIEW

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	Postponed	Postponed	Postponed	Planned	Planned	Planned
GLA (k sqm)	17.7	17.2	33.4	525.8	165.2	26.4
CAPEX to 30 Jun 23 (€ m)	8.5	2.5	5.2	12.3	7.0	7.4
GAV (€ m)	7.8	8.3	6.9	37.2	11.0	12.9
Estimated CAPEX to Go (€ m)**	29.7	23.9	38.5	243.6	63.5	39.7
ERV (€ m)	3.1	3.5	5.2	27.7	6.9	6.5
Estimated Yield on Development Cost	8.1%	13.2%	12.0%	10.8%	9.8%	13.8%

(*) 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

- 181.0k sqm of commercial space taken-up or extended at an average WALL of 6.9 years despite continued challenging market conditions
- Leasing activity equally divided between new take-up and renewals, improving our overall WALL to 4.9 years.
 - New leases (including expansions) accounted for 50.0% of our leasing activity at a WALL of 8.1 years, with renewals signed at a WALL of 5.9 years
- Total annualised contracted rent increased by 6.8% to €202.2 million compared to year end 2022
- Total combined portfolio value decreased by 2.5% to €3.1 billion, mainly due to revaluations and disposals
 - Like-for-like appraised value of standing commercial properties decreased to €2.8 billion (3.0% lower compared to 31 December 2022)

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 2023, the Group successfully negotiated the take-up (including expansions) or extension of 181.0k sqm of commercial spaces in Poland (26.4% of transacted GLA) and Romania (73.6% of transacted GLA), with an average WALL of 6.9 years. Between 1 January and 30 June 2023, our leasing activity involved new take-up of available spaces, with such leases accounting for 50.0% of our total leasing activity signed at a WALL of 8.1 years, while renewals were signed at a WALL of 5.9 years.

The leasing market remains challenging, as the CEE economy continues to recover at a moderate pace with inflation returning to single-digits coupled with the stabilization and general acceptance of the hybrid work model. As such, most of our large multinational and national corporates have begun taking decisions on their future occupational plans, re-defining the role of the office as a place for collaboration and creativity, part of their corporate identity.

In total, we signed new leases for 90.6k sqm of GLA, with the majority involving spaces (more than 85%) 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 46 tenants for 80.4k sqm of GLA at a WALL of 8.6 years. The majority were for office spaces, accounting for 58.2%, with the remainder involved industrial (39.3%) and retail/other commercial spaces. The largest new leases in this period were with EKR-Elektrokontakt (14.1k sqm) in Targu Mures Logistics Hub, Banca Transilvania (9.6k sqm) in Green Court Complex, Dante International (9.6k sqm) in Globalworth Square in Bucharest and Leverx Poland (3.3k sqm) in Retro Office House (Wroclaw).

In addition, 15 tenants signed new leases, expanding their operations by 10.2k sqm at an average WALL of 5.2 years.

MANAGEMENT REVIEW

We renewed leases for a total of 90.4k sqm of GLA with 52 of our tenants at a WALL of 5.9 years. The most notable extensions involve Honeywell (24.4k sqm) in BOC Tower, Deutsche Bank (12.9k sqm) in BOB Tower, Huawei (12.5k sqm) in Globalworth Tower and Ailleron (5.2k sqm) in Podium Park while c.84.3% of the renewals by GLA signed were for leases that were expiring in 2024 or later.

Summary Leasing Activity for Combined Portfolio in H1-2023

	GLA (k sqm)	No. of Tenants*	WALL (yrs)
New Leases (incl. expansions)	90.6	60	8.1
Renewals / Extensions	90.4	52	5.9
Total	181.0	107	6.9

*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 seen a widening gap between A-grade properties with strong ESG credentials and B-grade properties from a leasing and investment perspective, which should benefit our portfolio of high-quality properties in the future.

Our leases typically adjust annually and in the first quarter of the year. In the first half of 2023, eligible leases were indexed at an average of 8.8%. Nevertheless, this positive impact was partly offset by the rates at which leases were renewed or new leases signed throughout the period.

At the end of June 2023, our average headline rent in our standing properties for office, retail/commercial and industrial spaces were €15.2/sqm/month (€14.2 at YE-2022), €15.7/sqm/month (€14.2 at YE-2022) and €4.2/sqm/month (€4.0 at YE-2022) respectively.

Office leases signed in the first half of the year were at an average rent of €14.4/sqm/month, industrial spaces at €4.6/sqm/month, and retail spaces at €15.2/sqm/month. The overall commercial GLA take-up during the first six months of 2023 was at an average rent of €12.6/sqm/month.

Contracted Rents (on annualised basis)

Total annualised contracted rent across our portfolio in Poland and Romania increased by 6.8% to €202.2 million compared to year-end 2022, driven by active asset management, indexation and lease-up in our development projects.

Total annualised contracted rents in our standing commercial portfolio were €192.5 million on 30 June 2023, up by 6.2% compared to 31 December 2022, increasing to €193.1 million when including rental income generated by renting 137 residential units and other auxiliary spaces in Upground, the residential complex in Bucharest which Globalworth partially own.

Like-for-like annualised commercial contracted rents in our standing commercial portfolio also increased by 5.4% to €191.0 million at the end of the first half of 2023 compared to 31 December 2022, mainly as an effect of rent indexation.

Annualised Contracted Rent Evolution H1-2023 (€m)

	Poland	Romania	Group
Rent from Standing Commercial Properties ("SCP") 31 Dec 2022	86.6	94.7	181.3
Less: Space Returned	(8.9)	(3.9)	(12.8)
Plus: Rent Indexation	6.2	6.8	13.0
Plus/Less: Lease Renewals (net impact) & Other	(0.0)	(1.4)	(1.4)
Plus: New Take-up	3.2	7.6	10.8
Total L-f-L Rent from SCP 30 Jun 2023	87.2	103.8	191.0
Plus: Standing Commercial Properties Acquired During the Period	-	-	-
Plus: Developments Completed During the Period	-	1.5	1.5
Total Rent from Standing Commercial Properties	87.2	105.3	192.5
Plus: Residential Rent	-	0.6	0.6
Total Rent from Standing Properties	87.2	105.9	193.1
Plus: Active and Pre-lets of Space on Projects Under Development / Refurbishment	8.7	0.3	9.1
Total Contracted Rent as at 30 Jun 2023	95.9	106.2	202.2

MANAGEMENT REVIEW

Combined Annualised Commercial Portfolio Contracted Rent Profile as at 30 June 2023

	Poland	Romania	Group
Contracted Rent (€ m)	95.9	105.6	201.5
Tenant origin - %			
Multinational	64.0%	84.3%	74.7%
National	34.8%	14.4%	24.1%
State Owned	1.2%	1.3%	1.3%

Note: Commercial Contracted Rent excludes c.€0.6 million from residential spaces as at 30 June 2022

Annualised Contracted Rent by Period of Commencement Date as at 30 June 2023 (€m)

	Active Leases	H2-2023	H1-2024	H2-2024	>2024	Total
Standing Properties	182.4	6.9	1.8	2.0	-	193.1
Developments	7.8	1.1	0.1	0.1	-	9.1
Total	190.2	7.9	1.8	2.2	-	202.2

Annualised Commercial Portfolio Lease Expiration Profile as at 30 June 2023 (€m)

Year	H2-2023	2024	2025	2026	2027	2028	2029	2030	2031	>2031
Total	9.1	20.0	18.6	19.2	27.6	23.1	20.2	31.6	11.7	20.3
% of total	4.5%	9.9%	9.2%	9.5%	13.7%	11.5%	10.0%	15.7%	5.8%	10.1%

The Group's rent roll across its combined portfolio is well diversified, with the largest tenant accounting for 5.1% of contracted rents, while the top three tenants account for 10.8% and the top 10 account for 24.3%.

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.

Overall, in the first half of 2023, we successfully negotiated the take-up (including expansions) or extension of 181.0k sqm of commercial spaces in our portfolio. The weighted average effective rent for these new leases was €9.1/sqm/month with a WALL of 6.9 years. Industrial leases completed in the period, which accounted for 18.9% of the total space leased, resulted in lower average headline and effective rents.

The difference between headline (base) and effective rents in the first half of 2023 was, on average, 27.8%, which is higher than for FY2022 (average of 26.1%) reflecting the fact that competition remained challenging.

In total, new leases signed in the first six months of the year will generate a future rental income of €202.9 million (including auxiliary spaces), with leases from office properties accounting for 82.0% of future rental income.

Weighted Average Effective Rent (€ / sqm / m) – H1-2023

	Poland	Romania	Group
Headline Commercial Rent	16.7	11.1	12.6
Less: Rent Free Concessions	(1.7)	(1.3)	(1.4)
Less: Tenant Fitouts	(2.1)	(1.6)	(1.7)
Less: Broker Fees	(0.5)	(0.3)	(0.4)
Effective Commercial Rent	12.5	7.9	9.1
WALL (in years)	5.1	7.9	6.9

MANAGEMENT REVIEW

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 2023 remained high at 99%¹ (over 99% for 2022FY), 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 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 of 30 June 2023. The valuations were performed by Knight Frank for our properties in Poland, with Colliers and Cushman & 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 2023).

Assigning the appraisal of our portfolio to four independent and experienced service providers makes the process of determining the value of properties transparent and impartial. Through our oversight, we ensure that a consistent methodology, reporting, and timeframe are respected. Our portfolio has been growing since the inception of the Group, driven by 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, the total combined portfolio value was €3.0 billion at the end of 2019 and remained effectively unchanged in 2020 due to the impact of the COVID-19 pandemic. It increased to €3.2 billion at both 31 December 2021 and 31 December 2022, thanks to additions made in the last two full years.

The portfolio decrease in the first half of 2023 is mainly attributed to continued challenging market conditions across our markets, which led to marginal changes in key market indicators used by valuation companies. Our combined portfolio value as of 30 June 2023 was €3.1 billion, representing a 2.5% decrease compared to 31 December 2022. The like-for-like appraised value of our standing commercial properties was €2.8 billion at the end of the period, reflecting a 3.0% decrease compared to 31 December 2022.

In valuing our properties, the key market indicators used by the four independent appraisers, although varying, 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 2022, with Effective Rental Values (ERVs) remaining stable and yields marginally decompressing in our markets of interest.

Combined Portfolio Value Evolution 30 June 2023 (€m)

	Poland	Romania	Group
Total Portfolio Value at 31 Dec 2022	1,584.5	1,574.4	3,158.9
Less: Properties Held in Joint Venture (*)	-	(119.3)	(119.3)
Total Investment Properties at 31 Dec 2022	1,584.5	1,455.1	3,039.6
Plus: Transactions	-	(10.9)	(10.9)
<i>o/w New Acquisitions</i>	-	-	-
<i>o/w Disposals</i>	-	(10.9)	(10.9)
Plus: Capital Expenditure	7.0	1.2	8.2
<i>o/w Developments</i>	7.0	1.2	8.2
<i>o/w Standing Properties</i>	-	-	-
<i>o/w Future Developments</i>	-	-	-
Plus: Net Revaluations Adjustments	(58.4)	(25.6)	(84.0)
<i>o/w Developments</i>	3.5	1.2	4.7
<i>o/w Standing Properties</i>	(62.0)	(26.1)	(88.0)
<i>o/w Lands, Future Developments & Acquisitions</i>	-	(0.7)	(0.7)
Total Investment Properties at 30 Jun 2023	1,533.1	1,419.8	2,952.9
Plus: Properties Held in Joint Venture (*)	-	127.1	127.1
<i>o/w Capital Expenditure & Acquisitions</i>	-	1.8	1.8
<i>o/w Net Revaluation Adjustments</i>	-	6.0	6.0
Total Portfolio Value at 30 Jun 2023	1,533.1	1,546.9	3,080.0

¹ Information as at 13 September 2023.

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

MANAGEMENT REVIEW

STANDING PORTFOLIO REVIEW

- Standing portfolio footprint increased by 17.3k sqm to 1,422.9k sqm of GLA, mainly attributed to the delivery of our first logistic / light-industrial facility in Targu Mures, Romania
- Total combined standing GLA of 1.4 million sqm, with total standing portfolio value at €2.8 billion
- Average standing occupancy of our combined commercial portfolio of 85.5% (85.7% including tenant options), marginally lower vs. year-end 2022 (85.6% or 85.9% including tenant options)
 - Average commercial standing occupancy, adjusted for Warta Tower, which was sold in July and was fully vacant as of 30 June 2023, was 87.7%
- Total contracted rent of €193.1 million in our standing properties (over 85% coming from standing office properties)
- Standing commercial WALL increasing to 5.0 years (versus 4.4 years at year-end 2022) due to renewals and new leases signed in the period
- All our properties in Poland are now internally managed, resulting in 87.1% of our combined standing commercial portfolio by value (97.0% of office and mixed-use standing properties) being internally managed by the Group

Standing Portfolio Evolution

Our combined portfolio of standing properties expanded in the first half of 2023 with the addition of our first logistic/light industrial facility in Targu Mures, Romania. The Targu Mures Logistic Hub offers a total of 18.3k sqm of high-quality Gross Lettable Area (GLA) and, as of 30 June 2023, was fully leased to two large multinational companies, with an average Weighted Average Lease Length (WALL) of 10.2 years.

In general, our standing portfolio primarily comprises 30 Class "A" offices (comprising a total of 50 properties) and a mixed-use investment (comprising a total of five properties) in central locations in Bucharest (Romania), Warsaw (Poland), and five of the largest office markets/cities in Poland (Krakow, Wroclaw, Katowice, Gdansk, and Lodz). These locations collectively account for 88.5% of the value of our standing portfolio.

Furthermore, in Romania, we fully own five logistics/light-industrial parks with ten facilities located in Timisoara, Arad, Oradea, and Pitesti. We also own the majority stake in two small business unit projects in Bucharest, each with two standing facilities. Additionally, we have a 50% ownership stake through joint venture agreements in three other logistics/business parks (with four standing facilities) in Bucharest, Constanta, and Targu Mures. Moreover, we own a portion of a residential complex in Bucharest.

As of 30 June 2023, our combined standing portfolio consisted of 42 investments (compared to 41 on 31 December 2022) encompassing 72 buildings (compared to 71 on 31 December 2022) in Poland and Romania.

During the period, the total Gross Lettable Area (GLA) of our standing commercial portfolio increased by 18.6k sqm, representing a growth of 1.3%, reaching a total of 1,401.8k sqm by the end of June. This expansion was primarily attributed to the completion of the Targu Mures Logistic Hub, which contributed a total GLA of 18.3k sqm, as well as the remeasurement of certain areas within our portfolio.

In total, our standing portfolio (comprising commercial and other properties) increased in GLA by 1.2% to reach 1,422.9k sqm. This increase was influenced by the sale of residential units in our Upground Residential project.

The appraised value of our combined standing portfolio as of 30 June 2023 amounted to €2.8 billion, with more than 98% of this value attributed to commercial properties. This value reflected a decrease of 2.6% compared to 31 December 2022. This overall decline is primarily attributable to negative revaluation differences, partially offset by the completion and addition of the Targu Mures Logistic Hub. The value of like-for-like standing commercial properties decreased by 3.0% as of 30 June 2023 compared to 31 December 2022, with a 3.6% reduction in the value of like-for-like standing office and mixed-use properties partly offset by an increase in the value of our industrial properties. (Additional information can be found in the "Asset Management Review").

