THE GLOBALWORTH POLAND REAL ESTATE GROUP (THE “GROUP”)
THE GLOBALWORTH POLAND REAL ESTATE N.V. (THE “COMPANY”)

INTERIM CONDENSED CONSOLIDATED FINANCIAL REPORT FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018

Index

(All amounts in EUR thousands unless otherwise stated)

I. Selected consolidated financial data

Consolidated statement of profit or loss	*in ths EUR*			
	1.01.2018-30.06.2018	***1.04.2018-30.06.2018***	***1.01.2017-30.06.2017***	***1.04.2017-30.06.2017***
Net Operating Income (NOI)	*24 702*	*13 057*	*13 922*	*7 803*
Profit/(loss) before net financing costs	*42 220*	*28 609*	*16 497*	*34 049*
Profit/(loss) before tax	*24 641*	*15 771*	*27 639*	*33 077*
Profit/(loss) for the year	*23 093*	*16 492*	*20 263*	*25 393*
Number of shares	*183 053 684*	*209 678 360*	*126 227 163*	*156 133 179*
Profit per one share	*0,13*	*0,08*	*0,16*	*0,16*

Consolidated statement of cashflows	***1.01.2018-30.06.2018***	***1.01.2017-30.06.2017***
Cash flows from operating activities	*11 643*	*8 603*
Cash flows from investing activities	*(209 795)*	*(29 802)*
Cash flows from financing activities	*336 295*	*25 244*
Net cash flows	*138 143*	*4 045*

Consolidated statement of financial position	*in ths EUR*		
	As at 30 June 2018	***As at 31 December 2017***	***As at 30 June 2017***
Total assets	*1 125 119*	*757 216*	*566 674*
Total equity	*699 275*	*244 771*	*230 535*
Non-current liabilities	*398 814*	*304 081*	*298 041*
Current liabilities	*27 030*	*208 364*	*38 098*
Number of shares	*442 757 383*	*156 133 179*	*156 133 179*
Book value per one share	*1,58*	*1,57*	*1,48*

(All amounts in EUR thousands unless otherwise stated)

	in ths EUR		
	As at 30 June 2018	***As at 31 December 2017***	***As at 30 June 2017***
Financial ratios			
Balance sheet equity ratio in %	*62%*	*32%*	*41%*
Net Loan-to-Value ratio (net LTV) in %	*0%*	*41%*	*56%*
Gross Loan-to-Value ratio (gross LTV) in %	*15%*	*45%*	*60%*
Net Loan-to-Value ratio (net LTV) in % incl. ICL	*23%*	*66%*	*56%*
Gross Loan-to-Value ratio (gross LTV) in % incl. ICL	*40%*	*69%*	*60%*
Funds from Operations (FFO)	*5 812*	*16 167*	*7 550*
Funds from Operations (FFO) per share	*0,03*	*0,11*	*0,06*
Normalised Funds from Operations (FFO)	*7 527*	*20 051*	*8 113*
Normalised Funds from Operations (FFO) per share	*0,04*	*0,14*	*0,06*
Adjusted Funds from Operations (FFO)	*2 071*	*4 111*	*(1 868)*
Adjusted Funds from Operations (FFO) per share	*0,01*	*0,03*	*(0,01)*
EPRA Net asset value (EPRA NAV)	*729 172*	*264 130*	*247 073*
EPRA Net asset value (EPRA NAV) per share	*1,65*	*1,69*	*1,58*
EPRA Triple Net asset value (EPRA NNNAV)	*699 275*	*244 771*	*230 535*
EPRA Triple Net asset value (EPRA NNNAV) per share	*1,58*	*1,57*	*1,48*

Net Loan-to-Value ratio calculated as: (Total bank loans – cash and short-term deposits as well as part of the restricted cash constituing debt service reserve account maintained at the request of the bank lenders) / Investment property (This is non-IFRS measure).
Gross Loan-to-Value ratio calculated as: (Total bank loans / Investment property) (This is non-IFRS measure).
Net Loan-to-Value ratio (net LTV) in % incl. ICL - (Total bank loans + related party loans – cash and short-term deposits as well as part of the restricted cash constituing debt service reserve account maintained at the request of the bank lenders) / Investment property (This is non-IFRS measure).
Gross Loan-to-Value ratio (gross LTV) in % incl. ICL - (Total bank loans + related party loans / Investment property) (This is non-IFRS measure).
Funds from Operations (FFO) calculated as: Net Rental Income – Administrative expenses – Other expenses + Other income + Finance Income (excluding non-cash elements) – Interest Expenses (excluding impact of amortised cost and other non-cash elements) (This is non-IFRS measure).
Normalised Funds from Operations calculated as: NFFO – one-off non-recurring items (e.g. acquisition costs, tender offer cost) (This is non-IFRS measure).
Adjusted Funds from Operations (AFFO) calculated as: FFO – Capitalised expenses on Investment Property or Investment Property Under Construction (This is non-IFRS measure).
EPRA Net Asset Value (EPRA NAV) calculated as: Total equity – Deferred tax assets on Investment Property + Deferred tax liabilities on Investment Property – Fair Value of financial instruments + Deferred tax on financial instruments (This is non-IFRS measure).
EPRA Triple Net Asset Value (EPRA NNNAV) calculated as: EPRA NAV + Deferred tax assets on Investment Property - Deferred tax liabilities on Investment Property + Fair Value of financial instruments - Deferred tax on financial instruments – Fair value of debt (This is non-IFRS measure).

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INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP AS OF 30 JUNE 2018 AND 6 MONTHS PERIOD ENDED 30 JUNE 2018

II. Interim Condensed Consolidated Financial Statements of the Group as of 30 June 2018 and for 6 months period ended 30 June 2018

Interim Condensed Consolidated Statement of Profit or Loss

		For the period			
		1.01.2018-30.06.2018	**1.04.2018-30.06.2018**	**1.01.2017-30.06.2017**	**1.04.2017-30.06.2017**
		Unaudited	**Unaudited**	**Unaudited restated***	**Unaudited restated***
	Note	**€ '000**	**€ '000**	**€ '000**	**€ '000**
Revenue	**4**	35 038	18 262	20 969	11 292
Operating expenses	**5**	(10 336)	(5 205)	(7 047)	(3 489)
Net operating income		**24 702**	**13 057**	**13 922**	**7 803**
Administrative expenses	**6**	(1 810)	(621)	(2 276)	(1 240)
Fair value movement	**3**	19 332	16 153	5 346	27 945
Other expenses		(180)	(55)	(668)	(553)
Other income		176	75	173	94
		17 518	**15 552**	**2 575**	**26 246**
Profit/(loss) before net financing costs		**42 220**	**28 609**	**16 497**	**34 049**
Gain/(loss) from valuation of financial instruments	**11**	1 653	1 415	-	-
Net financing costs					
- Finance cost	**8**	(19 591)	(14 391)	(4 834)	(1 064)
- Finance income	**7**	359	138	15 976	92
		(19 232)	**(14 253)**	**11 142**	**(972)**
Profit/(loss) before tax		**24 641**	**15 771**	**27 639**	**33 077**
Income tax (expenses)	**9**	(1 548)	721	(7 376)	(7 684)
Profit/(loss) for the year		**23 093**	**16 492**	**20 263**	**25 393**
Attributable to:					
Equity holders of the parent		23 093	16 492	20 263	25 393
		23 093	**16 492**	**20 263**	**25 393**
		in EUR	in EUR	in EUR	in EUR
Earnings per share (basic and diluted):		0,13	0,08	0,16	0,16
EPRA Earnings per share (basic and diluted):		0,09	0,05	0,03	0,03

** for details of the changes in presentation of prior year data please refer to Note 23.*

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

EPRA Earnings per share - EPRA Earnings divided by the basic or diluted weighted average number of shares. (This is non-IFRS measure).