MANAGEMENT REVIEW

Globalworth Combined Portfolio: Key Metrics

Total Standing Properties	30 Dec. 2021	31 Dec. 2022	30 Jun. 2023
Number of Investments	39	41	42
Number of Assets	66	71	72
GLA (k sqm)	1,302.3	1,405.6	1,422.9
GAV (€ m)	2,866.3	2,893.6	2,819.5
Contracted Rent (€ m)	175.4	182.0	193.1

Of which Commercial Properties	30 Dec. 2021	31 Dec. 2022	30 Jun. 2023
Number of Investments	38	40	41
Number of Assets	65	70	71
GLA (k sqm)	1,272.0	1,383.2	1,401.8
GAV (€ m)	2,810.3	2,850.3	2,778.6
Occupancy (%)	88.5% (88.7%*)	85.6% (85.9%*)	85.5% (85.7%*)
Contracted Rent (€ m)	174.5	181.3	192.5
Potential rent at 100% occupancy (€ m)	201.2	211.6	224.8
WALL (years)	4.7	4.4	5.0

(*) Including tenant options

Evolution of Combined Standing Portfolio over H1-2023

	31 Dec. 2022	LfL Change*	New Acq.	New Deliv.	Sales (& Other Adj**)	30 Jun. 2023
GLA (k sqm)	1,405.6	(0.0)	-	18.3	(1.0)	1,422.9
GAV (€ m)	2,893.6	(85.0)	-	13.2	(2.2)	2,819.5

(*) Like-for-Like change represents the changes in GLA or GAV of standing properties owned by the Group at 31 December 2022 and 30 June 2023.

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

Standing Portfolio Occupancy

Our standing commercial portfolio's average occupancy as of 30 June 2023 stood at 85.5% (85.7% including tenant options), indicating a marginal 0.1% decrease over the past six months (compared to 85.6% as of 31 December 2022, or 85.9% including tenant options).

The addition of the Mures Logistic Hub, fully leased as of 30 June 2023, was counterbalanced by mixed occupancy trends in our markets. In Poland, standing commercial occupancy decreased by 8.1% compared to 30 December 2022, primarily influenced by excess supply in our Regional Polish submarkets. In contrast, in Romania, it increased by 4.5% during the first half of 2023.

When adjusting for Warta Tower, which was sold in July and was entirely vacant as of 30 June 2023, our standing commercial occupancy reached 87.7% (87.8% including tenant options). On a like-for-like basis, occupancy experienced a slight decline of 0.3%, settling at 85.4% by the end of the first half of 2023. Like-for-like standing commercial occupancy, adjusted for Warta Tower, remained unchanged at 87.5% as of 30 June 2023, compared to the figures on 31 December 2022.

Across the portfolio, as of the end of the first half of 2023, we had 1,199.2k sqm of commercial Gross Lettable Area (GLA) leased to more than 630 tenants, with an average Weighted Average Lease Length (WALL) of 5.0 years. The majority of these tenants are national and multinational corporates, renowned within their respective markets.

Additionally, we had 47.8k sqm leased in the two mixed-use properties currently undergoing refurbishment/repositioning, and 4.6k sqm pre-let in our two facilities under construction in Business Park Stefanesti. These figures are not included in our standing portfolio metrics.

MANAGEMENT REVIEW

Occupancy Evolution H1-2023 (GLA 'k sqm) – Commercial Portfolio

	Poland	Occupancy Rate (%)	Romania	Occupancy Rate (%)	Group	Occupancy Rate (%)
Standing Available GLA - 31 Dec. 22	542.1		841.0		1,383.2	
Acquired GLA	-		-		0.0	
New Built GLA	-		18.3		18.3	
Remeasurements, reclassifications	0.0		0.3		0.3	
Standing Available GLA - 30 Jun. 23	542.1		859.6		1,401.8	
Occupied Standing GLA - 31 Dec. 22	440.6	81.3%	743.7	88.4%	1,184.3	85.6%
Acquired/Developed Occupied GLA	-		18.3		18.3	
Expiries & Breaks	(50.2)		(22.2)		(72.4)	
Renewals*	28.4		60.9		89.3	
New Take-up	14.6		54.2		68.8	
Other Adj. (relocations, remeasurements, etc)	(0.2)		0.4		0.2	
Occupied Standing GLA - 30 Jun. 23	404.8	74.7%	794.4	92.4%	1,199.2	85.5%

* Renewals are neutral to the occupancy calculation.

Standing Properties Operation and Upgrade Programme

Providing best-in-class real estate spaces to our business partners stands as a fundamental component of our strategy at Globalworth.

We firmly believe that employing a "hands-on" approach, coupled with continuous active management and investment in our portfolio, enables us to preserve and augment the value of our properties, yield long-term income, and offer top-tier real estate spaces to our business partners.

To cater to the requirements of our current and prospective business partners, we persistently (re)invest in our properties, ensuring the maintenance and, where necessary, enhancement of the quality of our buildings and services.

We are pleased to report that all our properties in Poland are now under internal management by the Group. In Romania, we manage all but one of our offices in-house. Collectively, we internally oversee 962.3k sqm of high-quality office and mixed-use space, with an appraised value of €2.4 billion. Within our total standing commercial portfolio, internally managed properties account for 87.1% by value (comprising 97.0% of office and mixed-use standing properties) as of 30 June 2023.

Our Upgrade Programme has returned to a more conventional pace since 2021, following a temporary scaling back in 2020 due to COVID-19. As a result of our ongoing in-house initiatives and property additions, we possess a modern portfolio. Notably, 54 of our standing commercial properties, constituting 77.4% by Gross Lettable Area (GLA) and 76.4% by commercial portfolio value, have either been delivered or significantly refurbished in or after 2014. In the first half of 2023, we invested €24.1 million in selected improvement initiatives within our standing portfolio.

Internally Managed Commercial Portfolio as at 30 June 2023	Poland	Romania	Group
Internally Managed GLA (k sqm)	542.1	426.1	968.3
% of Commercial GLA	100.0%	49.6%	69.1%
% of Office and Mixed-Use GLA	100.0%	90.9%	96.4%
Internally Managed GAV (€ m)	1,360.6	1,058.2	2,418.8
% of Commercial GAV	100.0%	74.7%	87.1%
% of Office and Mixed-Use GAV	100.0%	92.5%	97.0%

MANAGEMENT REVIEW

SUSTAINABLE DEVELOPMENT UPDATE / OTHER INITIATIVES

- 15 properties were certified or recertified with BREEAM Very Good or higher certifications in our portfolio in H1-2023
- Overall, 52 green certified properties in our portfolio valued at €2.4 billion accounting for 87.1% from our combined standing commercial portfolio value.
- 95.8% of our office and mixed-use properties by value have a WELL Health-Safety rating, further demonstrating the quality of our portfolio
- Issued the fifth sustainable development report for the Group for FY 2022
- Globalworth maintained its low-risk rating by Sustainalytics and A by MSCI
- c. €150k contributed to over 15 initiatives in Romania and Poland

Green Buildings

Consistent with our commitment to energy-efficient properties, during H1-2023 we certified or recertified 15 properties in our portfolio with BREEAM Very Good or higher certifications.

Overall, as of 30 June 2023, our combined standing portfolio comprised 52 green-certified properties, accounting for 87.1% of our standing commercial portfolio by value. BREEAM-accredited properties account for 82.0% of our green-certified standing portfolio by value, with the remaining properties being holders of other certifications (LEED Gold or Platinum, Edge).

At Globalworth, we are aiming for 100% of our portfolio to be green-accredited. We are currently in the process of certifying or recertifying 20 other properties in our portfolio, principally targeting BREEAM certifications.

Furthermore, as part of our overall green initiatives, we kept our policy of securing 100% of the energy used in our Polish and Romanian properties from renewable sources.

In addition, as of 30 June 2023, 50 of our standing commercial properties had a WELL Health-Safety Rating, with a total value of €2.4 billion accounting for 95.5% of our standing office and mixed-use properties by value. Overall, 95.8% of our office and mixed-use portfolio by value (including Renoma and Supersam) is rated for WELL Health-Safety, standing as further evidence of the quality of our portfolio.

Social Initiatives

In the first half of 2023, Globalworth and the Globalworth Foundation continued with their very active social programme, contributing €154k to over 20 initiatives in Romania and Poland.

Initiatives to which we contributed included:

- **Primo Hub Center:** As part of our 'Space for Ukraine' initiative in the BOB building, we offered support to DGASMB in opening a much-needed educational center for over 160 refugee children. The 'Space for Ukraine' initiative is an aid program that we've put in place since the beginning of the Ukrainian conflict. It is aimed at providing shelter and support for the better integration of refugees into our communities.
- **Heart to Heart**
- Globalworth Foundation's activities include concern for children's health. By organizing a fundraising campaign among Globalworth tenants it was possible to raise funds to support little patients with heart defects. The campaign started on Saint Valentine's Day. Thanks to the initiative an INR apparatus to measure coagulation, which is necessary after heart operations was purchased. Globalworth Foundation donated a treatment chair for the cardiac surgery unit at paediatric hospital in Warsaw
- 'Zaczytane Bibloteki', Book-crossing in hospitals and care centres for children in Katowice
- The Globalworth Foundation, together with the Zaczytani.org Foundation, has opened four "Zaczytane Bibloteki" in hospitals and care centers for children in Katowice, Krakow Warsaw and Wroclaw. The books were collected among employees of companies that are tenants of Globalworth properties. Thanks to the campaign, it was possible to collect more than 1,000 books, which will receive a second life and give others a chance to read them. The aim of the campaign is to help children undergoing treatment in hospitals and wards of childcare centres by making their time more pleasant and providing permanent access to literature.

MANAGEMENT REVIEW

In addition to these we had several campaigns within our communities among which it is noteworthy to mention:

- Super Woman - where we offered to the astonishing women from our buildings a special gift: their own super-hero icon tote bags, based on their unique powers
- Coffee Talks - since offices are more than simply physical spaces, Globalworth continued to strive to offer its community the greatest workplace experiences. In May, we went on a tour of our buildings and offered our community the best coffee in town
- Office Moji Day - To celebrate World Emoji Day in July, we encouraged our tenants' creative communication by replacing conventional language with emojis
- „Bike services” for our tenants in Poland - The celebrate the start of spring and summer season Globalworth Poland organized in May a series of Bike Days in our office buildings in Poland. Skilled technicians were on hand to provide basic maintenance and repairs, ensuring that our tenants' bikes were in excellent condition for their upcoming adventures

Reporting

As part of our effort to improve disclosure in relation to our sustainable development strategy, initiatives and performance, we published Globalworth's "2022 Sustainable Development Report".

This is the fifth 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).

MANAGEMENT REVIEW

PORTFOLIO SNAPSHOT

Our real estate investments are in Poland and Romania, the two largest markets in the CEE. As at 30 June 2023, our portfolio was spread across 13 cities, with Poland accounting for 49.8% by value and Romania 50.2%.

Combined Portfolio Snapshot (as at 30 June 2023)

	Poland	Romania	Combined Portfolio
Standing Investments⁽¹⁾	19	23	42
GAV⁽²⁾ / Standing GAV (€m)	€1,533m / €1,361m	€1,546m / €1,458m	€3,080m / €2,819m
Occupancy	74.7%	92.4%	85.5%
		(92.6% incl. tenant options)	(85.7% incl. tenant options)
WALL⁽³⁾	4.0 years	5.8 years	4.9 years
Standing GLA (k sqm)⁽⁴⁾	542.1k sqm	880.8k sqm	1,422.9k sqm
Contracted Rent (€m)⁽⁵⁾	€95.9m	€106.2m	€202.2m
GAV Split by Asset Usage			
Office	81.8%	74.2%	78.0%
Mixed-Use	18.2%	0.0%	9.0%
Industrial	0.0%	18.5%	9.3%
Others	0.0%	7.3%	3.7%
GAV Split by City			
Bucharest	0.0%	83.1%	41.7%
Timisoara	0.0%	6.5%	3.3%
Pitesti	0.0%	3.8%	1.9%
Constanta	0.0%	4.2%	2.1%
Arad	0.0%	1.1%	0.6%
Oradea	0.0%	0.4%	0.2%
Targu Mures	0.0%	0.9%	0.4%
Warsaw	44.9%	0.0%	22.4%
Krakow	19.8%	0.0%	9.8%
Wroclaw	16.6%	0.0%	8.3%
Katowice	11.0%	0.0%	5.5%
Lodz	4.1%	0.0%	2.0%
Gdansk	3.6%	0.0%	1.8%
GAV as % of Total	49.8%	50.2%	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 2023

3. Includes pre-let commercial standing and development/re-development assets. WALL of standing commercial properties in Poland, Romania and the Combined portfolio are 4.0 years, 5.8 years and 5.0 years, respectively.

4. Including 21.1k sqm of residential assets in Romania

5. Total rent comprises commercial (€192.5 million) and residential (€0.6 million in Romania) standing properties, rent in assets under redevelopment (€8.8 million in Poland) and development pre-lets (€0.3 million in Romania).

MANAGEMENT REVIEW

CAPITAL MARKETS UPDATE

- The first half of 2023 was characterised by continued high volatility in the economic and business environment, negatively, impacting capital markets
- Globalworth's share price in this period traded consistently below its last reported 31 December 2022 EPRA NRV
- GWI 18/25 and 20/26 bonds yields were at 14.9% and 13.2% at 30 June 2023 respectively vs 7.9% and 8.9% at 30 June 2022
- In June 2023, considering the market context, we have purchased €100.0 million of the 2025 Eurobond notes, and in the future, we aim to acquire more of our outstanding notes in order to proactively manage debt maturities
- Fitch re-affirmed the investment grade rating following their 2022 year-end review of Globalworth and changed the outlook to negative, while S&P downgraded the group's corporate credit rating to BB+ with a stable outlook

Equity Capital Markets and Shareholder Structure Update

The first half of 2023 was characterised by continued high inflation, rising interest rates and the continuation of the war in Ukraine, all of which we expect continue to impact in the near and medium term the economic environment, maintaining higher volatility in the capital markets.

During the first half of 2023, real estate valuations encountered notable headwinds stemming from restricted access to capital markets and general uncertainty in investment in most asset classes. A resulting heightened investor risk aversion led to an elevation in demanded risk premia, subsequently contributing to an escalation in discount rates. This, coupled with a modest yield decompression observed within our targeted markets, culminated in diminished equity valuations as of 30 June 2023.

As of 30 June 2023, it is essential to place Globalworth's share price performance in the context of the prevailing macroeconomic landscape. Throughout the first half of 2023, the FTSE EPRA Developed Europe index demonstrated a negative performance, registering a decline of -11.8%. Conversely, the FTSE EPRA Global index exhibited a positive performance, reflecting an increase of +2.5%.

In contrast, despite several favourable factors such as the high quality of its portfolio, robust leasing activity, and the company's presence in high-growth, low office stock markets, Globalworth's share price experienced a notable decline of -22.9%. It is pertinent to acknowledge that this decline can be attributed in part to the limited free float of the Group.

Throughout this period, Globalworth's share price consistently traded below its last reported EPRA Net Reinstatement Value (NRV) as of 31 December 2022, which stood at €8.29 per share. The share price reached its lowest closing point on 5 June 2023, at €2.41 per share, and its highest price on 1 July 2022, at €5.05 per share.

Zakiono Enterprises Ltd, which is jointly and equally owned by CPI Property Group S.A. ("CPI") and Aroundtown SA ("Aroundtown"), holds 60.7% of the share capital of the Group, followed by Growthpoint Properties Ltd with 29.4%.