Interim Condensed Consolidated Statement of Other Comprehensive Income

	For the period			
	1.01.2018-30.06.2018	**1.04.2018-30.06.2018**	**1.01.2017-30.06.2017**	**1.04.2017-30.06.2017**
	Unaudited	**Unaudited**	**Unaudited restated***	**Unaudited restated***
	€ '000	**€ '000**	**€ '000**	**€ '000**
Profit/(loss) for the year	**23 093**	**16 492**	**20 263**	**25 393**
Other comprehensive income transferable later on to the profit/(loss):				
Foreign currency translation reserve	-	-	7 134	5 505
Other comprehensive income/(loss)	**-**	**-**	**7 134**	**5 505**
Total comprehensive income/(loss) for the year, net of tax	**23 093**	**16 492**	**27 397**	**30 898**
Comprehensive income/(loss) attributable to:				
Equity holders of the parent	23 093	16 492	27 397	30 898

** for details of the changes in presentation of prior year data please refer to Note 23.*

Interim Condensed Consolidated Statement of Financial Position

	Note	30 June 2018 Unaudited € '000	As at 31 December 2017 Audited € '000	30 June 2017 Unaudited restated* € '000
ASSETS				
Non-current assets				
Investment property	**3**	932 380	680 130	508 024
Long-term loans		44	-	227
Debentures	**10**	-	-	18 033
Available for sale financial assets	**11**	-	5 897	6 409
Other financial assets	**11**	5 920	-	-
Other long-term assets		182	47	6
Other receivables	**14**	-	69	6
Long-term restricted cash	**15**	-	2 958	3 046
		938 526	**689 101**	**535 751**
Current assets				
Short-term loans		-	60	10
Trade and other receivables	**14**	17 672	10 634	8 249
Income tax receivable		21	1	1
Debentures	**10**	-	18 389	-
Available for sale financial assets	**11**	-	4 346	-
Other financial assets	**11**	5 976	-	-
Cash and cash equivalents	**15**	162 924	34 685	22 663
		186 593	**68 115**	**30 923**
TOTAL ASSETS		**1 125 119**	**757 216**	**566 674**

	Note	As at 30 June 2018 Unaudited € '000	31 December 2017 Audited € '000	30 June 2017 Unaudited restated* € '000
EQUITY AND LIABILITIES				
Total equity				
Issued share capital		442 757	156 133	156 133
Share premium	**2**	199 996	44 026	44 026
Other reserves		8 121	8 121	8 121
Foreign currency translation reserve		5 171	5 171	1 992
Retained earnings		43 230	31 320	20 263
Equity attributable to equity holders of the parent		**699 275**	**244 771**	**230 535**
Non-current liabilities				
Bank loans	**12**	133 196	278 690	277 052
Other borrowings	**12**	236 438	-	21
Deferred tax liability	**9**	21 165	19 020	15 704
Deferred consideration payable	**13**	685	-	-
Guarantees retained from contractors	**13**	600	537	460
Deposits from tenants	**13**	6 730	5 834	4 804
		398 814	**304 081**	**298 041**
Current liabilities				
Bank loans	**12**	7 167	26 202	25 599
Other borrowings	**12**	-	165 413	-
Guarantees retained from contractors	**13**	617	508	80
Trade and other payables	**13**	18 615	15 238	12 215
Deposits from tenants	**13**	289	270	204
Income tax payable		342	733	-
		27 030	**208 364**	**38 098**
TOTAL EQUITY AND LIABILITIES		**1 125 119**	**757 216**	**566 674**
		in EUR	in EUR	in EUR
NAV per share		1,58	1,57	1,48
Diluted NAV per share		1,58	1,57	1,48
EPRA NAV per share		1,65	1,69	1,58

** for details of the changes in presentation of prior year data please refer to Note 23.*

Net Asset Value (NAV) Per Share
Equity attributable to equity holders of the company divided by the number of Ordinary shares in issue at the period end. (This is non-IFRS measure).

EPRA NAV Per Share
EPRA NAV divided by the basic/diluted number of shares outstanding at the year or period end. (This is non-IFRS measure).

Net Assets Value (NAV)
equity attributable to equity holders of the company and/or net assets value. (This is non-IFRS measure).

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

Interim Condensed Consolidated Statement of Changes in Equity

	Note	Issued share capital € '000	Share premium € '000	Foreign currency translation reserve € '000	Net assets attributable to shareholders € '000	Other reserves € '000	Retained earnings € '000	Total
At 1 January 2018		**156 133**	**44 026**	**5 171**	**-**	**8 121**	**31 320**	**244 771**
Profit for the year		-	-	-	-	-	23 093	23 093
Total comprehensive income		-	-	-	-	-	**23 093**	**23 093**
Shares issued for capital		286 624	155 970	-	-	-	-	442 594
Dividend		-	-	-	-	-	(11 183)	(11 183)
At 30 June 2018		**442 757**	**199 996**	**5 171**	**-**	**8 121**	**43 230**	**699 275**
1 January 2017		**45**	**-**	**(5 142)**	**41 334**	**-**	**-**	**36 237**
Profit for the year		-	-	-	-	-	31 320	31 320
Other comprehensive income		-	-	10 313	-	-	-	10 313
Total comprehensive income		-	**-**	**10 313**	**-**	**-**	**31 320**	**41 633**
Shares issued for capital		156 088	44 026	-	-	-	-	200 114
The reorganisation of the Group	**2**	-	-	-	(41 334)	8 121	-	(33 213)
At 31 December 2017		**156 133**	**44 026**	**5 171**	**-**	**8 121**	**31 320**	**244 771**
At 1 January 2017		**45**	**-**	**(5 142)**	**41 334**	**-**	**-**	**36 237**
Profit for the year		-	-	-		-	20 263	20 263
Other comprehensive income		-	-	7 134	-	-	-	7 134
Total comprehensive income		-	**-**	**7 134**	**-**	**-**	**20 263**	**27 397**
Issue of share capital		156 088	44 026	-	-	-	-	200 114
The reorganisation of the Group	**2**	-	-	-	(41 334)	8 121	-	(33 213)
At 30 June 2017		**156 133**	**44 026**	**1 992**	**-**	**8 121**	**20 263**	**230 535**

Interim Condensed Consolidated Statement of Cash Flows

		For the period	
		1.01.2018-30.06.2018	1.01.2017-30.06.2017
		Unaudited	Unaudited restated*
	Note	€ '000	€ '000
Profit/(loss) before tax		**24 641**	**27 639**
Adjustments to reconcile profit before tax to net cash flows			
Fair value movement on investment property		(19 332)	(5 346)
Gain/(loss) from valuation of financial instruments		(1 653)	-
Net financing (income)/costs		19 232	(10 996)
Operating profit before changes in working capital		**22 888**	**11 297**
Decrease/(increase) in trade and other receivables		(4 608)	(3 449)
(Decrease)/increase in trade and other payables		(3 857)	(272)
Movements in deposits from tenants and other deposits		(694)	1 516
VAT settlements		469	(403)
Other items		(505)	(127)
Income tax paid		(2 050)	41
Cash flows from operating activities		**11 643**	**8 603**
Investing activities			
Capital expenditure on investment property		(7 981)	(5 850)
Rental Guarantee Payment (CAPEX)		3 432	-
Payment for acquisition of subsidiaries less cash acquired	**20**	(205 299)	-
Purchase of financial assets		-	(23 952)
Repayment of loans granted		20	-
Interest received		33	-
Cash flows from investing activities		**(209 795)**	**(29 802)**
Financing activities			
Proceeds from share issuance		450 000	29 045
Payment of transaction costs on issue of shares		(7 072)	-
Dividend paid		(6 885)	-
Bank loan proceeds		66 871	5 181
Bank loan repayments		(233 561)	(4 941)
Proceeds from borrowings		358 300	1 480
Repayment of borrowings		(287 107)	-
Payment of other financing costs		(5 431)	(17)
Interest paid		(11 028)	(3 601)
Change in restricted cash		12 208	(1 903)
Cash flows from financing activities		**336 295**	**25 244**
Net increase / (decrease) in cash and cash equivalents		**138 143**	**4 045**
Cash and cash equivalents at the beginning of the period		15 657	10 010
Translation differences		(654)	638
Cash and cash equivalents at the end of the period	**15**	**153 146**	**14 693**

** for details of the changes in presentation of prior year data please refer to Note 23.*

Notes to the Interim Condensed Consolidated Financial Statements

SECTION I: BASIS OF PREPARATION

This section contains the Group's significant accounting policies that relate to the financial statements as a whole. Significant accounting policies and related management's estimates, judgements and assumptions in application of those policies specific to each note are included with that note. Accounting policies relating to non-material items are not included in these financial statements.

1.1. Corporate information

Globalworth Poland Real Estate Group (further "**Globalworth Poland Group**", "**the Group**") owns and manages yielding real estates throughout Poland. On 30 June 2018 the Group is composed of the entities presented below in Note 1.1 of the Director's Report.

On 21 December 2016, Globalworth Poland Real Estate N.V. ("**the Company**") (formerly known as Griffin Premium RE.. N.V.) was incorporated with the aim to become a holding company to the Group for the purpose of creating a real estate platform to be then listed on Warsaw Stock Exchange. With effect from 3 March 2017 Globalworth Poland Real Estate N.V. became the legal parent of entities' operations which were previously directly and indirectly controlled and managed by Griffin TopCo II S.á r.l. ("**GT II**") and Griffin TopCo II S.á r.l. ("**GT III**") following a reorganisation as described in the Note 2.
As a result of the settlement of the tender offer on 6 December 2017 Globalworth Group became the major shareholder of the Company through the fully controlled entity.

Company's shares are listed on the Warsaw Stock Exchange since 13 April 2017.

Interim Condensed Consolidated Financial Statements of the Globalworth Poland Real Estate Group

The Interim Condensed Consolidated Financial Statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual Consolidated Financial Statements as at 31 December 2017. Consolidated Financial Statements of the Group for the year ended 31 December 2017 are available on the website https://www.globalworth.pl/s,72,raporty-okresowe.html, https://en.globalworth.pl/s,72,periodic-reports.html.

1.2. Basis of preparation and compliance

The Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2018 have been prepared in accordance with IAS 34 Interim Financial Reporting adopted in the European Union. Accounting books and records underlying these financial statements are maintained in accordance with Polish Accounting Standards.

The Interim Condensed Consolidated Financial Statements of the Group include consolidated financial data as of 30 June 2018 and for the 6-month period ended on 30 June 2018 and for the 6-month period ended on 30 June 2017 in relation to the profit and loss account, presented in two periods the statement of changes in equity and the cash flow statement. The comparative data as of 31 December 2017 and 30 June 2017 are provided for the statement of financial position. Unless indicated otherwise, all

financial data in the Group's Interim Condensed Consolidated Financial Statements have been presented in thousands of EUR.
Interim Condensed Consolidated Financial Statements for the six month period ended 30 June 2018 were subject to review by an independent auditor.
Interim Condensed Consolidated Statement of Profit or Loss and respective notes cover also the 3-month period ended 30 June 2018 and contain comparative data for the 3-month period ended 30 June 2017 – these data were not subject to review or audit by an independent auditor.

The retained earnings contain:

- results of the Group Entities since 1 January 2017 to 31 December 2017, which includes results from 1 January 2017 up to finalization of the Reorganization and
- profit for the period from 1 January 2018 to 30 June 2018.

The Interim Condensed Consolidated Financial Statements have been prepared on a going concern basis, applying a historical cost basis, except for the measurement of investment property at fair value and other financial assets (till 31 December 2017 classified as financial instruments available for sale).

The Company's Management Board used its best judgment in the selection of the applicable standards, as well as measurement methods and principles for the different items of the interim condensed consolidated financial statements.

The accounting principles applied to these Interim Condensed Consolidated Financial Statements are consistent with the principles applied in the most recent annual financial statements (non-statutory) and have been applied on a continuous basis to all periods presented in the consolidated financial statements, except for the following new or amended standards, and new interpretations which are effective for annual periods beginning on or after 1 January 2018 described in Note 1.4.

These Interim Condensed Consolidated Financial Statements are prepared in Euro ("EUR" or "€"), rounded to the nearest thousand unless otherwise indicated, being the functional currency of the Group. For further information regarding the functional and presentation currency please refer to "Measurement of items denominated in foreign currencies" in Note 1.3.

1.3. Basis of Consolidation

These Interim Condensed Consolidated Financial Statements comprise the financial statements of the Company and its subsidiaries ("the Group"). Subsidiaries are fully consolidated (refer to note 21) from the date of acquisition, being the date on which the Group obtains control (refer to note 21), and continue to be consolidated until the date when such control ceases. The financial data of the subsidiaries is prepared for the period from the date of obtaining control till the end of the reporting periods using consistent accounting policies. All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Measurement of items denominated in foreign currencies

The Group's Interim Condensed Consolidated Financial Statements are presented in euro ("EUR") being the presentation and functional currency of the Entities.
From 1 January 2018 the Entities has changed the functional currency from PLN to EUR, due to the following reasons:

(All amounts in EUR thousands unless otherwise stated)

1) The Group intended to refinance part of its portfolio including recently acquired properties which effectively took place in the first half-year of 2018. All new loans are denominated in EUR;

2) Previously, the Group had loans denominated both in EUR and PLN, while after transfer of all receivables to GPRE Management Sp. z o.o. during 2017, the loans were converted to EUR and now the Group has solely loans denominated in EUR;

3) EUR is the currency of real estate business in Europe. Rents are usually denominated in EUR although in Poland albeit determined in EUR they are usually invoiced and paid in PLN. Valuations of commercial real estates are prepared in EUR and debt financing is also maintained in EUR;

4) All cash flow projections are prepared only in EUR and majority of planned transactions will be performed in EUR.

a) Transactions and balances

Transactions in foreign currencies are initially recorded by the Entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss.
Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates prevailing 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 is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income (“OCI”) or profit or loss are also recognised in OCI or profit or loss, respectively).

b) Exchange rates used

Exchange rates used to recalculate transactions and balances are as follows:

	Period ended		
	30 June 2018	**31 December 2017**	**30 June 2017**
PLN/EUR	4,3616	4,1709	4,2265

	Average for the period	
	30 June 2018	**30 June 2017**
PLN/EUR	4,2201	4,2706

1.4. New and amended standards

New standards and announcements after 1 January 2018:

- IFRS 14 *Regulatory Deferral Accounts* (issued on 30 January 2014) – The European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard– not yet endorsed by EU at the date of approval of these financial statements – effective for financial years beginning on or after 1 January 2016;

- Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture* (issued on 11 September 2014) - the endorsement process of these Amendments has been postponed by EU - the effective date was deferred indefinitely by IASB;

- IFRS 16 *Leases* (issued on 13 January 2016) - effective for financial years beginning on or after 1 January 2019;

- IFRS 17 *Insurance Contracts* (issued on 18 May 2017) - not yet endorsed by EU at the date of approval of these financial statements - effective for financial years beginning on or after 1 January 2021;

- IFRIC 23 *Uncertainty over Income Tax Treatments* (issued on 7 June 2017) - not yet endorsed by EU at the date of approval of these financial statements - effective for financial years beginning on or after 1 January 2019;

- Amendments to IFRS 9: *Prepayment Features with Negative Compensation* (issued on 12 October 2017) - effective for financial years beginning on or after 1 January 2019;

- Amendments to IAS 28: *Long-term Interests in Associates and Joint Ventures* (issued on 12 October 2017) - not yet endorsed by EU at the date of approval of these financial statements – effective for financial years beginning on or after 1 January 2019;

- *Annual Improvements to IFRS Standards 2015-2017 Cycle* (issued on 12 December 2017) - not yet endorsed by EU at the date of approval of these financial statements – effective for financial years beginning on or after 1 January 2019;

- *Amendments to IAS 19: Plan Amendment, Curtailment or Settlement* (issued on 7 February 2018) - not yet endorsed by EU at the date of approval of these financial statements – effective for financial years beginning on or after 1 January 2019;

- *Amendments to References to the Conceptual Framework in IFRS Standards* (issued on 29 March 2018) - not yet endorsed by EU at the date of approval of these financial statements – effective for financial years beginning on or after 1 January 2020.

The effective dates are dates provided by the International Accounting Standards Board. Effective dates in the European Union may differ from the effective dates provided in standards and are published when the standards are endorsed by the European Union.

Beginning on 1 January 2018 the Group has introduced IFRS 9 and IFRS 15.
Other amendments to the standards analyzed by the Group:

a) “IFRIC Interpretation 22 Foreign Currency Transaction and Advance Considerations.
The Interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advances consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt in advance consideration.
This Interpretation does not have any impact on the Group’s consolidated financial statements.

b) Amendments to IAS 40 Transfers of Investment Property.
The amendments clarify when an entity should transfer property, including property under construction for development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of change in use. A mere change in management’s intentions for the use of a property does not provide evidence of a change in use.
These amendments do not have any impact on the Group’s consolidated financial statements.

c) Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transaction.
The IASB issued amendments to IFRS 2 Share-based Payment that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transactions; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled.
These amendments do not have any impact on Group’s consolidated financial statements.

d) Amendments to IFRS 4 Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts.
The amendments allow entities that carry out insurance activity to postpone the date of entry into force of IFRS 9 by 1 January 2021. The effect of such postponement is that the entities concerned may continue to prepare financial statements in accordance with the applicable standard, i.e. IAS 39.
These changes do not apply to the Group.

e) Amendments to IAS 28 Investments in Associates and Joint Ventures as a part of Amendments resulting from the review of IFRSs 2014-2016.
The amendments clarify that an entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit and loss under IFRS 9. If an entity, that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate’s or joint venture’s interest in subsidiaries. This selection is made separately for each investment entity associate or joint venture, at the later of the date on which a) the investment entity associate or joint venture is initially recognised; b) the associate or joint venture becomes an investment entity; c) the investment entity associate or joint venture becomes a parent.
These amendments do not have any impact on Group’s consolidated financial statements.

f) Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards as part of amendments resulting from the review of IFRSs 2014-2016.
Short-term exemptions in paragraphs E3-E7 of IFRS 1 were deleted because they have not served they intended purpose.
These amendments do not have any impact on the Group’s consolidated financial statements.