Globalworth Shareholding

		30 June 22	30 June 23
CPI Property Group	Together: Zakiono Enterprises	60.6%	60.7%
Aroundtown			
Growthpoint Properties		29.4%	29.4%
Oak Hill Advisors		5.3%	5.3%
Other		4.7%	4.6%

Basic Data on Globalworth Shares (Information as at 30 June 2023)

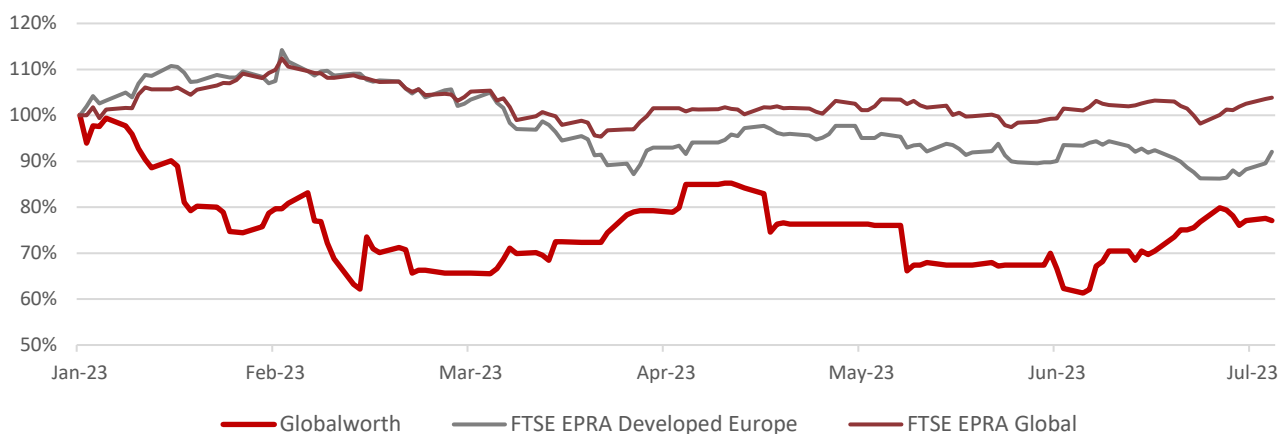
Number of Shares	235.9m plus 0.8m shares held in treasury
Share Capital	€1.7bn
WKN / ISIN	GG 00B979FD04
Symbol	GW1
Free Float	9.8%
Exchange	London AIM

MANAGEMENT REVIEW

Globalworth Share Performance

	H1-2022	H1-2023
Market Capitalisation (€ million) – 30 June	1,188	715
30-June Closing Price (€)	5.36	3.03
52-week high (€)	6.68	5.05
52-week low (€)	5.25	2.41
Dividend paid per share	0.13	0.15

Globalworth H1-2023 Share Price Performance



Bonds Update

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

At the beginning of the year, we had two Eurobonds outstanding for a total of €950 million with a weighted average maturity of 2.8 years.

These 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 raised in June 2022 from the IFC, provide us with a simplified capital structure and improve the efficiency of our capital allocation.

Globalworth is rated by two of the three major agencies, with Fitch maintaining their investment credit rating following their review of the Group and changing the outlook to negative while S&P downgraded the group's corporate credit rating to BB+ with a stable outlook considering the volatile and challenging market environment.

In the first six months of 2023, our bonds performance has been impacted by rising interest rates and bond investor risk aversion. On average, our 18/25 and 20/26 bonds traded at 11.4% and 10.4%, respectively, during the period. However, yield to maturity increased as the year progressed, closing at 14.9% and 13.2% on 30 June 2023.

Considering the context, the board decided to launch in June a cash tender offer for our outstanding notes due 2025 and 2026 in line with proactively managing the Company's debt maturity profile and, as a result, we have purchased €100.0 million of the 2025 notes. The Company may, in the future, depending on market conditions, acquire more of the notes issued under the two Eurobonds outstanding with the aim of addressing its bond debt maturities.

Rating

	S&P	Fitch
Rating	BB+	BBB-
Outlook	Stable	Negative

MANAGEMENT REVIEW

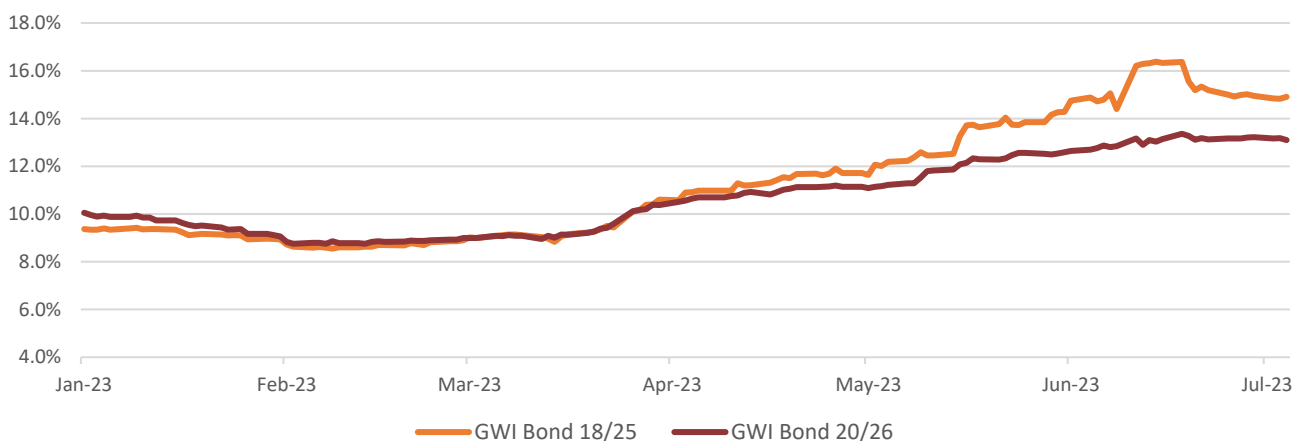
Basic Data on the Globalworth Bonds

	GWI bond 18/25	GWI bond 20/26
ISIN	XS1799975922	XS2208868914
SEDOL	BD9MPV	-
Segment	Euronext Dublin, BVB	Euronext Dublin
Minimum investment amount	€100,000 and €1,000 thereafter	€100,000 and €1,000 thereafter
Coupon	3.000%	2.950%
Issuance volume	€550 million	€400 million
Outstanding 30 Jun. 2023	€450 million	€400 million
Maturity	29 March 2025	29 July 2026

Performance of the Globalworth Bonds

	H1-2022	H1-2023
GWI bond 18/25		
30 June closing price	88.29	82.80
Yield to maturity at 30 June	7.92%	14.95%
GWI bond 20/26		
30 June closing price	80.54	75.38
Yield to maturity at 30 June	8.85%	13.22%

Globalworth H1-2023 Eurobond Yield Performance



FINANCIAL REVIEW

1. Introduction and Highlights

Gross rental income saw a 5.4% increase, primarily due to a like-for-like rise in rental income due to indexation, which amounted to 8.8%. However, this growth was mitigated by the reduced rates at which leases were renewed or new leases were secured during the period. Consequently, our combined occupancy level remained stable at 85.5%, maintaining the same level as in December 2022. This outcome underscores our commitment to the "local landlord" approach, which centres on cultivating strong tenant relationships and addressing their specific requirements.

In our financial performance analysis, we employ a range of metrics, encompassing both IFRS and EPRA measures. These metrics are deliberately designed to augment transparency and facilitate comparisons within the European real estate sector.

Revenues €119.1 2.1% on H1-2022	NOI ¹ €73.7m +5.6% on H1-2022
IFRS Earnings per share ² -11 cents +15 cents in H1-2022	Combined Portfolio Value (OMV) ¹ €3.1bn -2.4% on 31 Dec. 2022
EPRA NRV ^{1,3} €1,781.1m -2.96% on 31 Dec. 2022	EPRA NRV per share ^{1,3} €7.55 -8.9% on 31 Dec. 2022
Adjusted normalised EBITDA ^{1,4} €66.0m +4.1% on H1-2022	EPRA Earnings per share ^{1,2} 15 cents -6.3% on H1-2022
LTV ^{1,5} 42.7% 42.7% at 31 Dec. 2022	Dividends paid in H1-2023 per share 15 cents 15.4% on H1-2022

1. See Glossary 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 23 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 2023 was €119.1 million, up by 2.1% from the prior year results.

Gross Rental income continued to grow, reaching €95.3 million for H1-2023, higher by €5.1 million compared H1-2022, decreasing to €80.5 million when accounting for tenant incentives which are amortised during the life of the lease.

Net Rental Income increase with €5.3 million compared to the same period in 2022, as follows:

- additional rental income of €0.4 million from industrial developments delivered over the past 12 months to our portfolio (Catted Chitila, TAP 2 B3 and Catted Stefanesti) and the additional rental income of €4.9 million from like-for-like standing properties in Romania (€3.5 million increase representing 9.7%) and Poland (€1.4 million increase representing 3.9%), and

The overall consolidated revenue increased by €2.5 million, compensated by €3 million lower (a decline of 8%) service charge income from standing properties when net rental income grew by 7.1% to €80.5 million. As a result of an average decrease in service charge rate per square metre across our standing portfolio and predominantly due to decline in the occupancy in Poland on like-for-like basis.

Overall, our revenues remained relatively evenly split between our two markets of operation, with Poland accounting for 49% (52% in H1-2022) and Romania 51% (48% in H1-2022).

Net Operating Income (“NOI”), after taking into account property and fitout costs, was €73.7 million, higher by 5.6% compared to H1-2022. Overall operating expenses in our portfolio decreased by €1.4 million to €45.3 million of which c.84% were invoiced to tenants as the vast majority of our leases are triple net. The portion of our operating expenses not invoiced typically involved spaces available to be leased and resulted in net operating costs being higher by €1.0 million across.

- NOI was split 48% Poland / 52% Romania, compared to 51% Poland / 49% Romania in H1-2022.

Adjusted normalised EBITDA (including share of minority interests) was €66.0 million, higher by 4.1% compared to H1-2022 (€63.4 million), as the increase in NOI was partially offset by higher administrative and other expenses.

Net finance costs were €9.7 million for the period, lower by 63% (or €16.7 million lower) compared H1-2022 (€26.4 million), due to:

- higher finance income (by €17.0 million) from the one-off gain related to the bond buyback of €15.8 million, income from bank deposits €1.0 million and interest received from joint ventures €0.3 million; and
- higher finance expenses by 1% overall (€0.4 million) as a result of numerous factors;
 - a) decline in interest costs on public notes by €4.5 million due to repayment of FY2022 notes in prior year and €0.6 million reduction in bank charges and other financial expenses, which mitigated,
 - b) €1.5 million increased expense from higher Euribor rates and additional €3.6 million interest expenses from new loan facilities outstanding in last 12 months as compared to 30 June 2022.

Joint ventures generated net gains in H1-2023 and our share of these amounted to €2.6 million increased with 30% as compared to H1-2022. This positive result is mainly due to an improvement in operating performance of the existing assets and our share of the net profit generated by the addition of Targu Mures during.

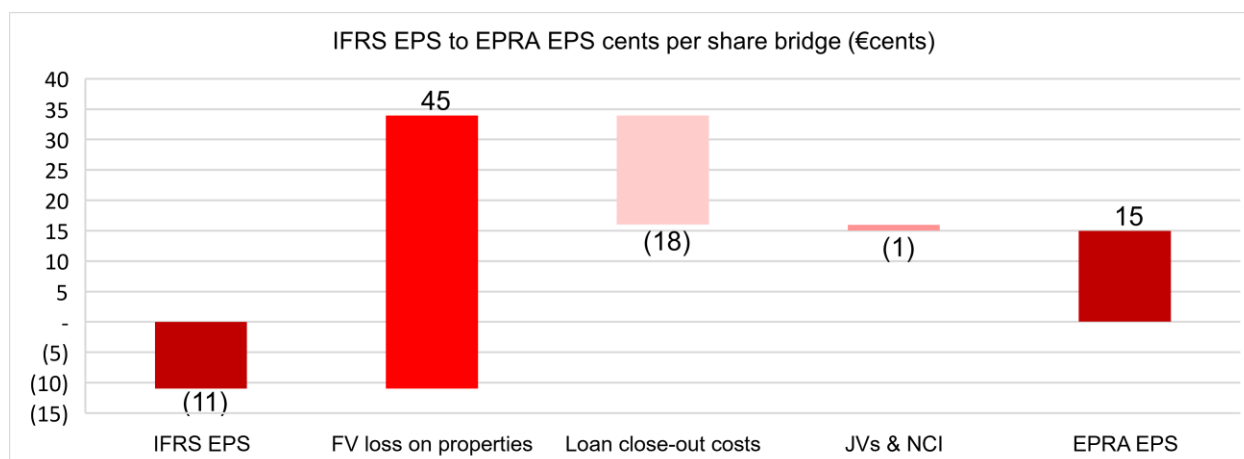
Earnings before tax turned to a loss of €44.3 million for H1-2023 (€45.7 million profit in H1-2022), mainly as a result of the €102.9 million revaluation loss recorded versus the valuation gain of €7.0 million recorded in H1-2022.

- €31.8 million and €71.1 million net fair value loss in Romania and Poland respectively (€11.7 million gain and €4.7 million loss recorded in Romania and Poland respectively in H1-2022)

EPRA earnings for the first six months of 2023, however, amounted to €34.2 million (or 15 cents per share), lower by 0.4%, EPRA earnings per share decreased as the weighted average number of shares was 228.4 million in H1-2023 (221.4 million in H1-2022).

IFRS earnings, similar to earnings before tax, which turned to a loss in H1-2023 due to the valuation loss recorded in the period, was 11 cents per share negative compared to positive 15 cents per share in H1-2022. The IFRS earnings were €24.6 million negative compared to €33.5 million positive in H1-2022. The lower income tax expense by €31.9 million (due to deferred tax impact on revaluation loss) compared to H1-2022 helped to reduce the magnitude of the negative result. Excluding the effects of investment property valuations, the net result for H1-2023 was €54.8 million, 15.6% higher than for H1-2022 (€32.2 million).

FINANCIAL REVIEW



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 2023.

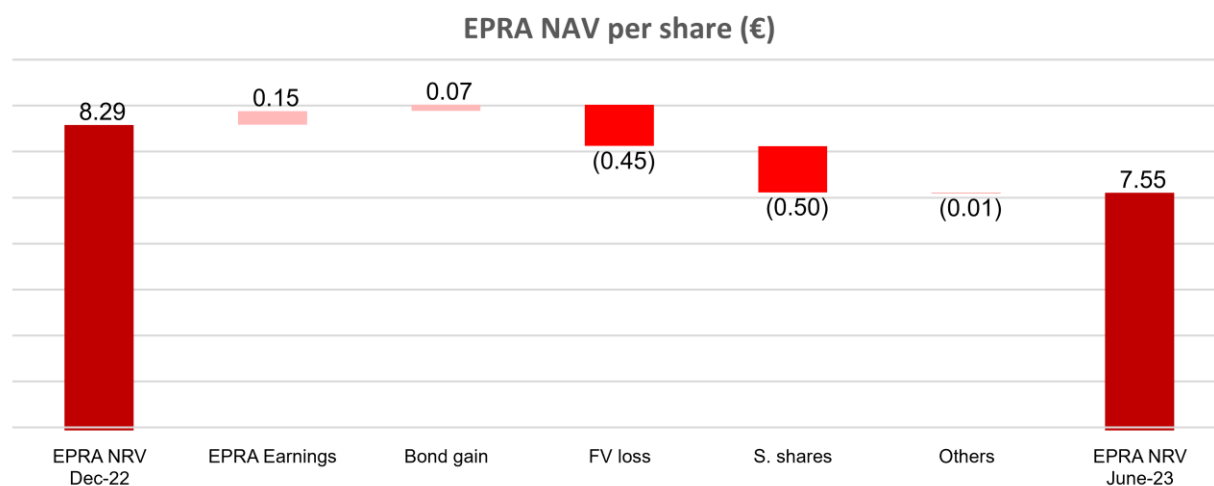
Overall, the combined market value of the portfolio decreased by €77 million to €3,080 million (31 Dec. 22: €3,157 million), comprising of €2,953 million included in our investment property and €127 million representing the 100% value of the properties owned by the two joint ventures in which we own a 50% stake.

The balance sheet value of our investment property (freehold and properties held for sale), of €2,953 million as at 30 June 2023, was €84.9 million lower compared to year-end 2022. The reduction is due to the fair value losses on freehold properties of €102.9 million, with a split of 69% in Poland and 31% in Romania, which capital expenditure on development projects and standing assets helped to reduce the effect of the valuation losses on the overall portfolio value.

In June 2023 we proceeded with the buyback of €100 million of our FY2024 notes which principally contributed in lowering our cash position to €130.5 million at 30 June 2023 (€163.8 million at 31 Dec. 22).