The Group considers that the remaining standards and regulations do not materially affect Group's Consolidated Financial Statements.

1.5. Significant Accounting Judgements, Estimates and Assumptions

The preparation of 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.

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

- Investment Property, see note 3;
- Fair value measurement and Fair value hierarchy, see note 16 and 17;
- Taxation, see note 9;
- Functional currency, see note 1.3;
- Debentures (Forward Purchase Agreement), see note 10;
- Other financial assets (ROFO), see note 11.

2. Reorganisation

Globalworth Poland Real Estate N.V. was established in the Netherlands on 21 December 2016. At the date of its incorporation, the Company was a dormant company with no activities with Griffin Netherlands II N.V. ("**GN II**") and GT Netherlands III N.V. ("**GTN III**") being its shareholders.

During the period from December 2016 to March 2017, a reorganisation took place where, through the number of steps comprising sales and in-kind contributions of shares and loans, the Company became the holding company for those Entities that belonged to the Group at that time (the "**Reorganisation**").

After the Reorganisation, the Company holds investments in IB 14 FIZAN, Akka RE Sp. z o.o., Charlie RE Sp. z o.o., December RE Sp. z o.o. and Griffin Premium RE Lux S.à r.l. and those entities hold (directly or indirectly) shares in all remaining Entities. The Reorganisation was conducted under common control and accounted for using the pooling of interest method. Net assets of companies were compared to value of mutual investments in subsidiaries – difference was presented in equity.

SECTION II: INVESTMENT PROPERTY

3. Investment property

Policy

Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies of the Group, is classified as investment property. Investment property comprises freehold land, freehold buildings and land held under perpetual usufruct (approach is the same as for freehold properties).

Investment property is measured initially at cost, including related transaction costs. After initial recognition, investment property is stated at fair value.

The basis for determining the fair value of Group's property portfolio is the market-based measurement, which is the estimated amount for which a property could be exchanged on the date of valuation, under current market conditions between market participants in an arm's length transaction, after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion, i.e. acted in their economic best interest.

Fair value calculated using cash flow projections is based on the terms of the lease agreements and, in case of vacancy on the rent that is considered would be obtainable on an open market letting as at the date of valuation. Valuation fees are not related to the property value and valuation results. The valuation by the professional appraiser takes account of lease incentives, agent fees, property interests, financial leasing related to perpetual usufruct of land compensations and letting fees. The fair value of investment property reflects, among others, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property.

Subsequent expenditure is recognized as addition to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Interim Condensed Consolidated Statement of Profit or Loss ("Operating expenses") during the financial period in which they are incurred.

Fair value of the investment properties is also determined by the Rental Guarantee Agreements ("**RGA**") and NOI Guarantee Agreement ("**NOIGA**") concluded between respective Group's entities ("**Beneficiaries**") and GT II and GT III as well as EPP.

GT II and GT III Rental and NOI Guarantee

On 9 March 2017 respective subsidiaries of the Company and GT II and GT III concluded Rental Guarantee Agreements in respect of Batory Building I, Nordic Park, Philips House, Green Horizon, CB Lubicz, Bliski Centrum, Hala Koszyki, Renoma, Supersam properties as well as and NOI Guarantee Agreement in respect of Hala Koszyki, Supersam and Renoma. Pursuant to RGA budgeted fit-out costs and outstanding general capex works regarding premises that were not leased or pre-leased by 13 April 2017 (the "**Offering**") are covered by the RGA. Moreover in accordance with the agreements each holder of title to the asset will receive the headline rent and the average amount of service charges for office part of the building that is not leased to third parties within a period of five years from the date of the Offering, receive the rent under the signed lease agreement in the full amount (without rent free effect) and receive the leasing and agent fees related to the leasing of the property as well as agent fees related to the new leases in the negotiations of which the guarantor was not involved. Additionally, the entity recognizes annual revenue resulting from the NOIGA, according to which the Guarantor is obliged to pay to the Beneficiaries an amount equal to difference between the Assumed NOI, amounting to EUR 11,5 million p.a. and the actual NOI, calculated on the basis of rental income, operating expenses, overdue payments provision and refundable tenants' incentives. As a result, RGA and NOIGA are included in the valuation as they are part of entities future cashflows.

Griffin TopCo II S.á r.l. and Griffin TopCo III S.á r.l. which are the Guarantors in accordance with all the agreements specified above, belong to the Oaktree Capital Management, a leading global alternative investment management firm with assets under management worth of USD 122 billion as of June 2018. Furthermore, a Support Letter was signed by Oaktree European Principal Fund III, LP and Oaktree European Principal Fund III (Parallel), LP ("**Oaktree Funds"**) on 2 October 2017 (the "Letter"). In accordance with the Letter Griffin Topco III S.à r.l and Griffin Topco II S.à r.l, Guarantors of RGA and NOIGA, were obliged to open and maintain a bank account with an initial amount of EUR 15 million exclusively for the purposes of making payments due by any Guarantor to any beneficiary under and in accordance with the terms of Rental Guarantee Agreements and NOI Guarantee Agreement. The Guarantors obligation was executed on 23 January 2018 by signing of an Escrow Agreement resulting in opening of an escrow account with EUR 15 million deposit. Additionally, pursuant to the Letter, Oaktree Funds are obliged to provide financial support to the Guarantors in case they fail to make guaranteed payments, following reduction of the escrow account to zero. All terms of the Letter remain in full force and effect until 2 April 2020.

In the face of the reputation of ultimate parent of the Guarantors as well as the Letter, the Group regards there is no risk with respect to the creditworthiness of the Guarantors and its impact on the investment property valuation.

EPP Rental Guarantee

On 22 December 2017, Echo Polska Properties (Cyprus) PLC, as the guarantor, and A4 Business Park Sp. z o.o. (formerly: *A4 Business Park - Iris Capital spółka z ograniczoną odpowiedzialnością spółka komandytowa*) ("**A4 Business Park**"), Tryton Business Park Sp. z o.o. ("**Tryton Business**") and West Gate Wrocław Sp. z o.o. Sp. k. (formerly Echo – West Gate Sp. z o.o. Sp. k.) ("**West Gate**") as beneficiaries, entered into rental guarantee agreements in connection with the purchases of the A4 Business Park, Tryton Business House and West Gate properties (the "**EPP Rental Guarantees**"). The guarantees with A4 Business Park - Iris Capital and Tryton Business Park Sp. z o.o. (Tryton Business House) were entered into for a term of three years in relation to premises that were not leased or pre-leased by 22 December 2017. Pursuant to each EPP Rental Guarantee, the beneficiary will: (i) receive the headline rent and the average amount of service charges (subject to annual reconciliation and also including any void costs arising from the lack of a tenant due to ongoing refurbishment or fit-out works) for each part of the building that is not leased to third parties within a period of three years starting from 22 December 2017, (ii) receive the rent under both signed and new lease agreements in the full amount, i.e. all amounts of rent reductions or rent-free periods under such lease agreements will be covered by the rental guarantee, (iii) receive the agent fees related to the new leases in the negotiations of which the guarantor was not involved, and (iv) receive all amounts equal to budgeted fit-out costs with respect to new lease agreements. The guarantees with A4 Business Park – Iris Capital, Tryton Business Park Sp. z o.o. (Tryton Business House) and West Gate Wrocław Sp. z o.o. Sp. k. were entered into for a limited term in relation to specific leases with key tenants (A4 Business Park – Iris Capital for three years, West Gate Wrocław Sp. z o.o. Sp. k. for five years and , Tryton Business Park Sp. z o.o. (Tryton Business House) for three years). Pursuant to each EPP Rental Guarantee, the beneficiary will receive the headline rent and service charge amount under such specific lease agreement within a period five years starting from

22 December 2017 (i.e. the EPP Rental Guarantee will cover such amounts in case of earlier termination of lease agreement, break option utilization, lease expiry prior to the end of guaranteed period). Under the EPP Rental Guarantees, the guarantor is allowed to seek new tenants. The beneficiaries paid to the guarantor a one-off fee for the execution of the EPP Rental Agreements, included in the acquisition price of the EPP portfolio.

In current financial period the Group recognised the income from the RGA and NOIGA and EPP agreements in the amount of EUR 4,1 million.

Changes in fair values are recorded in the Interim Condensed Consolidated Statement of Profit or Loss within “Fair value movement”.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner occupation or commencement of an operating lease. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sale. If an investment property becomes owner-occupied, it is reclassified to property, plant and equipment the deemed cost for subsequent accounting is the fair value at the date of change in use.

Investment property is derecognised when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal. Gains and losses on disposals are determined by comparing the net disposal proceeds with the carrying amount and transaction costs and are recognised within “Fair value movement on investment property, in the Consolidated Statement of Profit or Loss.

Land acquired for development and future use as investment property is initially presented as investment property under construction and accounted for at cost. This includes all plots of land held by the Group on which no construction or development has started at the balance sheet date. If the Company begins to redevelop an existing investment property for continued future use as investment property, the property remains an investment property and is not reclassified as owner-occupied property during the redevelopment.

Investment property under construction

Investment properties under construction are properties that are being constructed, extended or redeveloped for future use as an investment property. Investment property under construction are stated at fair value. If the Group determines that the fair value of an investment property under construction is not reliably measurable but expects the fair value of the property to be reliably measurable when construction is complete or more advanced, then Group measures that investment property under construction at cost until either its fair value becomes reliably measurable or construction is completed (whichever is earlier).

The Group has adopted the following criteria to assess reliability of the fair value measurement:

- agreement with general contractor is signed;
- building permit is obtained;
- at least 20% of the rentable area is leased to tenants (based on the signed lease agreements and letters of intents).

Capital expenditures relating to planned redevelopment comprise directly attributable expenditures borne by the Group prior to start of the construction phase. Expenditures such as costs of architectural design, building permits and initial works associated with the planned process of redevelopment of existing investment properties are capitalized by the Group only when it is probable that future economic benefits associated with the item will flow to the Group, the cost of the item can be measured reliably and the Group has an intention to redevelop a property. Capital expenditure on future redevelopment of investment properties are recognized at cost less accumulated impairment loss in case fair value cannot be determined reliably.

Costs of development projects comprise acquisition costs, purchase taxes, and any directly attributable costs to bring the asset to working order for its intended use. Administrative expenses are not included unless these can be directly attributed to specific projects. Related borrowing costs are capitalized up to completion date.

Investment properties under redevelopment are reclassified to investment property upon completion, i.e. on the date on which the property is available for operation.

Significant accounting judgements, estimates and assumptions

Investment properties are buildings rented by Entities, grouped together because of the risks and valuation method in two classes of investment property (high-street mixed-use properties and office buildings). The fair value of investment property is classified at Level 3 of the fair value hierarchy.

The fair value of yielding fixed income properties is determined by appraisers.

	Completed investment property	Investment property under construction
	€ '000	€ '000
At 1 January 2018	**680 130**	**-**
Asset deal	228 731	-
Capital expenditures	3 741	-
Agent fees	188	-
Rent free period incentive	258	-
Fair value movement on investment property	19 332	-
At 30 June 2018	**932 380**	**-**

	Completed investment property	Investment property under construction
	€ '000	€ '000
At 1 January 2017	**470 380**	**-**
Asset deal	163 635	-
Capital expenditures	12 056	-
Agent fees	892	-
Rental guarantee	133	-
Rent free period incentive	110	-
Fair value movement on investment property	3 199	-
Foreign currency translation	29 725	-
At 31 December 2017	**680 130**	**-**

	Completed investment property	Investment property under construction
	€ '000	€ '000
At 1 January 2017	**470 380**	**-**
Capital expenditures	9 418	-
Agent fees	544	-
Rent free period incentive	194	-
Fair value movement on investment property	5 346	-
Foreign currency translation	22 142	-
At 30 June 2017	**508 024**	**-**

SECTION III: FINANCIAL RESULTS

4. Revenue

As of June 30, 2018 the Group introduced IFRS15. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.
The standard requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The Group has recalculated IFRS15 impact on the revenue recognition and considered it insignificant.

The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor, it has pricing latitude and is also exposed to credit risks, except of media reinvoicing.
The specific recognition criteria described below must also be met before revenue is recognised.

Revenues include also headline rent and the average amount of service charges as well as and the coverage of the rent-free periods for each part of the building that are secured by RGA. Revenue from RGA is recognized on a monthly basis. Additionally, the entity recognizes quarterly revenue resulting from the NOIGA, according to which the Guarantor is obliged to pay to the Beneficiaries an amount equal to difference between the assumed NOI, amounting to EUR 11,500,000 p.a. and the actual NOI, calculated on the basis of rental income, operating expenses, overdue payments provision and refundable tenants' incentives.

Policy

a) Rental Income

Rental income is measured at the fair value of the consideration received or receivable, except for contingent rental income which is recognised when it arises. The value of rent-free periods and all similar lease incentives is spread on a straight-line basis over the term of the lease (on condition that the rent-free period stated in the agreement is not covered by the Rental Guarantee Agreement).
Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which the benefit derived from the leased asset is diminished. If the annual lease rent increases as a result of a price index to cover inflationary cost, then the policy is not to spread the amounts but to recognise them when the increase takes place (applied prospectively when the right to receive it arises). The amount received from tenants to terminate non-cancellable operating leases are recognised in the statement of profit or loss when the right to receive them arise.
The Company estimates income from NOI Guarantee and recognizes proper income provisions on a quarterly basis while the final settlement is made at the end of each year.

b) Service Charge Income

Income arising from service charges and expenses recoverable from tenants is recognised in the period in which the compensation becomes receivable.

c) Rendering of Services

Revenue from property and asset management fees is recognised at the time the service is provided. Revenue from rendering property development services is recognised by reference to the stage of completion.

	For the period			
	1.01.2018-30.06.2018	**1.04.2018-30.06.2018**	**1.01.2017-30.06.2017**	**1.04.2017-30.06.2017**
	€ '000	**€ '000**	**€ '000**	**€ '000**
Rental income	24 868	12 954	14 578	8 042
Service charge income	9 353	5 087	5 669	2 854
Marketing income	274	132	433	227
Other income	543	89	289	169
	35 038	**18 262**	**20 969**	**11 292**

	For the period			
	1.01.2018-30.06.2018	**1.04.2018-30.06.2018**	**1.01.2017-30.06.2017**	**1.04.2017-30.06.2017**
	€ '000	**€ '000**	**€ '000**	**€ '000**
High street segment:				
Rental income	9 101	4 209	7 554	4 351
Service charge income	3 844	1 944	3 140	1 542
Marketing income	274	132	433	227
Other income	509	63	253	145
	13 728	**6 348**	**11 380**	**6 265**
Office segment:				
Rental income	15 767	8 745	7 024	3 691
Service charge income	5 509	3 143	2 529	1 312
Other income	34	26	36	24
	21 310	**11 914**	**9 589**	**5 027**
	35 038	**18 262**	**20 969**	**11 292**

In order to determine if the Group is acting as principal or agent, it assesses the primary responsibility for providing the goods or services, inventory risk, discretion in establishing prices, and who bears the credit risk. The Group has concluded that it is acting as a principal in all of the above-mentioned revenue arrangements.

5. Operating Expenses

Policy

a) Service Costs

Service costs paid, as well as those borne on behalf of the tenants, are included under direct property expenses. Reclaiming them from tenants is presented separately under revenue.

b) Works Carried Out on Properties

Works carried out which are the responsibility of the building's owner and which do not add any extra functionality to, or enhance significantly, the standard of comfort of the building are considered as current expenditure for the period and recorded in the income statement as expenses.