Total assets at the end of the period were €3,260 million, lower by 3% compared to 31 December 2022 (€3,369 million).

EPRA NRV was €1,781.1 million as of 30 June 2023, lower by 3% compared to 31 December 2022 (€1,835.5 million). As a result, EPRA NRV per share also increased to €7.55 per share (31 December 2022: €8.29 per share) by 8.9%. The decrease was largely due to the €102.9 million negative effect of fair value gains on the portfolio and increase in the fully diluted number of shares.



FINANCIAL REVIEW

4. Dividends

Globalworth distributes bi-annually at least 90% of its EPRA Earning to its shareholders. On 8 March 2023, the Board of Directors of the Company approved the distribution of an interim dividend in respect of the six-month financial period ended 31 December 2022 of €0.15 per ordinary share, with the option to receive their net dividend in the form of Globalworth shares ("Scrip Dividend Shares") or cash. As a result, on 18 April 2023, the Company paid €630,224 in cash and issued 14,305,676 Scrip Dividend Shares at a reference price of €2.28 per share.

On 30 August 2023, 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 2023 of €0.14 per ordinary share with the same option to receive their net dividend in the form of Globalworth shares ("Scrip Dividend Shares") or cash.

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

5. Financing Review

The global business and economic landscapes have encountered turbulence amid the persistent uncertainty in the public debt market. This uncertainty can be attributed to the surge in inflation, escalating interest rates, and the heightened probability of an impending recession. Consequently, the outlook has become notably uncertain.

Throughout this period, our unwavering focus has remained on maintaining liquidity. Concurrently, we have diligently executed our liability management strategy, especially with regard to forthcoming debt maturities in 2025. Additionally, we have steadfastly implemented our "local landlord" approach to drive effective management of our business operations.

Debt Summary

The total debt of the Group at 30 June 2023 was €1.389 billion (31 Dec. 2022: €1.456 billion) comprising of medium to long-term debt, denominated entirely in Euro. The majority of the debt is in two bonds totalling €0.85 billion, with bank loans of €0.5 billion.

In the first half of 2023, we bought back €100m nominal value of our €550 million bond by paying a cash consideration of €83.2m thus reducing the debt maturing March 2025.

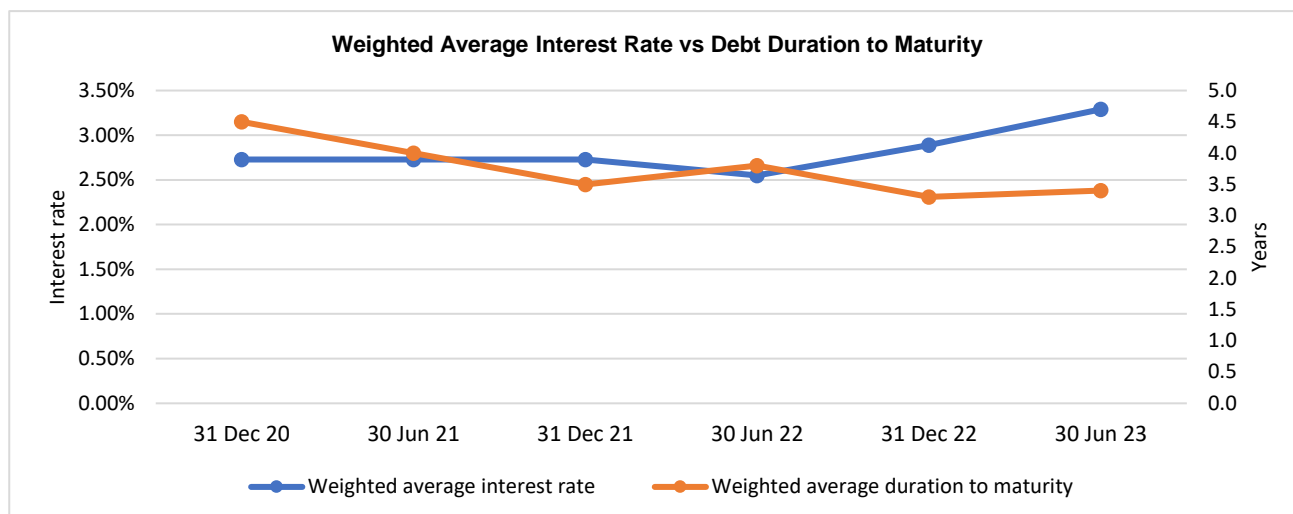
In addition, during the period in the first half of 2023, we:

- paid the annual coupon of the 2025 bond;
- drew the €110 million ten-year term secured debt facility which was signed with Erste Group Bank AG and Banca Comerciala Romana SA in December 2022 for refinancing of the Company's logistics / light industrial portfolio in Romania. Out of the €110 million, €96.5 million was made available to the Group and the difference to one of the Group's joint venture companies;
- repaid the €60 million outstanding balance on the RCF.

The Group continuously strives to maintain a low weighted average interest rate cost, which as at 30 June 2023 was 3.29% (2.89% at 31 Dec 2022), a small increase having in view the despite EURIBOR increasing c.130 basis points in the first half of the year while the average maturity period improved to 3.4 years (3.3 years at 31 December 2022), as depicted in the chart below.

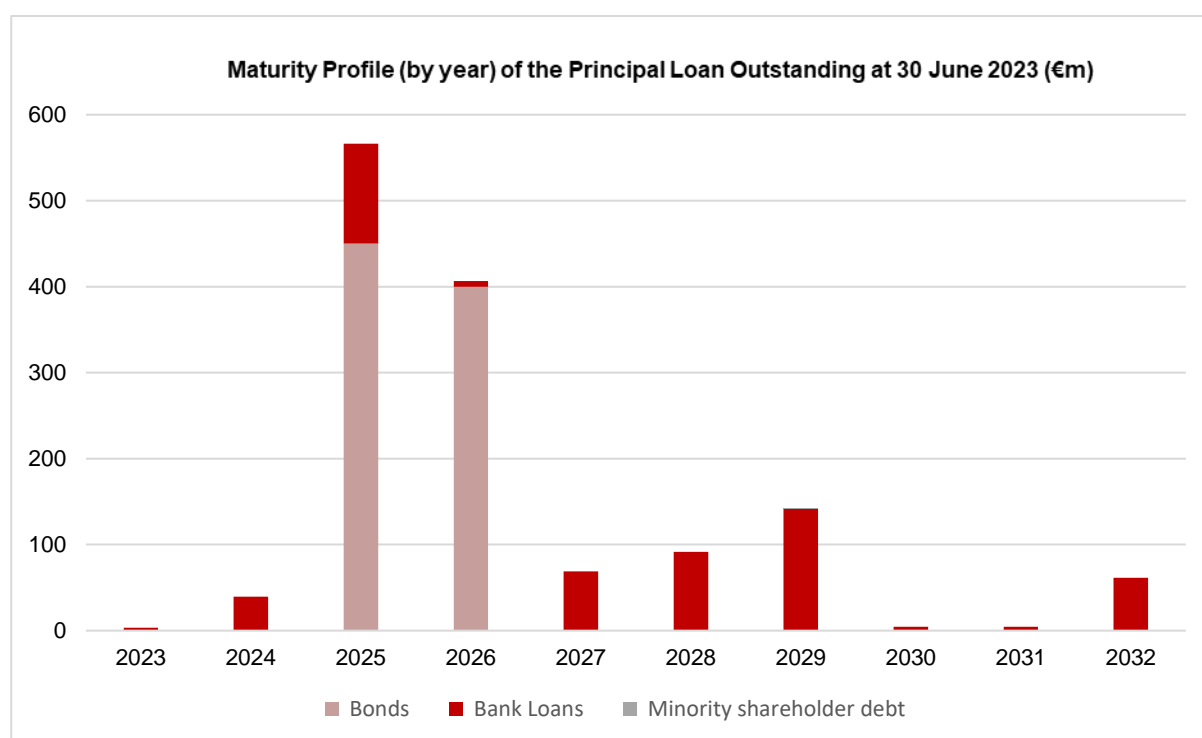
In this higher inflation and interest rate environment, it is important to note that at the end of the period, Globalworth had c.85% of its debt facilities at fixed interest rates (77.3%) or floating interest rates which are however hedged (7.7%).

FINANCIAL REVIEW



Servicing of Debt During 2023

In the first half of 2023, we repaid bank debt principal of €63.4 million, €100million nominal value of the 2025 Eurobond for a cash consideration of €83.2million and total accrued interest of €24.6million on the Group's outstanding debt facilities.



Liquidity & Loan to value ratio (LTV)

Managing our financial and operational 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 of 30 June 2023, the Group had cash and cash equivalents of €130.5 million (31 December 2022: € 163.8 million) of which an amount of €5.6 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 €265million.

FINANCIAL REVIEW

The Group's loan to value ratio on 30 June 2023 was 42.7%, same as at 31 December 2022. 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 2023

Debt Structure - Secured vs. Unsecured Debt

The majority of the Group's debt on 30 June 2023 is unsecured: 67.4% (31 December 2022: 75.4%), 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 (22.7% of the outstanding balance compared to 19.3% on 31 December 2022), or at a fixed interest rate (77.3% of the outstanding balance compared to 80.7% at 31 December 2022).

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 on 30 June 2023, an increase of 100 basis points in the EURIBOR will result in an increase of interest expense of €2.1 million per annum.

Debt Covenants

As of 30 June 2023, 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 2023 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 2022, 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
- 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 in interest environment
- Breach of loan covenants

FINANCIAL REVIEW

- Changes in Interest and Foreign Exchange Rates, and
- Compliance with fire, structural, health and safety, or other regulations

There have been no new risks identified during the six-month period ended 30 June 2023, and the identified risks are expected to continue to remain relevant during the second half of 2023.

7. Going Concern

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 2024. These projections take into account the available cash balance of the Group as of 30 June 2023 of €130 million (see note 15 to the financial statement), the available undrawn financing facilities of €265 million, the latest contracted rental income, 99% collections rate of rents invoiced and due, 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 due until cash flow projection period and value accretive CAPEX. During this assessment, the Group has also considered, but not relied upon, other options available to generate or conserve additional cash, to reduce debt levels and to fund value accretive capital expenditure and tenant incentives. These include but are not limited to extension of debt falling due in projected period, the potential disposal of assets; the opportunity to offer scrip alternative instead of cash dividend and the potential raising of additional funds.

GLOBALWORTH REAL ESTATE INVESTMENTS LIMITED
UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

	Note	30 June 2023 €'000	30 June 2022 €'000
Revenue	7	119,050	116,551
Operating expenses	8	(45,306)	(46,696)
Net operating income		73,744	69,855
Administrative expenses	9	(7,755)	(6,484)
Acquisition costs		-	(7)
Fair value (loss)/gain on investment property	3	(102,884)	7,019
Share-based payment expense	20	(167)	-
Loss on disposal of subsidiary		(164)	-
Depreciation and amortisation expense		(289)	(309)
Other expenses		(1,182)	(720)
Other income		2,215	295
Foreign exchange (loss)/gain		(569)	307
(Loss)/gain from fair value of financial instruments at fair value through profit or loss		(121)	73
(Loss)/ Profit before net financing cost		(37,172)	70,029
Finance cost	10	(27,945)	(27,547)
Finance income		18,224	1,179
Share of profit of equity-accounted investments in joint ventures	22	2,613	2,012
(Loss)/ Profit before tax		(44,280)	45,673
Income tax expense	11	19,701	(12,245)
(Loss)/Profit for the period		(24,579)	33,428
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		(24,579)	33,464
(Loss)/Profit attributable to:		(24,579)	33,428
- ordinary equity holders of the Company		(25,078)	32,606
- non-controlling interests		499	822
Total comprehensive income attributable to:		(24,579)	33,464
- ordinary equity holders of the Company		(25,078)	32,642
- non-controlling interests		499	822
		Cents	Cents
Earnings per share			
- Basic	12	(11)	15
- Diluted	12	(11)	15

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	30 June 2023 Unaudited €'000	31 December 2022 Audited €'000
ASSETS			
Investment property	3	2,864,290	2,945,460
Goodwill		12,349	12,349
Advances for investment property	5	6,102	4,393
Investments in joint ventures	22	72,645	67,967
Equity investments		7,629	7,521
Other long-term assets		1,724	1,784
Prepayments		210	226
Deferred tax asset	11	5,888	161
Non-current assets		2,970,837	3,039,861
Financial assets at fair value through profit or loss		3,433	3,554
Trade and other receivables	14	21,919	22,337
Contract assets		4,598	9,967
Guarantees retained by tenants		99	98
Income tax receivable		371	840
Prepayments		6,679	2,430
Cash and cash equivalents	15	130,545	163,767
		167,644	202,993
Investment property held for sale	3.3	121,138	126,009
Total Current assets		288,782	329,002
Total assets		3,259,619	3,368,863
EQUITY AND LIABILITIES			
Issued share capital		1,736,955	1,704,476
Treasury shares	20.2	(4,827)	(4,859)
Fair value reserve of financial assets at FVOCI		(5,469)	(5,469)
Share-based payment reserve	20	156	156
Retained earnings		(96,123)	(37,798)
Equity attributable to ordinary equity holders of the Company		1,630,692	1,656,506
Non-controlling interests		1,361	862
Total equity		1,632,053	1,657,368
Interest-bearing loans and borrowings	13	1,365,191	1,433,631
Deferred tax liability	11	138,958	154,866
Lease liabilities	3.2	19,426	19,861
Guarantees retained from contractors		2,834	1,995
Deposits from tenants		2,894	3,897
Trade and other payables		78	1,034
Non-current liabilities		1,529,381	1,615,284
Interest-bearing loans and borrowings	13	24,078	21,600
Guarantees retained from contractors		4,625	3,652
Trade and other payables		32,013	35,679
Contract liability		2,126	1,743
Other current financial liabilities		50	67
Current portion of lease liabilities		2,313	1,669
Deposits from tenants		20,221	17,477
Income tax payable		468	382
		85,894	82,269
Liabilities directly associated with the assets held for sale	3.3	12,291	13,942
Total current liabilities		98,185	96,211
Total equity and liabilities		3,259,619	3,368,863

The financial statements were approved by the Board of Directors on 18 September 2023 and were signed on its behalf by:
Andreas Tautscher,
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

	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 2022		1,704,476	(4,917)	156	-	38,914	1,738,629	-	1,738,629
Interim dividends	18	-	58	-	-	(59,829)	(59,771)	-	(59,771)
Shares issued in a newly acquired subsidiary		-	-	-	-	-	-	5	5
Settlement of fair value reserve of equity instruments designated at FVOCI in cash		-	-	-	(78)	78	-	-	-
Total comprehensive income for the period		-	-	-	(5,391)	(16,961)	(22,352)	857	(21,495)
As at 31 December 2022		1,704,476	(4,859)	156	(5,469)	(37,798)	1,656,506	862	1,657,368
Interim dividends paid in cash and scrip dividend	17,18	32,617	32	-	-	(33,247)	(598)	-	(598)
Transaction costs on issuance of scrip dividend shares		(138)	-	-	-	-	(138)	-	(138)
Total comprehensive income for the period		-	-	-	-	(25,078)	(25,078)	499	(24,579)
As at 30 June 2023		1,736,955	(4,827)	156	(5,469)	(96,123)	1,630,692	1,361	1,632,053

	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 2022		1,704,476	(4,917)	156	-	38,914	1,738,629	-	1,738,629
Interim dividends		-	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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

	Note	30 June 2023 €'000	30 June 2022 €'000
(Loss)/profit before tax		(44,280)	45,673
<i>Adjustments to reconcile profit before tax to net cash flows</i>			
Fair value loss/(gain) on investment property	3.4	102,884	(7,019)
Loss on sale of investment property		97	654
Share-based payment expense	20	167	-
Depreciation and amortisation expense		289	309
Net movement in allowance for doubtful debts	16.2	769	9
Foreign exchange loss/(gain)		569	(307)
Loss/(gain) from fair valuation of financial instrument		121	(73)
Loss on disposal of subsidiary	3.5	164	-
Share of profit of equity-accounted joint ventures	22.4	(2,613)	(2,012)
Net financing costs		9,721	26,368
Operating profit before changes in working capital		67,888	63,602
Decrease/(increase) in trade and other receivables		4,951	(4,888)
Decrease in trade and other payables		(2,346)	(2,699)
Interest paid		(24,625)	(29,286)
Interest received		1,168	207
Income tax paid		(3,278)	(974)
Interest received from joint ventures		173	250
Cash flows from operating activities		43,931	26,212
Investing activities			
Expenditure on investment property completed and under development or refurbishment		(29,102)	(33,642)
Payment for land acquisitions		-	(1,732)
Proceeds from disposal of subsidiary		4,000	501
Payment for acquisition of investment property		-	(5,584)
Proceeds from sale of investment property		2,278	6,331
Payments for equity investments		(108)	(483)
Investment in and loans given to joint ventures	22	(8,360)	(17,173)
Proceeds from joint ventures for loans given	22	7,135	2,377
Payment for purchase of other long-term assets		(232)	(156)
Cash flows used in investing activities		(24,389)	(49,561)
Financing activities			
Payment of transaction costs on issuance of scrip dividend shares		(138)	-
Proceeds for issuance of new shares in subsidiary from non-controlling interest		-	5
Proceeds from interest-bearing loans and borrowings	13	96,500	146,825
Payments of interest-bearing loans and borrowings	13	(146,554)	(324,545)
Payment of interim dividend (net of scrip)	18	(598)	(28,779)
Payment for lease liability obligations	3.2	(2,079)	(1,630)
Payment of bank loan arrangement fees and other financing costs		(1,206)	(2,152)
Cash flows from financing activities		(54,075)	(210,276)
Net decrease in cash and cash equivalents		(34,533)	(233,625)
Effect of exchange rate fluctuations on cash and bank deposits held		1,311	(414)
Cash and cash equivalents at the beginning of the period	15	163,767	418,748
Cash and cash equivalents at the end of the period	15	130,545	184,709

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.