	For the period			
	1.01.2018-30.06.2018 € '000	**1.04.2018-30.06.2018 € '000**	**1.01.2017-30.06.2017 € '000**	**1.04.2017-30.06.2017 € '000**
Utilities	(3 845)	(1 841)	(2 690)	(1 252)
Property administration	(4 028)	(2 164)	(2 675)	(1 162)
Real estate taxes	(1 796)	(950)	(1 135)	(574)
Marketing services	(417)	(194)	(547)	(501)
Other property related costs	(250)	(56)	-	-
	(10 336)	**(5 205)**	**(7 047)**	**(3 489)**

	For the period			
	1.01.2018-30.06.2018 € '000	**1.04.2018-30.06.2018 € '000**	**1.01.2017-30.06.2017 € '000**	**1.04.2017-30.06.2017 € '000**
Property expenses arising from investment property that generated rental income	(10 336)	(5 205)	(7 047)	(3 489)
Total property expenses	**(10 336)**	**(5 205)**	**(7 047)**	**(3 489)**

6. Administrative Expenses

Administrative expenses are expensed as incurred with the exception of expenditure on long-term developments and direct investment property purchase transaction costs, see note 3.

	For the period			
	1.01.2018-30.06.2018 € '000	**1.04.2018-30.06.2018 € '000**	**1.01.2017-30.06.2017 € '000**	**1.04.2017-30.06.2017 € '000**
Legal and consulting costs	(370)	273	(1 688)	(979)
Salaries and wages	(147)	(122)	-	-
Accounting, secretarial and administration costs	(624)	(276)	(132)	(21)
Audit and non-audit services	(154)	(129)	-	-
Post, telecommunication, office expenses and office supplies	(230)	(122)	(192)	(73)
Taxes and other fees	(237)	(223)	(150)	(80)
Other	(48)	(22)	(114)	(87)
Total administrative expenses	**(1 810)**	**(621)**	**(2 276)**	**(1 240)**

7. Finance income

Interest income

Interest income is recognised as it accrues using the effective interest rate method. Interest income is included in finance income in the Consolidated Statement of Profit or Loss.

	For the period			
	1.01.2018-30.06.2018 € '000	**1.04.2018-30.06.2018 € '000**	**1.01.2017-30.06.2017 € '000**	**1.04.2017-30.06.2017 € '000**
Bank interest	31	15	50	11
Interest from loans to related parties	-	-	14	3
Other financial assets interest	-	-	9	9
Debentures interest	295	118	33	33
Foreign exchange differences	-	-	15 864	32
Other financial income	33	5	6	4
	359	**138**	**15 976**	**92**

8. Finance Cost

Policy

Borrowing costs associated with direct expenditure on properties under development or undergoing major refurbishment are capitalised. When borrowings are associated with specific developments, the amount capitalised is the gross interest less finance income (if any) incurred on those borrowings. Interest is capitalised as from the commencement of the development work until the date of practical completion. Arrangement fees are amortised over the term of the borrowing facility. All other borrowing costs are expensed in the period in which they occur.

	For the period			
	1.01.2018-30.06.2018 € '000	**1.04.2018-30.06.2018 € '000**	**1.01.2017-30.06.2017 € '000**	**1.04.2017-30.06.2017 € '000**
Interest:	(16 167)	(11 103)	(4 727)	(2 033)
Bank borrowings	(5 391)	(3 575)	(4 028)	(2 027)
Loans from related parties*	(10 733)	(7 500)	(696)	(4)
Other interest expenses	(43)	(28)	(3)	(2)
Foreign exchange differences	(538)	(418)	-	-
Bank charges	(29)	(14)	(17)	1 058
Early loan repayment fees**	(2 836)	(2 836)	-	-
Other financial costs	(21)	(20)	(90)	(89)
	(19 591)	**(14 391)**	**(4 834)**	**(1 064)**

**refers to the loan granted by Globalworth Finance Guernsey Limited, for details please refer to Note 12.*

*** of which 1,978 results from the prepayment of the loan granted by Globalworth Finance Guernsey Limited, for details please refer to Note 12.*

9. Taxation

The Group is subject to income and capital gains taxes in different jurisdictions. Significant judgement is required to determine the total provision for current and deferred taxes.

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income and deferred tax provisions in the period in which the determination is made.

Current income tax
Policy
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities.

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income. Current income tax relating to items recognised directly in equity is recognised in equity and not in the Consolidated Statement of Profit or Loss. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax
Policy
Deferred income tax is provided using the the temporary difference approach, which focuses on the difference between the carrying amount of an asset or liability in the financial statements and its tax base.
Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward of unused tax credits or unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities. In determining the expected manner of realisation of an investment property measured at fair value a rebuttable presumption exists that its carrying amount will be recovered through sale.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
Deferred income tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are only recognised subsequently when new information about facts and circumstances require this. If that new information is revealed during the measurement period the adjustment is treated as a reduction in goodwill (as long as it does not exceed goodwill). Otherwise, it is recognised in profit or loss.

Significant accounting judgements, estimates and assumptions
Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of transactions and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expenses already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Such differences in interpretation may arise for a wide variety of issues depending on the conditions prevailing in the respective Group company’s domicile.

The major components of income tax expense for the periods ended 30 June 2018 and 2017 are:

	For the period			
	1.01.2018-30.06.2018	**1.04.2018-30.06.2018**	**1.01.2017-30.06.2017**	**1.04.2017-30.06.2017**
	€ '000	**€ '000**	**€ '000**	**€ '000**
Income tax expense				
Current income tax expense	(1 624)	(1 178)	4	-
Deferred income tax expense	76	1 899	(7 380)	(7 684)
	(1 548)	**721**	**(7 376)**	**(7 684)**

	Consolidated statement of financial position			Consolidated statement of comprehensive income			
	30 June 2018	31 December 2017	30 June 2017	1.01.2018-30.06.2018	1.04.2018-30.06.2018	1.01.2017-30.06.2017	1.04.2017-30.06.2017
Net - Deferred Tax Liability	**€ '000**	**€ '000**	**€ '000**	**€ '000**	**€ '000**	**€ '000**	**€ '000**
Acquired under asset deal:	-	-	-	2 221	2 221	-	-
Deferred tax asset	-	-	-	2 221	2 221	-	-
Valuation of investment property at fair value	29 897	19 304	16 538	(10 593)	(7 345)	(2 441)	(7 276)
Other taxable temporary differences	(2 401)	(291)	172	2 110	2 617	(125)	(576)
Interest and exchange rate differences accrued	(3 681)	2 201	683	5 882	4 356	(4 904)	378
Valuation of financial instruments at fair value	375	56	-	(319)	(375)	(37)	-
Recognised unutilized tax losses	(3 025)	(2 250)	(1 689)	775	425	127	(210)
	21 165	**19 020**	**15 704**	**76**	**1 899**	**(7 380)**	**(7 684)**

SECTION IV: FINANCIAL ASSETS AND LIABILITIES

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 year end.

Financial instruments
Policy

According to the new standard IFRS 9, implemented by the Group beginning on 1 January 2018, financial assets are classified into one of the following categories:

- financial assets measured at amortized cost;
- financial assets measured at Fair Value Through Other Comprehensive Income (FVTOCI);
- financial assets measured at Fair Value Through Profit or Loss (FVTP&L).

The classification of financial assets depends on the business model of financial assets management and the characteristics of the contractual cash flows of the financial asset. Classification of financial assets is made at the inception and may be changed only if the business model of managing the financial assets has changed.

As a result of above mentioned, the Group has changed the accounting for the ROFO bonds. As of 31 December 2017, they were presented as assets available for sale and measured at fair value through other comprehensive income, beginning on 1 January 2018 ROFO bonds are valued at fair value through profit or loss. Following IFRS 9 regulations the Group has analyzed the expected credit losses on all of its debt securities, loans and trade receivables, either on a 12-month or lifetime basis. The Group has not stated any significant impact of the IFRS 9 on entity’s impairment.
The Group decided to introduce the modified retrospective approach, therefore the presentation of prior year data remains unchanged.

Financial assets measured at amortized cost
Financial asset is measured at amortized cost if both of the following conditions are met:

- the asset is held by a Group whose objective is to hold assets in order to collect contractual cash flows, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI, solely payment of principal and interest).

These financial assets are measured at amortized cost using the effective interest rate and are classified as non-current assets, if they are falling due within more than 12 months from the reporting date.

Financial asset measured at Fair Value Through Other Comprehensive Income
Financial asset is measured at Fair Value Through Other Comprehensive Income (FVTOCI), if both of the following conditions are met:

- the asset is held by Group in which assets are managed to achieve a particular objective by both collecting contractual cash flows and selling financial assets, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI, solely payment of principal and interest).

At initial recognition the associated transaction costs of purchase are included.
Resulting from the impairment review, any change in fair value is taken to other comprehensive income.

Upon derecognition, any gain or loss is based upon the carrying value at the date of disposal.
In case of equity instruments any amounts formerly taken to equity in previous accounting periods cannot be recycled. Instead, at derecognition, an entity may choose to make an equity transfer from other components of equity to retained earnings as any amounts previously taken to equity can now be regarded as having been realized.
At derecognition of debt instruments any gains or losses, previously recognized in other comprehensive income, are recycled to profit or loss.

Financial assets measured at Fair Value Through Profit or Loss
Other financial assets, that do not meet the conditions of the above mentioned categories, are measured at Fair Value Through Profit or Loss (FVTP&L).

Financial assets at fair value through profit or loss are measured at fair value, which takes into account their market value as at the reporting date, but no sale transaction costs. Any change in the fair value of these instruments is taken to finance income (positive changes in the fair value) or finance costs (negative changes in the fair value) in the income statement/ statement of comprehensive income. Where a contract contains one or more embedded derivatives, the entire contract may be designated as a financial asset at fair value through profit or loss, except where the embedded derivative does not significantly modify the underlying cash flows or it is clear, with or without high level review, that had similar hybrid instrument been considered in the first place, separation of the embedded derivative would be expressly forbidden.

As at 31 December 2017 and 30 June 2017, no financial assets were designated as at fair value through profit or loss. As at 30 June 2018 ROFO bonds have been classified as financial assets measured at fair value through profit or loss.

Derivatives

Derivatives are recognized in the books at the time when the Entities become a party to a binding agreement.

The Group does not apply hedge accounting.

At the balance sheet date, derivatives are measured at fair value. Whereas derivatives with fair value greater than zero are financial assets, those with negative fair value are financial liabilities.

The Group recognizes profit/loss from valuation and realization of derivative instruments that fail to meet the requirements of hedge accounting as income/expense on operations, income/expenses on financial transactions or “profit/loss on derivative instruments in foreign currency”. In case of the profit / loss on valuation and realization of the relevant IRS, the change in fair value of financial instrument is recognised in finance cost.

In the Consolidated Statement of Cash Flows, cash flows of this nature are disclosed respectively as Financing activities.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank, restricted cash and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Restricted cash is cash on separate bank accounts held for a specific purpose and therefore not available to the Group for immediate or general business use. As restricted cash Group presents mainly the debt service reserve accounts held as the obligation resulting from bank loans agreements, deposits from tenants and amounts blocked to cover capital expenditures.

For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash, short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

Short-term trade payables

Short-term trade payables are carried at the amount due and payable.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Financial liabilities may be designated at initial recognition as at fair value through profit or loss if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment or valuation or recognition of gains or losses that would otherwise arise from the measurement on a different basis; or (ii) the liabilities are part of a group of financial liabilities which are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management strategy; or (iii) financial liabilities contain embedded derivatives which need to be recorded separately.

Financial liabilities at fair value through profit or loss are re-measured to fair value, after considering their market value at the reporting date, without transaction costs. Any changes in the fair value of these liabilities are recognised in the profit or loss as finance income or finance cost.

Other financial liabilities

Other financial liabilities which are not financial instruments at fair value through profit or loss are measured at amortised cost using the effective interest rate method.

A financial liability is derecognized by the Group when the obligation under the liability is discharged or cancelled or expires. An exchange between an existing borrower and lender of debt instrument with substantially different terms is accounted for by the Group as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, significant modifications to the terms and conditions of an existing financial liability are treated as an extinguishment of the original financial liability and the recognition of a new financial liability with any resultant differences in the respective carrying amounts taken to profit or loss.

Other non-financial liabilities include, in particular, liabilities to the tax office in respect of value added tax and advance payment liabilities which will be settled by way of delivery of goods or services, or fixed assets. Other non-financial liabilities are recognized at the amount due and payable.

(All amounts in EUR thousands unless otherwise stated)

Interest bearing loans, borrowings and debentures

All loans, borrowings and debentures are initially recognised at fair value less directly attributable transaction costs. After initial recognition, they are subsequently measured at amortised cost using the effective interest rate method ("EIR"). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset/liability.

10. Debentures

In June 2017 Group acquired fixed-rate debentures from Forum 60 Fundusz Inwestycyjny Zamknięty. The debentures have been acquired in connections with Forward Purchase Agreements described below. As at 30 June 2018 debentures have been repaid.

As at 31 December 2017

Issuer	Interest rate	Maturity	Total	Long-term	Short-term
Forum 60 Fundusz Inwestycyjny Zamknięty	fixed	December 2018	18 389	-	18 389
			18 389	**-**	**18 389**

As at 30 June 2017

Issuer	Interest rate	Maturity	Total	Long-term	Short-term
Forum 60 Fundusz Inwestycyjny Zamknięty	fixed	December 2018	18 033	18 033	-
			18 033	**18 033**	**-**

Forward Purchase Agreement

On 9 March 2017, an entity controlled by the Company, i.e. IB 14 Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych acting as the purchaser (the "**Purchaser**"), and subsidiaries of Echo Investment S.A. ("**Echo**") acting as the sellers (the "**Sellers**") concluded the preliminary forward purchase agreement for West Link office building in Wroclaw with GLA of 14,362 that were completed in April 2018 by Echo ("**SPA**"). The parties to the SPA agreed to undertake actions to complete the acquisition of the rights and obligations of the company owning the Forward Purchase Asset by the buyer by way of the acquisition by the buyer of 100% of the shares in the limited partner and general partner of the company owning the Forward Purchase Asset (the "**Project Companies**") after the satisfaction or waiver of the conditions precedent specified therein.

On 12 June 2017 parties of the SPA concluded annex No. 2 ("**Annex No. 2**") to the SPA. Moreover, in connection with the execution of Annex No. 2, the Purchaser subscribed for bonds with a total nominal value of EUR 18 million issued by a subsidiary of Echo (the "**West Link Bonds**").
Pursuant to Annex No. 2, the parties agreed that the preliminary purchase price for the shares in the Project Companies amounts to EUR 18 million.

On 25 May 2018 a final share purchase agreement and Annex no 3 to the SPA were concluded (refer to note 24), based on which the payment of the price for the shares in the Project Companies was conducted by way of remittances between the Sellers and the Purchaser and a set-off of a receivable of one of the Sellers on account of the payment of the price for the shares in the Project Companies against the Purchaser's receivable in respect of the redemption of the West Link Bonds.
Debentures were valued at amortised cost using effective interest rate method through profit and loss.

(All amounts in EUR thousands unless otherwise stated)

11. Other financial assets

In June 2017 and December 2017 Group acquired following financial instruments, which had been primarily classified as available for sale financial assets. Beginning on 1 January 2018 the Group has reclassified them, in line with IFRS 9 requirements, to financial assets measured at Fair Value Through Profit or Loss category. The value of these instruments as at 30 June 2018 was as follows:

ROFO debentures
As at 30 June 2018

Issuer	**Interest rate**	**Maturity**	**Total**	**Long-term**	**Short-term**
Pudsey Sp. z o.o.	fixed	December 2018	5 976	-	5 976
Projekt Beethovena - Projekt Echo - 122 SP. Z O.O. S.K.A. (Stage 1)	fixed	September 2019	3 090	3 090	-
Projekt Beethovena - Projekt Echo - 122 SP. Z O.O. S.K.A. (Stage 2)	fixed	September 2020	2 830	2 830	-
			11 896	**5 920**	**5 976**

As at 31 December 2017

Issuer	**Interest rate**	**Maturity**	**Total**	**Long-term**	**Short-term**
Pudsey Sp. z o.o.	fixed	December 2018	4 346	-	4 346
Projekt Beethovena - Projekt Echo - 122 SP. Z O.O. S.K.A. (Stage 1)	fixed	March 2019	3 002	3 002	-
Projekt Beethovena - Projekt Echo - 122 SP. Z O.O. S.K.A. (Stage 2)	fixed	June 2019	2 895	2 895	-
			10 243	**5 897**	**4 346**

As at 30 June 2017

Issuer	**Interest rate**	**Maturity**	**Total**	**Long-term**	**Short-term**
Pudsey Sp. z o.o.	fixed	November 2018	2 703	2 703	-
Projekt Beethovena - Projekt Echo - 122 SP. Z O.O. S.K.A. (Stage 1)	fixed	December 2018	1 903	1 903	-
Projekt Beethovena - Projekt Echo - 122 SP. Z O.O. S.K.A. (Stage 2)	fixed	June 2019	1 803	1 803	-
			6 409	**6 409**	**-**

Debentures acquired in connections with Right of First Offer Agreements (“**ROFO Debentures**”) are described below. The fair value of debentures is determined by the fair value of ROFO assets and will be measured on the basis of the current valuation report at completion date, actual construction budget and percentage of completion (“PoC”) of each of the projects.