On 23 July 2021 Zakiono Enterprises Limited, a company wholly owned by Tevat Limited, become a controlling shareholder by holding 60.6% share capital of the company through public offer. Tevat Limited is a joint venture between CPI Property Group S.A. and Aroundtown SA.

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 main country of operation of the Company is Guernsey. The Group's principal activities and nature of its operations are mainly investments in real estate properties, through both acquisition and development, as set out in the Strategic Report section of the 2022 Annual Report.

Directors

The Directors of the Company are:

- Dennis Selinas, Executive, Chief Executive Officer, Member of the Investment Committee
- Martin Bartyzal, Independent Non-Executive, Chair of the Board, Member of the Remuneration Committee
- Norbert Sasse, Non-Executive, Member of the Investment Committee
- Richard van Vliet, Independent Non-Executive, Member of the Audit & Risk Committee and Remuneration Committee
- Andreas Tautscher, Senior Independent Non-Executive, Chair of the Audit and Risk Committee, Member of Nomination Committee
- David Maimon, Independent Non-Executive, Member of the Audit & Risk Committee and Investment Committee
- Piotr Olendski, Independent Non-Executive, Chair of the Remuneration Committee, Member of the Investment Committee
- Daniel Malkin, Independent Non-Executive, Chair of the Nomination Committee, Member of the Audit & Risk Committee
- Favieli Stelian, Independent Non-Executive, Chair of the Investment Committee, Member of the Remuneration Committee
- Panico Theocharides, Non-Executive, Member of the Nomination 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 2023 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 2024. These projections take into account the available cash balance of the Group as of 30 June 2023 of €130 million (see note 15), the available undrawn financing facilities of €265 million, the latest contracted rental income, 99% collections rate of rents invoiced and due, 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 due until cash flow projection period and value accretive CAPEX. During this assessment, the Group has also considered, but not relied upon, other options available to generate or conserve additional cash, to reduce debt levels and to fund value accretive capital expenditure and tenant incentives. These include but are not limited to extension of debt falling due in projected period, the potential disposal of assets; the opportunity to offer scrip alternative instead of cash dividend and the potential raising of additional funds.

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 2022, 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 2022.

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. Non-controlling interest represents the portion of profit or loss, other comprehensive income and net assets not held by the Group and is presented separately in the income statement and within equity in the consolidated statement of financial position, separately from net assets and profit and loss attributable to the equity holders of the Company.

Foreign Currency transactions and balances

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

2. Critical Accounting Judgements, Estimates and Assumptions

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

Selection of Functional Currency

The Company and its subsidiaries used their judgment, based on the criteria outlined in IAS 21 "The Effects of Changes in Foreign Exchange 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;
- Trade and other receivables, see note 14;
- Share-based payment reserve, see note 20;
- Investment in Joint Ventures, see note 22; and
- Investment in Subsidiaries, see note 23.

This section focuses on the assets on the balance sheet of the Group which form the core of the Group's business activities. This includes investment property (both 100% owned by the Group and 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

	Note	Investment property – freehold					Investment property leasehold- Right of usufruct of the land	TOTAL
		Completed investment property	Investment property under refurbishment	Investment property under development	Land for further development	Sub-total		
		€'000	€'000	€'000	€'000	€'000	€'000	€'000
1 January 2022		2,718,260	156,001	30,850	39,300	2,944,411	21,669	2,966,080
Investment property acquisition	3.1	5,584	-	-	-	5,584	-	5,584
Land acquired during the year	3.1	-	-	-	1,785	1,785	-	1,785
Subsequent expenditure		24,897	11,512	12,430	1,258	50,097	-	50,097
Net lease incentive movement		15,411	1,664	134	-	17,209	-	17,209
Capitalised borrowing costs	10	-	119	46	-	165	-	165
Transfer to completed investment property		18,600	-	(14,700)	(3,900)	-	-	-
Disposal during the year		(14,120)	-	-	-	(14,120)	-	(14,120)
Additions to nominal lease liability		-	-	-	-	-	2,814	2,814
Fair value gain /(loss) on investment property		(69,078)	(16,915)	690	1,757	(83,546)	(608)	(84,154)
31 December 2022		2,699,554	152,381	29,450	40,200	2,921,585	23,875	2,945,460
Subsequent expenditure		24,052	6,987	321	25	31,385	-	31,385
Net lease incentive movement		(4,894)	(731)	(1)	-	(5,626)	-	(5,626)
Capitalised borrowing costs		-	-	144	-	144	-	144
Disposal during the year		(2,219)	-	-	(7,000)	(9,219)	-	(9,219)
Transfer to completed investment property		4,000	-	(4,000)	-	-	-	-
Fair value gain /(loss) on investment property		(102,556)	6,044	467	(1,025)	(97,070)	(784)	(97,854)
30 June 2023		2,617,937	164,681	26,381	32,200	2,841,999	23,091	2,864,290

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.

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”.

3.3 Assets Held for Sale

Judgements and Assumptions Used in the Classification of Investment Properties as Held for Sale

In 2021, the Group entered into a preliminary agreement to sell the following properties: Batory Building 1, Bliski Centrum, Philips, Nordic Park. and Warta Tower, for a total consideration of €125.2 million. The original transaction date was delayed from the initial disposal date as the buyer has to reorganise the financing arrangement with a new consortium of banks, to provide the secured financing for the SPA, as some banks in the initial consortium organised by the buyer in September 2021 withdrew due to the start of the war in Ukraine.

Warta Tower was sold in July 2023 (please refer to note 28 for further details) and terminated the original SPA for remaining four properties. The disposal of two properties is expected to conclude by end of 2023 and the remaining during first half of 2024.

All the assets under held for sale group are available for immediate sale in their present condition subject only to terms that are usual and customary for sales of such assets. The management has an active disposal programme with appropriate approvals from the Board and is planning to complete the sale in the near future by signing a new SPA with a new buyer(s).

The carrying values of investment properties held for sale at 30 June 2023 are fair valued after taking into account the existing SPA and management’s intention to actively market these assets for sale at a price that is reasonable in relation to its current fair value under present market conditions. Therefore, the Group continues to classify the carrying value of this investment under investment property held for sale and disclose separately the liabilities directly associated with the assets held for sale.

	Note	31 December 2022	CAPEX	Fair value loss	Movement during the period	30 June 2023
Completed Investment property	3.1	116,199	159	(4,707)	(4,548)	111,651
Investment property - leasehold	3.2	9,810	-	(323)	(323)	9,487
Investment property held for sale		126,009	159	(5,030)	(4,871)	121,138
Lease liabilities	3.2	8,877	-	-	109	8,986
Deferred tax liability	11	5,065	-	-	(1,760)	3,305
Liabilities directly associated with the assets held for sale		13,942	-	-	(1,651)	12,291
Net assets held for sale		112,067	-	-	(3,220)	108,847

3.4 Investment property – Fair value gain/(loss)

	Note	30 June 2023 €'000	30 June 2022 €'000
Fair value (loss)/gain on investment property		(102,884)	7,019
– Related to investment property -freehold	3.1	(97,854)	10,939
– Related to investment property -held for sale	3.2	(5,030)	(3,920)

3.5 Sale of land plot

In the first half of 2023, the Group sold a fully owned subsidiary, Nord 50 Herastrau Premium SRL, owning a non-core plot of land of 3.2k sqm located in the northern part of Bucharest for total consideration of €7.0 million out of which €4.0 million was paid in cash and remaining €3.0 million is receivable in January 2024. At the disposal date, the subsidiary held net asset of €7.2 million thus result in a net loss of €0.2 million.

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... 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 2023 (2022: 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		Valuation Technique	Country	Input	30 June	31 December
	2023	2022				2023	2022
	€'000	€'000				€'000	€'000
Completed Investment Property	1,360,590	1,422,550	DCF	Poland	Rent per sqm	€11.50 - €24.00	€11.50 - €26.00
					Discount rate	5.11%–12.72%	4.67%–12.30%
Completed held for sale	(111,651)	(116,199)			Exit yield	5.45%–8.50%	5.45%–8.00%
Completed Investment Property	1,328,100	1,350,000	DCF	Romania	Rent per sqm	€2.00 - €35.00	€2.00 - €35.00
					Discount rate	8.00% - 9.75%	8.25% - 9.50%
					Exit yield	6.5% - 7.75%	6.25% - 7.75%
Sub-total	2,577,039	2,656,350					
	40,900	43,205	SC	Romania	Sales value (sqm)	€1,939	€1,934
	2,617,939	2,699,554					
Investment property under development	7,780	9,550	RM	Poland	Rent per sqm	€13.50	€13.50
					Discount rate	6.92%-7.78%	6.76%-7.53%
					Exit yield	6.65%	6.50%
					Capex (€m)	€ 27.05	€ 26.64
						15,200	19,900
					Discount rate	8.25% - 9.50%	8.00% - 9.25%
					Exit yield	6.5% - 7.75%	6.25% - 7.75%
					Capex (€m)	€ 75.68	€ 77.43
	11,700	-	DCF	Romania	Rent per sqm	€5.20 - €9.70	-
					Discount rate	8.75% - 8.75%	-
					Exit yield	7%	-
Investment property under refurbishment	164,680	152,380	DCF*	Poland	Rent per sqm	€13.25 -€14.25	€13.50 -€15.00
					Discount rate	6.84% - 8.36%	7.49% - 8.67%
					Exit yield	6.58%-6.80%	7.18%-8.06%
					Capex (€m)	€ 10.0	€ 21.00
Land bank – for further development	9,500	9,500	SC	Romania	Sales value (sqm)	€ 27 - € 2,215.19	€ 27 - € 2,215.19
					Rent per sqm	€3.25-€18.50	€2.75-€18.00
	14,400	30,700	RM	Romania	Exit yield	7.00% - 8.25%	6.90% - 8.25%
TOTAL	2,841,199	2,921,585					

*Properties were valued using RM as of 31 December 2022

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

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:

Investment property	Year	Country	€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	
			Increase €'000	Decrease €'000	Increase €'000	Decrease €'000	Increase €'000	Decrease €'000	Increase €'000	Decrease €'000	Increase €'000	Decrease €'000
<i>Completed</i>	2023	Poland	36,670	(36,690)	(58,450)	63,300	-	-	-	-	(31,400)	-
	2023	Romania	29,400	(29,400)	(49,000)	53,000	-	-	1,300	(1,200)	(15,300)	12,500
	2022	Poland	38,490	(38,530)	(62,280)	67,730	-	-	-	-	(32,450)	-
	2022	Romania	31,600	(31,200)	(49,900)	54,600	-	-	1,300	(1,300)	(15,700)	12,400
<i>Under development</i>	2023	Poland	1,410	(1,410)	(1,600)	1,720	(1,320)	1,320	-	-	(1,060)	-
	2023	Romania	3,000	(3,100)	(3,600)	3,800	(3,400)	3,400	-	-	(200)	100
	2022	Poland	1,450	(1,450)	(1,670)	1,810	(1,320)	1,320	-	-	(1,060)	-
	2022	Romania	2,200	(2,200)	(1,800)	2,100	(1,900)	2,000	-	-	-	-
<i>Under refurbishment</i>	2023	Poland	5,160	(5,160)	(7,130)	7,710	-	-	-	-	(4,030)	-
	2022	Poland	4,760	(4,750)	(6,120)	6,560	(210)	200	-	-	(3,740)	-
<i>Further development</i>	2023	Poland	-	-	-	-	-	-	-	-	-	-
	2023	Romania	2,100	(2,000)	(2,000)	2,300	(2,000)	2,200	400	(500)	-	-
	2022	Poland	-	-	-	-	-	-	-	-	-	-
	2022	Romania	3,200	(3,100)	(3,600)	4,000	(3,400)	3,500	400	(500)	-	-

- The quantitative sensitivity analysis was computed as €0.25 change in rental value per month, per sqm for four industrial properties (2022: four industrial properties at €0.25 change in rental value per month, per sqm).
- The quantitative sensitivity analysis was computed as €1.5 change in sales price per sqm for industrial properties portfolio.
- 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 2022		37,400	13,700	35,600	86,700
Land acquired during the period		8	1,592	802	2,402
Subsequent expenditure		964	22,167	92	23,223
Net lease incentive movement		(17)	155	-	138
Capitalised borrowing costs		92	336	-	428
Transfer to investment property		34,700	(34,700)	-	-
Transfer to investment property under development		-	-	(28)	(28)
Fair value gain/(loss) on investment property		553	5,150	434	6,137
31 December 2022		73,700	8,400	36,900	119,000
Subsequent expenditure		1,400	1,823	224	3,447
Net lease incentive movement		(95)	110	-	15
Transfer to completed investment property		13,200	(13,200)	-	-
Fair value gain/(loss) on investment property	22.3	1,695	2,867	123	4,685
30 June 2023	22.3	89,900	0	37,247	127,147

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 three 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		Valuation technique	Country	Input	Range	
	30 June 2023	31 December 2022				30 June 2023	31 December 2022
	€'000	€'000					
Completed Investment property	89,900	73,700	DCF	Romania	Rent per sqm Discount rate Exit yield	€2.00 - €10.00 8.50% - 9.00% 7.00% - 7.25%	€2.00 - €9.00 8.50% - 9.00% 7.00% - 7.25%
Investment property under development	-	8,400	RM	Romania	Discount rate Exit yield Capex (€m)	- - -	8.75% 7.25% €2.38
Land bank – for further development	37,247	36,900	SC	Romania	Sales value sqm	€30.00 - €70.00	€30.00 - €70.00
TOTAL	127,147	119,000					

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		25 bps change in market yield		5% change in capex		€1.5 change in sales prices per sqm		2.5% change in vacancy in perpetuity	
			Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
			€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
– Completed	2023	Romania	2,400	(2,400)	(3,200)	3,300	-	-	-	-	(1,300)	1,100
	2022	Romania	2,300	(2,200)	(2,500)	2,700	-	-	-	-	(1,000)	900
– Under development	2023	Romania	-	-	-	-	-	-	-	-	-	-
	2022	Romania	600	(500)	(400)	400	(100)	100	-	-	-	-
– Further development	2023	Romania	-	-	-	-	-	-	1,400	(1,400)	-	-
	2022	Romania	-	-	-	-	-	-	1,400	(1,400)	-	-

5. Advances for investment Property

	30 June	31 December
	2023	2022
	€'000	€'000
Advances for land and other property acquisitions	2,000	2,000
Advances to contractors for investment properties under development	4,102	2,393
	6,102	4,393

6. Commitments

Commitments for Investment Property

As at 30 June 2023 the Group committed to future capital expenditure, for the next 12 months from the statement of financial position date, in respect of completed investment property of €14.4 million (2022: €10.9 million), investment property under development of €0.02 million (2022: €0.7 million) and had committed with tenants to incur incentives (such as fit-out works, leasing fees and other lease incentives) of €9.8 million (2022: €10.3 million).

The Group's Joint Ventures were committed to the construction of investment property for the amount of €1.0 million at 30 June 2023 (2022: €1.3 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 (2022: 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	31 December
	2023	2022
	€'000	€'000
Not later than 1 year	185,623	169,880
Later than 1 year and not later than 5 years	545,890	426,748
Later than 5 years	201,399	152,843
	932,912	749,471

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 2023 €'000	30 June 2022 €'000
Rental income	80,527	75,214
Revenue from contracts with customers	36,870	39,888
Service charge income		39,888
Fit-out services income	1,187	1,301
Asset management fees	58	31
Marketing and other income	408	117
	38,523	41,337
	119,050	116,551

The total contingent rents and surrender premia recognised as rental income during the period amount to €1.1 million (30 June 2022: €0.4 million) and €0.3 million (30 June 2022: nil), respectively.

8. Operating Expenses

	30 June 2023 €'000	30 June 2022 €'000
Property management, utilities and insurance	42,933	44,739
Property maintenance costs and other non-recoverable costs	958	825
Property expenses arising from investment property that generate rental income	43,891	45,564
Property expenses arising from investment property that did not generate rental income	11	11
Fit-out services costs	1,404	1,121
	45,306	46,696

9. Administrative expenses

	30 June 2023 €'000	30 June 2022 €'000
Directors' emoluments	366	463
Salary and remuneration costs	4,240	3,783
Accounting, secretarial and administration costs	302	240
Legal and other advisory services	842	592
Audit and non-audit services	491	182
Corporate social responsibility	64	256
Travel and accommodation	130	78
Marketing and advertising services	739	414
Post, telecommunication, and office supplies	292	252
Stock exchange expenses	270	224
Exceptional and non-recurring expenses	19	–
	7,755	6,484

10. Finance Cost

	Note	30 June 2023 €'000	30 June 2022 €'000
Interest on secured loans		6,300	3,410
Interest on unsecured credit facilities		2,432	116
Interest on fixed rate bonds		14,034	18,230
Debt cost amortisation and other finance costs	10.1	4,075	4,368
Interest on lease liabilities	3.2	965	909
Bank charges		139	514
Gross finance cost		27,945	27,547
Less borrowing costs capitalised on investment property		144	156
		28,089	27,703

The average capitalisation rate used to determine the borrowings eligible for capitalisation was 3.29% (30 June 2022: 3.33%).

10.1 Debt cost amortisation and other finance costs

	30 June 2023 €'000	30 June 2022 €'000
Debt issue cost amortisation – secured bank loans	338	298
Debt issue cost amortisation – unsecured facility	755	744
Debt issue cost amortisation – fixed rate bonds	2,982	3,326
	4,075	4,368

11. Taxation

	30 June 2023 €'000	30 June 2022 €'000
Current income tax expense	3,781	(572)
– Related to current period	4,360	777
– Related to prior period	(579)	(1,349)
Deferred income tax expense/(income)	(23,482)	12,817
	(19,701)	12,245

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 from 1 March 2020 until 31 May 2022 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; the most significant future sources of income of the Group subsidiaries registered in Cyprus are dividend and interest income. 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.

Deferred tax (asset)/liabilities

	Note	30 June 2023 €'000	31 December 2022 €'000
Deferred tax asset		(5,888)	(161)
Deferred tax liabilities directly associated with the assets held for sale	3.3	3,305	5,065
Deferred tax liabilities		138,958	154,866
		136,375	159,770

Deferred income tax expense

	Consolidated statement of financial position		Consolidated statement of comprehensive income	
	30 June 2023 €'000	31 December 2022 €'000	30 June 2023 €'000	30 June 2022 €'000
Net Deferred Tax				
Subsidiary sold during the year	-	-	-	-
Valuation of investment property at fair value	155,079	181,070	(25,991)	9,326
Deductible temporary differences	(1,950)	(1,247)	(703)	814
Interest expense and foreign exchange loss on intra-group loans	(15,323)	(18,743)	3,420	2,019
Discounting of tenant deposits and long-term deferred costs	67	68	(1)	(7)
Share issue cost recognised in equity	(7)	(7)	-	-
Valuation of financial instruments at fair value	50	72	(22)	52
Recognised unused tax losses	(1,541)	(1,443)	(183)	613
	136,375	159,770	(23,480)	12,817

As at 30 June 2023, the Group has unused assessed tax losses carried forward of €56.7 million (2022: €49.7 million) in Romania and €18.4 million (2022: €19.1 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 €1.5 million (2022: €1.4 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 €12.5 million (2022: €10.7 million), calculated at the corporate income tax rates of 16% in Romania and 19% (9% for small entities) in Poland, respectively.

Expiry year	2023	2024	2025	2026	2027	2028	2029	2030	Total
Total available deferred tax assets (€m)	1.7	4.4	0.7	2.3	0.9	1.3	0.5	0.8	12.6

From the above total available deferred tax assets, of €9.1 million (2022: €9.2 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

There are also temporary non-deductible interest expenses and net foreign exchange losses of €231.8 million, €40.9 million in Romania and €190.9 million in Poland (2022: €276.5 million, €38.9 million in Romania and €237.6 million in Poland) related to intercompany and bank loans. 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 €15.2 million (€1.1 million in Romania and €14.1 million in Poland) deferred tax asset was recorded (2022: €18.7 million, €1.1 million in Romania and €17.7 million in Poland).

In Romania such temporary non-deductible interest expenses can be carried forward indefinitely until they are 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. As of 31 December 2022, out of the total €14.1 million (2022: €17.7 million) deferred tax asset on interest expense and foreign exchange loss recognised in Poland, €2.2 million (2022: €2.6 million) is available for utilisation in five years from the origination.

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. Based on the above assessment, the Group recognised deferred tax expense related to deferred tax asset for fiscal losses carried forward for an amount of €2.2 million (2022: €2.0 million) representing derecognition of deferred tax assets of €2 million (2022: derecognition of €1.5 million) in Romania, due to improved actual tax results and transition of some subsidiaries to a taxable profit position, and derecognition of deferred tax assets of €0.2 million (2022: derecognition of €0.5 million) in Poland, due to improved actual tax results.

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 2022	At the beginning of the year		221,373		221,373
30 June 2022	Shares in issue at period-end (basic)		221,373		221,373
Jan- Jun 2022	Effect of dilutive shares		97	54%	52
30 June 2022	Shares in issue at period-end (diluted)		221,470		221,425
1 Jan 2023	At the beginning of the year		221,373		221,373
30 June 2023	Shares in issue at year-end (basic)		235,679		228,287
Jan- Jun 2023	Effect of dilutive shares		150		124
30 June 2023	Shares in issue at period-end (diluted)		235,829		228,411

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 2023	30 June 2022
	€'000	€'000
(Loss)/Profit attributable to equity holders of the Company for the basic and diluted earnings per share	(25,078)	32,606

IFRS earnings per share	Cents	Cents
– Basic	(11)	15
– Diluted	(11)	15

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 2023 €'000	30 June 2022 €'000
Earnings per IFRS income statement		(25,078)	32,606
Changes in value of investment property		102,884	(7,019)
Changes in value of ROFO		121	(73)
Losses/(income) on disposal of investment properties	3.4	(67)	585
Loan close-out costs		(15,809)	-
Changes in fair value of financial instruments and associated close-out costs		(163)	(283)
Acquisition costs on share deals		-	7
Deferred tax charge in respect of above		(26,013)	9,378
Non-controlling interests share of above		356	821
Adjustments in respect of joint ventures for above items		(2,045)	(1,694)
EPRA earnings attributable to equity holders of the Company		34,186	34,329
EPRA earnings per share		Cents	Cents
- Basic		15	16
- Diluted		15	16

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 16.

	30 June 2023 €'000	31 December 2022 €'000
Current		
Secured loans and accrued interest	9,568	3,845
Unsecured loans and accrued interest	14,510	17,755
Sub-total	24,078	21,600
Non-current		
Secured loans	443,270	353,978
Unsecured fixed rate Bonds and unsecured credit facilities	921,921	1,079,653
Sub-total	1,365,191	1,433,631
TOTAL	1,389,269	1,455,231

13.1 Key terms and conditions of outstanding debt

Facility	Nominal interest rate	Maturity date	30 June 2023		31 December 2022	
			Face value €'000	Carrying value €'000	Face value €'000	Carrying value €'000
Loan 16	EURIBOR 1 month + margin	May 2025	11,615	11,613	12,220	12,218
FY18/25 Bond	Fixed rate	March 2025	453,449	451,086	562,522	558,569
Loan 38 ¹	Fixed/Floating rate + margin	May 2025	100,113	100,020	100,115	99,874
Loan 41	EURIBOR 3 month + margin	March 2029	85,848	85,308	85,552	84,959
Loan 43	EURIBOR 3 month + margin	December 2024	33,812	33,729	34,522	34,423
Loan 44/45	Fixed rate	February 2027	62,293	62,089	62,295	62,062
Loan 46	Fixed rate	November 2029	65,043	64,478	65,045	64,462
Loan 47	EURIBOR 3 month + margin	April 2024	-	-	60,060	60,060
FY20/26 Bond	Fixed rate	July 2026	410,863	400,382	405,011	392,658
Loan 49	Fixed rate	March 2029	457	457	449	449
Loan 50	Fixed rate	March 2029	4,480	4,435	1,429	1,421
Loan 51	EURIBOR 6 month + margin	May 2028	85,198	84,211	85,162	84,076
Loan 53	EURIBOR 3 month + margin	December 2032	92,491	91,461	-	-
Total			1,405,662	1,389,269	1,474,382	1,455,231

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

In June 2023, the Company successfully completed a buyback of €100 million nominal value of FY18/25 bonds by paying a cash consideration of €83.2 million.

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 for successive periods of 1 month each, until 27 March 2023 when it was repaid in full.

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%.

13.2 Secured facilities

New facilities

On 17 March 2023, the Group drew down the €110 million a ten-year term secured debt facility (Loan 53), which was signed Erste Group Bank AG and Banca Comerciala Romana SA for refinancing of the Company's logistics/light industrial portfolio in Romania. Out of the €110 million, €96.5 million was drawn by the subsidiaries of the Group and the difference of €13.5 million by Black Sea Vision SRL, one of the Group's joint venture companies, which was used the funds to refinance the existing debt held with Banca Comerciala Romana SA and part of the debt held with the Group.

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% (2022: 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% (2022: 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% (2022: 250%), which was applicable to two properties as at 30 June 2023 (31 December 2022: 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 €965.3 million at 30 June 2023 (2022: € 794.4million) and also carry pledges on rent and other receivable balances of €4.3 million (2022: €7.4 million), VAT receivable balances of €0.3million (2022: €0.8million) and a movable charge on the respective bank accounts (refer to note 15).

The Group is in compliance with all financial covenants and there were no payment defaults during the period ended 30 June 2023 (2022: same). As of 30 June 2023, the Group had undrawn borrowing facilities of €265 million (2022: €300 million) out of this €215 million is available to draw until March 2024 and remaining €50 million until December 2025.

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 (loan 49 and loan 50), representing 25% of CAPEX investment in the projects which were financed through shareholders loans from the minority shareholder in proportion to the equity interest in the Company. The loans are unsecured and carry a fixed interest of 4%.

14. Trade and Other receivables

	30 June 2023 €'000	31 December 2022 €'000
Rent and service charges receivable	17,101	19,201
VAT and other taxes receivable	940	2,616
Consideration receivable for the sale of land (note 3.5)	3,000	-
Advances to suppliers for services	166	177
Sundry debtors	712	343
	21,919	22,337

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 €4.6 million (2022: €4.1 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 16.2). For the terms and conditions for related party receivables, see note 25.

15. Cash and Cash Equivalents

	30 June 2023 €'000	31 December 2022 €'000
Cash at bank and in hand	110,248	151,343
Short-term deposits	20,297	12,424
Cash and cash equivalents at period end	130,545	163,767

Cash at bank and in hand includes restricted cash balances of €5.6 million (2022: €7.8 million) and short-term deposits include restricted deposits of €0.1 million (2022: €0.1 million). The restricted cash balance can be used to repay the outstanding debts and repayment of deposits to tenants.

Details of cash and cash equivalents denominated in foreign currencies are disclosed in note 20.

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 2.70% (2022: minus 0.60% to positive 0.01%) per annum, for RON deposits from 5.33% to 5.81% (2022: 0.68% to 6.25%) per annum and for PLN deposits from 2.19% to 4.44% (2022: minus 0.24% to 4.56%) per annum. For RON deposits highest interest rate was earned on overnight deposits.

16. 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.
- Liquidity risk.

Refer to the Principal Risks & Uncertainties section on the Annual Report, pages 58 to 64, for further details on the Group's Risk Management Framework, covering Business Environment Risks, Property Portfolio Risks, Financial, Financing & Liquidity Risks and Regulatory Risks.

16.1 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; (b) interest-bearing assets and liabilities, (c) investments in equity instruments — refer to note 17 and (d) fair value of investment property — refer to note 4, to the extent that these are exposed to general and specific market movements.

16.1 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):

Amounts in €'000 equivalent value	30 June 2023				31 December 2022			
	Denominated in				Denominated in			
	RON	PLN	GBP	USD	RON	PLN	GBP	USD
ASSETS								
Cash and cash equivalents	22,050	26,312	143	5	16,691	20,817	11	20
Trade and other receivables	12,144	8,879	-	-	13,720	7,037	-	-
Contract assets	3,299	1,153	-	-	4,760	5,063	-	-
Income tax receivable	33	338	-	-	33	1,629	-	-
Total	37,526	34,203	143	5	35,204	34,546	11	20
LIABILITIES								
Trade and other payables	11,095	14,258	-	-	16,028	12,984	-	-
Lease liability	-	30,725	-	-	-	30,407	-	-
Income tax payable	256	215	-	-	197	(6)	-	-
Guarantees from subcontractors	959	4,038	-	-	959	2,672	-	-
Deposits from tenants	3,784	6,973	-	5	3,784	7,081	-	5
Total	16,094	56,209	-	5	20,968	53,138	-	5
Net exposure	21,432	(19,527)	143	-	14,236	(18,592)	11	15

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.

All amounts in €'000	30 June 2023		31 December 2022	
	Profit or (loss)	Equity	Profit or (loss)	Equity
RON	(1,072)	(1,072)	(712)	(712)
PLN	976	976	930	930
USD	-	-	(1)	(1)
GBP	(7)	(7)	(1)	(1)

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

16.1 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 2023, the total outstanding balance of interest-bearing loans and borrowing 77.3% (2022: 80.7%) 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 2023, the fair value of such fixed rate debt was lower by €124.6 million (2022: higher with €133.6 million) than the carrying value as disclosed in note 17.2 in the fair value hierarchy table.

Furthermore, as at 30 June 2023, from the total outstanding interest-bearing loans and borrowing balance 22.7% (2022: 19.3%) 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 19.3% (2022: 21.6%) 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 2023, 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 €2.1 million per annum (2022: €2.8 million per annum), with a corresponding impact on equity for the same amount, respectively.

16.2 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 2023 €'000	31 December 2022 €'000
Financial assets measured at fair value through profit or loss		3,433	3,554
Loan receivable from joint venture	22	48,689	47,324
Trade receivables – net of provision	14	17,101	19,201
Contract assets	14	4,598	9,967
Other receivables		712	343
Guarantees retained by tenants		99	98
VAT and other taxes receivable	14	940	2,616
Income tax receivable		371	840
Cash and cash equivalents	15	130,545	163,767
		206,488	247,710

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 (such as macroeconomic forecasts of unemployment, economic sentiment indicator, real GDP growth, inflation rate) 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 2023 €'000	31 December 2022 €'000
Opening balance	4,112	5,776
Provision for specific doubtful debts	862	263
Reversal of provision for doubtful debts	(163)	(219)
Utilised	-	(1,658)
Foreign currency translation income	(190)	(50)
Closing balance	4,621	4,112

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

30 June 2023 (€'000)	Neither past due nor impaired	due but not impaired				TOTAL
		<90 days	<120 days	<365 days	>365 days	
Trade and other receivables – gross	9,936	5,548	710	1,573	3,954	21,721
Less: Specific provision	-	140	22	143	3,954	4,260
Less: Expected credit loss	4	198	7	152	-	361
Carrying amount	9,932	5,210	681	1,278	-	17,101
Expected credit loss rate	0.0%	3.8%	1.0%	11.9%	-	

31 December 2022 (€'000)	Neither past due nor impaired	due but not impaired				TOTAL
		<90 days	<120 days	<365 days	>365 days	
Trade and other receivables – gross	11,785	6,334	162	1,416	3,616	23,313
Less: Specific provision	-	80	11	44	3,616	3,751
Less: Expected credit loss	4	198	7	152	-	361
Carrying amount	11,781	6,056	144	1,220	-	19,201
Expected credit loss rate	0.0%	3.3%	4.9%	12.5%	-	

The Group considers that a default on a trade receivable occurs when the counterparty fails to make contractual payments within 90 days of when they fall due. The customer balances which were overdue but for which no specific loss allowance was recorded are due to the fact that the related customers committed and started to pay the outstanding balances subsequent to the year-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 64% (2022: 60%) of the cash and cash equivalents balance of the Group, in lower medium grade range (BBBs) for 36% (2022: 40%) of the cash and cash equivalents balance of the Group and insignificant amounts (2022: 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.

	Year	Carrying amount €000	Fair value hierarchy			Total €000
			Level 1 €000	Level 2 €000	Level 3 €000	
Interest-bearing loans and borrowings (Note 14)	2023	1,389,269	674,120	–	552,113	1,266,233
	2022	1,455,231	800,385	–	521,275	1,321,660
Other current financial liabilities	2023	50	–	50	–	50
	2022	67	–	67	–	67
Financial asset at fair value through profit or loss	2023	3,433	–	–	3,433	3,433
	2022	3,554	–	–	3,554	3,554
Lease liabilities (note 3)	2023	21,739	–	–	21,739	21,739
	2022	21,530	–	–	21,530	21,530

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.

16.3 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 2023	Contractual payment term					Total	Difference from carrying amount	Carrying amount
	<3 months	3 months- 1 year	1-5 years	>5 years				
Interest-bearing loans and borrowings	17,373	33,683	1,281,212	238,649	1,570,917	(181,648)	1,389,269	
Lease liability	-	2,314	13,614	113,914	129,842	(99,117)	30,725	
Trade payables and guarantee retained from contracts (excluding advances from customers)	22,716	8,686	2,713	161	34,276	(458)	33,818	
Other payables	16	-	-	-	16	-	16	
Deposits from tenants	18,718	1,522	2,556	924	23,720	(605)	23,115	
Total	58,823	46,205	1,300,095	353,648	1,758,771	(281,828)	1,476,943	

All amounts in €'000 31 December 2022	Contractual payment term					Total	Difference from carrying amount	Carrying amount
	<3 months	3 months- 1 year	1-5 years	>5 years				
Interest-bearing loans and borrowings	19,897	26,082	1,335,002	235,216	1,616,197	(160,966)	1,455,231	
Lease liability	-	2,151	13,614	113,914	129,679	(99,272)	30,407	
Trade payables and guarantee retained from contracts (excluding advances from customers)	21,235	12,963	2,948	16	37,162	260	37,422	
Other payables	20	-	-	-	20	-	20	
Deposits from tenants	17,303	186	3,336	1,251	22,076	(702)	21,374	
Total	58,455	41,382	1,354,900	350,397	1,805,134	(260,680)	1,544,454	

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 2023 (2022: €0.07 million). The fair value of derivative was developed in accordance with the requirements of IFRS 13.

A financial income of €0.3 million (30 June 2022: €0.3 million), representing the fair value movement during the period, was recognised in the income statement for the period ended 30 June 2023.

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.

17. Issued share capital

	30 June 2023		31 December 2022	
	€'000	Number	€'000	Number
Opening balance	1,704,476	222,427	1,704,476	222,427
Share issued for scrip dividends	32,617	14,305	-	-
Transaction costs on issuance of shares in cash	(138)	-	-	-
Closing balance	1,736,955	236,732	1,704,476	222,427

On 8 March 2023, the Company offered a scrip dividend alternative to the interim dividend so that qualifying shareholders can elect to receive new ordinary shares at a reference price of €2.28 per scrip dividend share instead of cash dividend of €0.15 per share. The reference price was determined on the basis of a discount of 20% to the average of the middle market quotations on the five consecutive dealing days from and including the Ex-Dividend Date.

Approximately 98.1% of the qualifying shareholders (excluding shares held in treasury), elected to receive scrip dividend shares in respect of their entitlement to the interim dividend resulting in the issuance of 14,305,676 new shares on 18 April 2023 to qualifying shareholders.

18. Dividends

	30 June 2023 €'000	31 December 2022 €'000
Distributed during the period		
First Interim dividend 2023: €0.15 per share		
First Interim dividend 2022: €0.13 per share	33,247	59,771
Second Interim dividend 2022: €0.14 per share		

On 8 March 2023, the Board of Directors of the Company approved the distribution of an interim dividend in respect of the six-month financial period ended 31 December 2022 of €0.15 per ordinary share.

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 2023 €'000	31 December 2022 €'000
Net assets attributable to equity holders of the Company		1,630,692	1,656,506

Number of ordinary shares used for the calculation of:		Number ('000)	Number ('000)
- NAV per share	12	235,679	221,373
- Diluted NAV and EPRA NRV per share	12	235,829	221,470

	€	€
NAV per share	6.92	7.48
Diluted NAV per share	6.91	7.48

	30 June	31 December
--	---------	-------------

EPRA NRV Per Share	Note	2023 €'000	2022 €'000
Net assets attributable to equity holders of the Company		1,630,692	1,656,506
Exclude:			
V) 50% of deferred tax in relation to fair value gains of IP	11	155,079	181,070
VI) Fair value of financial instruments	16.3	(357)	(194)
VII) Goodwill as a result of deferred tax		(5,697)	(5,697)
IX) Adjustment in respect of Joint venture and NCI for above items		1,433	3,798
EPRA NRV attributable to equity holders of the Company		1,781,150	1,835,483
		€	€
EPRA NRV per share		7.55	8.29

20. Share-Based Payment Reserve

	Note	30 June 2023 €'000	31 December 2022 €'000
Share-based payments reserve			
Executive share option plan reserve	20.1	156	156
		30 June 2023 €'000	30 June 2022 €'000
Share-based payments expense			
Expense during the period		167	-

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 (currently 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.

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 a 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. The warrants were exercisable in whole or in part during a period ending in 10 years from the date of admission.

On 9 July 2021, two Non-Executive Directors exercised 20,000 vested warrants at €5.00 per share under the contractual terms for an amount of €0.1 million and a corresponding €2,000 share-based payment reserve was also transferred to share capital. These warrants were vested during 2017 at the weighted average market share price of €7.71. There have been no cancellations or modifications to any of the plans during the period ended 30 June 2023.

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

	30 June 2023		31 December 2022	
	Cost €'000	Number (‘000)	Cost €'000	Number (‘000)
Closing balance	156	-	156	-
Weighted average remaining contractual life (years)		0.08		0.58

There were no warrants vested and exercisable at 30 June 2023 (31 December 2022: same)

20.2 Treasury shares

	30 June 2023		31 December 2022	
	Amount €'000	Number (‘000)	Amount €'000	Number (‘000)
Opening balance	(4,859)	1,056	(4,917)	1,053
Dividend on treasury shares held by a subsidiary	32	-	58	-
Closing balance	(4,827)	1,056	(4,859)	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 2023 €'000	31 December 2022 €'000
Interest-bearing loans and borrowings (face value)	13	1,405,662	1,474,382
Less:			
Cash and cash equivalents	15	130,545	163,767
Group Interest-bearing loans and borrowings (net of cash)		1,275,117	1,310,615
Add:			
50% Share of Joint Ventures interest-bearing loans and borrowings		14,518	11,764
50% Share of Joint Ventures cash and cash equivalents		(1,655)	(1,524)
Combined Interest-bearing loans and borrowings (net of cash)		1,287,980	1,320,856
Group open market value as of financial position date		2,952,850	3,037,784
Add:			
50% Share of Joint Ventures open market value as of financial position date	22	63,574	59,500
Open market value as of financial position date		3,016,423	3,097,284
Loan-to-value ratio ("LTV")		42.70%	42.70%

Since the carrying value of the lease liability closely matches the fair value of the investment property – leasehold at 30 June 2023 under the applicable accounting policy as per IFRS 16, both asset and liability, related to the right of perpetual usufruct of the lands, are excluded from the above calculation.

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

22. Investment in Joint ventures

Investments	Note	30 June 2023 €'000	31 December 2022 €'000
Opening balance		20,643	16,917
Investments in the joint ventures (including acquisition costs)		700	507
Share of profit during the period		2,613	3,219
Sub-total		23,956	20,643
Loans receivable from joint ventures			
Opening balance		47,324	31,991
Loan provided to the joint ventures		7,660	28,033
Loan repayments from the joint ventures		(7,135)	(13,429)
Interest repayment from the joint ventures		(173)	(797)
Interest income on the loans to joint ventures		1,013	1,526
Sub-total		48,689	47,324
TOTAL		72,645	67,967

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 2023 and 31 December 2022, 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 2023 and 31 December 2022, the investment properties were classified as industrial segment for the Group.

In September 2022, the Group's subsidiary, Globalworth Holdings Cyprus Limited, entered into a joint venture agreement with Global Vision Business Development SRL through which it acquired a 50% shareholding interest (€0.07 million investment) in Targu Mures Logistics Hub SRL ("Targu Mures Logistics Hub"), an unlisted company in Romania, owning land for further development, at acquisition date, in Mures, Romania. As at 30 June 2023 and 31 December 2022 the land was classified as an industrial segment for the Group.

Judgements and assumptions used for Joint Ventures

At the time of acquisition, the Group considered whether the acquisition represented an acquisition of a business or an acquisition of an asset. In the absence of an integrated set of activities required for a business other than the property, the Group concluded the acquisition of the joint venture does not represent a business therefore accounted for it as an acquisition of a group of assets and liabilities. The cost to acquire the entity is allocated between the identifiable assets and liabilities of the entity based upon their relative fair values at the acquisition date and no goodwill or deferred tax is recognised.

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.

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 2023 €'000	30 June 2023 €'000	30 June 2023 €'000	30 June 2023 €'000	31 December 2022 €'000	31 December 2022 €'000	31 December 2022 €'000	31 December 2022 €'000
	Constanta Business Park	Chitila Logistics Hub	Tg Mures	Combined	Constanta Business Park	Chitila Logistics Hub	Tg Mures	Combined
Completed investment property	27,100	49,600	13,200	89,900	26,300	47,400	-	73,700
Investment property under development/ Land bank – for further development	37,247	-	-	37,247	36,900	-	8,400	45,300
Other non-current assets	26	410	135	571	470	41	8	519
Total non-current assets	64,373	50,010	13,335	127,718	63,670	47,441	8,408	119,519
Other current assets	684	951	945	2,580	751	350	1,218	2,319
Cash and cash equivalents	1,982	1,280	47	3,309	1,134	1,437	476	3,047
Total assets	67,039	52,241	14,327	133,607	65,555	49,228	10,102	124,885
Loans payable to the Group	10,802	25,937	11,950	48,689	14,209	25,138	7,976	47,323
Bank loans (face value)	13,372	15,448	-	28,820	7,598	15,878	-	23,476
Bank loans (amortised cost)	(158)	(110)	-	(268)	(107)	(115)	-	(222)
Loan from Joint venture partner	636	2,551	306	3,493	584	3,196	302	4,082
Deferred tax liability	6,003	1,269	201	7,473	6,008	871	-	6,879
Other non-current liabilities	127	73	-	200	176	106	-	282
Total non-current liabilities	30,782	45,168	12,457	88,407	28,468	45,074	8,278	81,820
Loan from Joint venture partner	-	28	-	28	-	28	-	28
Other current liabilities	568	427	234	1,229	1,477	716	2,607	4,800
Current portion of bank loans	142	73	-	215	52	-	-	52
Total liabilities	31,492	45,696	12,691	89,879	29,997	45,818	10,885	86,700
Net assets	35,547	6,545	1,636	43,728	35,558	3,410	(783)	38,185

The Group has signed loan facilities amounting to €78.3 million (2022: €63.3 million) with Chitila Logistics Hub and Constanta Business Park joint ventures to fund the development costs of the projects, out of which €33.0 million was available for future drawdown as of 30 June 2023 (2022: €33.5 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 2023 €'000	30 June 2023 €'000	30 June 2023 €'000	30 June 2023 €'000	30 June 2022 €'000	30 June 2022 €'000	30 June 2022 €'000	30 June 2022 €'000
	Constanta Business Park	Chitila Logistics Hub	Tg Mures	Combined	Constanta Business Park	Chitila Logistics Hub	Tg Mures	Combined
Revenue	1,383	1,820	286	3,489	610	1,198	-	1,808
Operating expenses	(428)	(951)	(135)	(1,514)	(208)	(446)	-	(654)
Administrative expenses	(47)	(62)	(49)	(158)	(28)	(42)	-	(70)
Fair value gain/(loss) on investment property	(353)	2,170	2,867	4,684	2,932	1,140	-	4,072
Foreign exchange loss	(5)	(6)	(17)	(28)	-	(42)	-	(42)
Profit before net financing cost	550	2,971	2,952	6,473	3,306	1,808	-	5,114
Finance expense	(593)	(842)	(332)	(1,767)	(124)	(355)	-	(479)
Finance income	27	3	-	30	4	6	-	10
Income tax (expense)/income	5	(398)	(201)	(594)	(497)	(188)	-	(685)
Total comprehensive income for the period	(11)	1,734	2,419	4,142	2,689	1,271	-	3,960

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 2023 and 30 June 2022 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 2023 €'000	30 June 2023 €'000	30 June 2023 €'000	30 June 2023 €'000	30 June 2022 €'000	30 June 2022 €'000	30 June 2022 €'000	30 June 2022 €'000
	Constanta Business Park	Chitila Logistics Hub	Tg Mures	Combined	Constanta Business Park	Chitila Logistics Hub	Tg Mures	Combined
Profit/(loss) for the period	(11)	1,734	2,419	4,142	2,689	1,271	-	3,960
Group 50% share of profit/(loss) for the period	(6)	867	1,210	2,071	1,345	636	-	1,981
Adjustments for transactions with the Group	142	236	164	542	56	(25)	-	31
Share of profit of equity-accounted investments in joint ventures	136	1,103	1,374	2,613	1,401	611	-	2,012

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 2023 and 31 December 2022, 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 2023, the Group consolidated the following subsidiaries, being holding companies as principal activities.

Subsidiary	Note	30 June 2023 Shareholding interest (%)	31 December 2022 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 2023, 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 2023 Shareholding interest (%)	31 December 2022 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 note 3.5)		-	100	
Otopeni Logistics Hub SRL	23.3	100	100	Romania
West Logistics Hub SRL	23.3	100	100	Romania
North Logistics Hub SRL	23.3	75	75	Romania
Logistics Hub Chitila SRL	23.3	75	75	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

The following companies are dormant and have applied for voluntary liquidation during 2020: Zaggatti Holdings Limited, Kifeni Investments Limited, Casalia Holdings Limited, Oystermouth Holding Limited, Pieranu Enterprises Limited, Ramoro Limited and Vaniasa Holdings Limited.

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 Board of Directors is of the opinion that the Group is engaged mainly in real estate business, comprising offices, mixed-use, industrial and residential investment properties segments and property management services, in two geographical areas, Romania and Poland. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers who are responsible for allocating resources and assessing the performance of the operating segments have been identified as the Executive Directors.

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) on a quarterly basis 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.

The industrial property segment and head office segments are presented on a collective basis as Others in the table on the next page 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 are disclosed separately as these meet the quantitative threshold of IFRS 8. Consequently, the Group is considered to have four reportable operating segments: the offices segment (acquires, develops, leases and manages offices and spaces), the residential segment (builds, acquires, develops and leases apartments), 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 the Group level. Segment assets and liabilities reported to Executive Management on a segmental basis are set out below:

30 June 2023

	Office	Mixed-use	Residential	Other	Inter-segment eliminations	Total
	€'000	€'000	€'000	€'000	€'000	€'000
Rental income – Total	67,822	5,904	802	6,233	(234)	80,527
Romania	33,492	-	802	6,233	(147)	40,380
Poland	34,330	5,904	-	-	(87)	40,147
Revenue from contract with customers - Total	32,509	3,660	480	3,755	(1,881)	38,523
Romania	17,102	-	480	3,755	(436)	20,901
Poland	15,407	3,660	-	-	(1,445)	17,622
Revenue-total	100,331	9,564	1,282	9,988	(2,115)	119,050
Operating expenses	(36,479)	(4,774)	(480)	(4,022)	449	(45,306)
Segment NOI	63,852	4,790	802	5,966	(1,666)	73,744
NOI - Romania	31,793	-	802	5,966	(509)	38,052
NOI - Poland	32,059	4,790	-	-	(1,157)	35,692
Administrative expenses	(5,206)	(217)	(54)	(2,278)	-	(7,755)
Fair value (loss)/gain on investment property	(111,236)	2,489	21	5,842	-	(102,884)
Depreciation and amortisation expense	(268)	-	(8)	(13)	-	(289)
Other expenses	(940)	(145)	(97)	-	-	(1,182)
Other income	266	1,948	12	5	(16)	2,215
Loss on disposal of subsidiary	-	-	-	(164)	-	(164)
Foreign exchange loss	(309)	(224)	(12)	(24)	-	(569)
Segment result	(53,841)	8,641	664	9,334	(1,682)	(36,884)
Finance cost	(6,189)	(251)	-	(21,505)	-	(27,945)
Finance income	853	45	34	17,292	-	18,224
Share-based payment expense	(167)	-	-	-	-	(167)
Gain from fair value of financial instruments	(121)	-	-	-	-	(121)
Share of profit of equity-accounted investments in joint ventures	-	-	-	2,613	-	2,613
Profit/(loss) before tax	(59,465)	8,435	698	7,734	(1,682)	(44,280)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SECTION VII: OTHER DISCLOSURES

30 June 2022

	Office €'000	Mixed-use €'000	Residential €'000	Other €'000	Inter-segment eliminations €'000	Total €'000
Rental income – Total	64,042	5,686	798	4,911	(223)	75,214
<i>Romania</i>	30,878	–	798	4,911	(141)	36,446
<i>Poland</i>	33,164	5,686	–	–	(82)	38,768
Revenue from contract with customers - Total	34,382	3,700	411	4,368	(1,524)	41,337
<i>Romania</i>	14,569	–	411	4,368	(315)	19,033
<i>Poland</i>	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
<i>NOI - Romania</i>	28,886	–	720	4,836	(402)	34,040
<i>NOI - Poland</i>	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 on other long-term assets	(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 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

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 2023 (30 June 2022: €nil).

30 June 2023

Segments	Office €'000	Mixed-use €'000	Residential €'000	Other €'000	Inter segment eliminations €'000	Total €'000
Segment non-current assets	2,319,135	288,321	51,065	207,687	(1,918)	2,864,290
<i>Romania</i>	1,161,500	–	51,065	207,687	(452)	1,419,800
<i>Poland</i>	1,157,635	288,321	–	–	(1,466)	1,444,490
Total assets	2,692,541	297,510	50,087	222,363	(2,882)	3,259,619
Total liabilities	553,200	24,486	3,884	1,046,845	(849)	1,627,566
Additions to non-current assets						
– Romania	5,684	–	–	1,861	–	7,545
– Poland	11,974	6,383	–	–	–	18,357

31 December 2022

Segments	Office €'000	Mixed-use €'000	Residential €'000	Other €'000	Inter segment eliminations €'000	Total €'000
Segment non-current assets	2,414,875	279,612	53,067	199,930	(2,024)	2,945,460
<i>Romania</i>	1,200,703	–	53,067	199,930	(395)	1,453,305
<i>Poland</i>	1,214,172	279,612	–	–	(1,629)	1,492,155
Assets held for sale	126,009	–	–	–	–	126,009
Total assets	2,812,401	289,743	56,821	212,445	(2,547)	3,368,863
Total liabilities	557,192	23,334	3,983	1,113,450	(406)	1,697,553
Additions to non-current assets						
– Romania	15,377	–	74	21,204	–	36,655
– Poland	27,651	13,348	–	–	–	40,999

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:

Name	Nature of transaction/balances Amounts	Income statement		Statement of financial position	
		Income/(expense)		Amounts owing (to)/from	
		30 June 2023 €'000	30 June 2022 €'000	30 June 2023 €'000	31 December 2022 €'000
Global Logistics Chitila SRL (50% Joint Venture)	Shareholder loan receivable	-	-	25,937	25,138
	Trade and other receivables	-	-	18	-
	Finance income	439	476	-	-
	Office rent	6	6	-	-
	Asset management fees	28	20	-	-
Black Sea Vision SRL (50% Joint Venture)	Shareholder loan receivable	-	-	10,802	14,209
	Trade and other receivables	-	-	17	-
	Finance income	252	213	-	-
	Office rent	6	6	-	-
	Asset management fees	27	9	-	-
Targu Mures Logistics Hub SRL (50% Joint Venture)	Shareholder loan receivable	-	-	11,950	7,976
	Trade and other receivables	-	-	4	-
	Finance income	212	-	-	-
	Office rent	6	-	-	-
	Asset management fees	11	-	-	-

26. New and Amended Standards

Starting from 1 January 2023 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 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information	Jan-23
Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	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
IFRS 17 Insurance Contracts	Jan-23

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

Dividends

On 30 August 2023, the Company announced that its Board of Directors has approved the payment of an interim dividend in respect of the six-month financial period ended 30 June 2023 of €0.14 per ordinary share (which will be paid on 10 October 2023) and intends to offer a scrip dividend alternative to the Interim Dividend so that qualifying shareholders can elect to receive new ordinary shares in the Company instead of cash in respect of all or part of their entitlement to the Interim Dividend.

Qualifying shareholders who validly elect to receive the Scrip Dividend Alternative will become entitled to a number of Scrip Dividend Shares in respect of their entitlement to the Interim Dividend that is based on a price per Scrip Dividend Share calculated on the basis of a discount of 20% to the average of the middle market quotations for the Company's shares as derived from the Daily Official List (or any other publication of a recognised investment exchange showing quotations for the Company's shares) on the five consecutive dealing days from and including the Ex-Dividend Date, the "Reference Price".

Sale of Warta Tower

In July 2023 the Company sold the Warta Tower office building, a fully vacant building, in Warsaw to a company from the Cornerstone Investment Management platform. The transaction was valued €63.4 million (higher than book value at 30 June 2023), out of which €20 million are deferred and will be received in October 2025.

ADDITIONAL INFORMATION

29. EPRA NAV Metrics

	EPRA NRV	EPRA NRV	EPRA NTA	EPRA NTA	EPRA NDV	EPRA NDV
	30-Jun-23 €'000	31-Dec-22 €'000	30-Jun-23 €'000	31-Dec-22 €'000	30-Jun-23 €'000	31-Dec-22 €'000
Net assets attributable to equity holders of the parent	1,630,692	1,656,506	1,630,692	1,656,506	1,630,692	1,656,506
Include / exclude						
I) Hybrid instruments	-	-	-	-	-	-
Diluted NAV	1,630,692	1,656,506	1,630,692	1,656,506	1,630,692	1,656,506
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	1,630,692	1,656,506	1,630,692	1,656,506	1,630,692	1,656,506
Exclude:						
V) Deferred tax in relation to fair value gains of IP	155,079	181,070	77,540	90,535	n/a	n/a
VI) Fair value of financial instruments	(357)	(194)	(357)	(194)	(357)	(194)
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	-	(1)	-	(1)
IX) Adjustment in respect of joint venture and NCI share for above items	1,433	3,798	1,433	3,798	3,798	n/a
Include:						
IX) Fair value of fixed interest rate debt	n/a	n/a	n/a	n/a	124,521	133,571
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	1,781,150	1,835,483	1,696,958	1,738,295	1,742,507	1,777,533
Fully diluted number of shares	235,829	221,470	235,829	221,470	235,829	221,470
NAV per share (EUR)	7.55	8.29	7.20	7.85	7.39	8.03

STANDING PORTFOLIO - BREAKDOWN BY LOCATION & TYPE

(data as of 30 June 2023)

	Number of		Value	Area	Occupancy Rate	Rent			Contracted Headline Rent / Sqm or Unit		
	Investments	Properties	GAV	GLA	by GLA	Contracted	WALL	100% Rent	Office	Commercial	Industrial
	(#)	(#)	(€m)	(k sqm)	(%)	Rent (€m)	Years	(€m)	(€/sqm/m)	(€/sqm/m)	(€/sqm/m)
Office & Mixed-Use Portfolio											
Bucharest New CBD	8	12	854.3	344.2	93.3%	63.1	5.5	67.1	14.7	14.7	--
Bucharest Other	4	6	279.1	118.2	96.4%	21.4	5.0	22.6	14.9	14.5	--
Romania: Office	12	18	1,133.4	462.4	94.1%	84.5	5.4	89.7	14.8	14.7	--
Warsaw	9	14	689.1	210.9	75.5%	41.4	3.9	51.9	19.4	19.6	--
Krakow	4	12	295.5	150.2	60.3%	17.7	3.5	28.0	14.7	14.8	--
Wroclaw	2	3	139.4	56.7	99.2%	10.5	5.1	10.6	14.9	14.5	--
Lodz	1	2	63.3	35.5	86.3%	5.0	3.2	5.8	12.7	12.9	--
Katowice	2	5	118.5	63.3	72.2%	8.3	4.5	11.2	13.8	13.4	--
Gdansk	1	1	54.8	25.6	87.4%	4.3	4.0	4.9	14.6	14.5	--
Poland: Office & Mixed-Use	19	37	1,360.6	542.1	74.7%	87.2	4.0	112.4	16.3	16.3	--
Total Office & Mixed-Use Portfolio	31	55	2,494.0	1,004.6	83.6%	171.7	4.7	202.1	15.5	15.5	--
Logistics / Light-Industrial											
Timisoara	2	6	89.2	140.4	88.0%	6.2	5.4	7.0	7.0	4.1	3.8
Arad	1	1	17.6	20.1	100.0%	1.3	11.6	1.3	7.1	5.3	4.9
Oradea	1	1	6.8	6.9	100.0%	0.5	12.2	0.5	5.7	5.3	5.3
Targu Mures	1	1	13.2	18.3	100.0%	1.5	10.2	1.5	8.8	6.1	5.5
Pitesti	1	2	59.5	75.2	100.0%	4.3	7.6	4.3	5.3	4.7	4.7
Constanta	1	2	27.1	41.1	99.8%	2.3	5.2	2.3	7.8	4.1	3.8
Bucharest	3	3	61.1	89.2	76.7%	3.9	8.0	4.9	7.9	4.3	4.1
Total Industrial Portfolio	10	16	274.5	391.2	90.4%	19.9	7.3	21.8	7.2	4.5	4.2
Other Portfolio											
Bucharest New CBD											
Upground Complex - Residential	1	1	40.9	21.1	nm	0.6	2.6	0.6	--	--	--
Bucharest New CBD											
Upground Complex - Commercial	--	--	10.1	6.0	97.7%	0.8	9.3	0.9	--	11.2	--
Total Other Portfolio			51.0	27.1	nm	1.4	6.5	1.5	--	11.2	--
Total Standing Commercial Portfolio	41	71	2,778.6	1,401.8	85.5%	192.5	5.0	224.8	15.2	12.2	4.2
<i>Of which Romania</i>	22	34	1,418.0	859.6	92.4%	105.3	5.8	112.4	14.3	10.1	4.2
<i>Of which Poland</i>	19	37	1,360.6	542.1	74.7%	87.2	4.0	112.4	16.3	16.3	--

GLOSSARY

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.

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 considering 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, 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.

Consolidated Coverage Ratio

Calculated as the aggregate amount of Adjusted EBITDA for the period of the most recent two consecutive semi-annual periods ending on such Measurement Date divided by the Consolidated Interest Expense for such two semi-annual periods.

Consolidated Interest Expense

All charges, interest, commission, fees, discounts, premiums, and other finance costs in respect of Indebtedness (but excluding such interest on Subordinated Shareholder Debt) incurred by the Group.

Consolidated Leverage Ratio

Calculated as the Consolidated Total Indebtedness divided by Consolidated Total Assets

Consolidated Secured Leverage Ratio

Calculated as the Secured Consolidated Total Indebtedness divided by Consolidated Total Assets at that date

Consolidated Total Assets

Total assets (excluding intangible assets) of the Group.

Consolidated Total Indebtedness

Total Indebtedness of the Group (excluding deferred tax liabilities and income and deposits from tenants)

Contracted Rent

The annualised headline rent 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, 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 considering 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.

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 closeout 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 2022.

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 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.

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 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.

Leadership in Energy & Environmental Design ("LEED")

LEED, 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).

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) and Knight Frank Sp. z o.o. (“Knight Frank”) 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.

Passing Rent

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

Property Under Development

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

RCF

Revolving Credit Facility.

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.

Secured Consolidated Total Indebtedness Consolidated

Total Indebtedness that is secured by any Security granted by any member of the Group.

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 Accounting Return

Total accounting return is the growth in EPRA NRV per share plus dividends paid, expressed as a percentage of EPRA NRV per share at the beginning of the year

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.

Unsecured Consolidated Total Indebtedness

Means the Consolidated Total Indebtedness less Secured Consolidated Total Indebtedness.

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.

COMPANY DIRECTORY

Registered Office

Anson Court
La Route des Camps
St Martin
Guernsey
GY4 6AD

Nominated Adviser and Broker

Panmure Gordon (UK) Limited
40 Gracechurch Street
London EC3V 0BT
United Kingdom

Investment Adviser (wholly owned subsidiary of the Company)

Globalworth Investment Advisers Limited
Anson Court
La Route des Camps
St Martin
Guernsey
GY4 6AD

Auditors

Ernst & Young Cyprus Limited
Jean Nouvel Tower
6 Stasinou Avenue
1511 Nicosia
Cyprus

Administrator

IQ EQ (Guernsey) Limited
Anson Court
La Route Des Camps
St Martin
Guernsey
GY4 6AD

Company Secretary

Nicola Marrin
Anson Court
La Route Des Camps
St Martin
Guernsey
GY4 6AD

Registrar

Link Market Services (Guernsey) Limited
Mont Crevalt House
Bulwer Avenue
St. Sampson
Guernsey
GY2 4LH

Globalworth Real Estate Investments Limited

Anson Court,
La Route des Camps, St Martin,
Guernsey, GY4 6AD

Email: enquiries@globalworth.com

www.globalworth.com

globalworth