As of 30 June 2018 the valuation of ROFO debentures amounted to EUR 1,653 thousand and have been presented in Interim Condensed Consolidated Statement of Profit or Loss in line “Gain/(loss) from valuation of financial instruments”.

The maturity dates presented in the table above are stated in the agreements, however the planned repayment dates of debentures would take place upon completion of ROFO project.
Expected repayments of the projects are as follows:

- Pudsey Sp. z o.o. – 31 December 2018;
- Projekt Beethovena - Projekt Echo - 122 SP. Z O.O. S.K.A. (Stage 1) - 30 September 2019;
- Projekt Beethovena - Projekt Echo - 122 SP. Z O.O. S.K.A. (Stage 2) - 30 September 2020.

In the first half year of 2018 the Group has not changed the classification of the financial instruments due to change of manner of usage.

Right of First Offer Agreements

On 9 March 2017, the Company signed the preliminary agreement for the acquisition of 25% stakes in ROFO projects being developed by Echo. Total office GLA of these projects to be completed in 2018-2020 is 49,200 sq meters.
On 9 March 2017 an agreement was concluded between Echo, the Company and GPRE Management sp. z o.o. (the "**Bondholder**") that Bondholder will purchase bonds to be issued by the respective limited partners of all of the respective ROFO SPVs (the "**ROFO Agreement**"**).** The ROFO Agreement covers all of the ROFO Assets. Echo indirectly holds 100% of the shares or interest in the ROFO SPVs and the ROFO SPVs are developing the ROFO Assets. The Company intended to invest (indirectly through the Bondholder), on the terms and conditions set out in the ROFO Agreement, in each of the ROFO Assets the amount of 25% of the funds expected by each of the ROFO SPVs (less the external construction bank financing at a loan to construction ratio of 60%) to complete the development of each respective ROFO Asset. Based on the construction budget presented by Echo to the Issuer in connection with the execution of the ROFO Agreement, the amount of the contribution (the investment) made by the Company under the ROFO Agreement amounts to EUR 9,9 million by the way of subscription for bonds issued by certain subsidiaries of Echo ("**ROFO Bonds**").
The investment of the Company under the ROFO Agreement were made solely from the proceeds from the Offering.
The redemption date for all the series of the ROFO Bonds is 12 June 2032, and the ROFO Bonds will be redeemed by way of the payment of a sum equal to the nominal value of each of the bonds. The ROFO Bonds accrue interest at a fixed interest rate in the amounts of and on the conditions provided in the terms and conditions of the ROFO Bonds. Final amount of interest will be adjusted by accompanied option agreement so that it reflects actual development profit realized on each of the projects. The ROFO Bonds have been issued as unsecured bonds.

12. Information about the issue, redemption and repayment of debt securities and equity securities

In the half year of 2018, neither Globalworth Poland Real Estate N.V. nor any of its subsidiaries were funded through the issue of external debt financial instruments.

Like other companies in the industry, the Group monitors its capital by such methods as loan to value ratio or balance sheet equity ratio. During the reporting periods, the Group did not breach any of its loan covenants, and borrowings nor did it default on any other of its obligations under its loan and borrowings agreements.

(All amounts in EUR thousands unless otherwise stated)

Bank loans

In the second quarter of 2018 the Group has repaid the majority of bank loans from prior periods and has entered into new loan agreement embracing four new loans. New bank loans are mostly (95% of the outstanding amount) at the fixed interest rates and partly (5% of the outstanding amount) at the floating interest rates. Interest costs may increase or decrease as a result of changes in the interest rates.

As at 30 June 2018

Bank	Interest rate	Maturity	Total	Long-term	Short-term
Loan 14	combination of fixed & floating rate*	May 2025	38 526	37 574	952
Loan 15	combination of fixed & floating rate*	May 2025	33 506	32 682	824
Loan 16	combination of fixed & floating rate*	May 2025	13 031	12 724	307
Loan 17	combination of fixed & floating rate*	May 2025	14 113	13 764	349
Loan 7	NBP reference rate less social indicator	June 2034	4 555	2 333	2 222
Loan 8	WIBOR 1M + margin	September 2018	589	-	589
Loan 9	EURIBOR 1M + margin	August 2026**	36 043	34 119	1 924
			140 363	**133 196**	**7 167**

As at 31 December 2017

Bank	Interest rate	Maturity	Total	Long-term	Short-term
Loan 1	EURIBOR 3M + margin	April 2019	34 647	33 843	804
Loan 2	EURIBOR 3M + margin	March 2020	44 846	42 225	2 621
Loan 3	EURIBOR 3M + margin	February 2018	6 216	-	6 216
Loan 4	EURIBOR 3M + margin	January 2034	7 284	6 951	333
Loan 5	EURIBOR 3M + margin	February 2018	7 171	-	7 171
Loan 6	EURIBOR 3M + margin	July 2034	13 466	12 464	1 002
Loan 7	NBP reference rate less social indicator	June 2034	4 320	3 869	451
Loan 8	WIBOR 1M + margin	February 2018	251	-	251
Loan 9	EURIBOR 1M + margin	August 2026*	52 148	50 769	1 379
Loan 10	EURIBOR 1M + margin	June 2026	95 650	91 259	4 391
Loan 13	EURIBOR 3M + margin	June 2027	38 893	37 310	1 583
			304 892	**278 690**	**26 202**

(All amounts in EUR thousands unless otherwise stated)

As at 30 June 2017

Bank	Interest rate	Maturity	Total	Long-term	Short-term
Loan 1	EURIBOR 3M + margin	April 2019	34 730	33 813	917
Loan 2	EURIBOR 3M + margin	March 2020	45 570	42 934	2 636
Loan 3	EURIBOR 3M + margin	February 2018	6 298	-	6 298
Loan 4	EURIBOR 3M + margin	January 2034	7 345	7 016	329
Loan 5	EURIBOR 3M + margin	February 2018	7 267	-	7 267
Loan 6	EURIBOR 3M + margin	July 2034	13 781	12 779	1 002
Loan 7	NBP reference rate less social indicator	June 2034	4 190	3 906	284
Loan 8	WIBOR 1M + margin	February 2018	122	-	122
Loan 9	EURIBOR 1M + margin	August 2026*	48 297	47 498	799
Loan 10	EURIBOR 1M + margin	June 2026	96 856	92 435	4 421
Loan 13	EURIBOR 3M + margin	June 2027	38 195	36 671	1 524
			302 651	**277 052**	**25 599**

** 95% of the outstanding amount at the fixed interest rates & 5% of the outstanding amount at the floating rate:EURIBOR 3M + margin*

*** The construction loan will be converted into investment loan. The maturity of investment loan is August 2026.*

In the reporting period no loan default or breach of loan agreement occurred.

Other borrowings

As at 30 June 2018

Lender	Interest rate	Total	Below 1 year	After 1 year but no more than 5 years	More than 5 years
Globalworth Finance Guernsey Limited	5%	236 438		-	236 438
	5%	**236 438**	**0**	**-**	**236 438**

As at 31 December 2017

Lender	Interest rate	Total	Below 1 year	After 1 year but no more than 5 years	More than 5 years
Globalworth Finance Guernsey Limited	5%	165 413	165 413	-	-
	5%	**165 413**	**165 413**	**-**	**-**

In December 2017 the Group received loan at fixed interest rate in the amount of EUR 165 million from Globalworth Finance Guernsey Limited, the entity related with the major shareholder ("GFGL Loan"). The loan was granted in order to acquire 3 new projects – i.e. Tryton Business House, A4 Business Park and West Gate.

(All amounts in EUR thousands unless otherwise stated)

In March 2018 the Group draw down another tranche of GFGL Loan in the amount of EUR 55 million to acquire Warta Tower.

On 16 April 2018, the Company concluded a second loan facility with GFGL in the amount of EUR 400,000,000 divided into two available tranches (the “Second Facility"). On 20 April 2018, the Company drawn down a net amount of EUR 229,300,000 under the Second Facility.
On 21 June 2018 the Company repaid two loans: the loan from December 2017 and part of the loan from 16 April 2018 in the total amount of EUR 300,000,000.
On 21 June 2018 the Group drew down another tranche of the Second Facility in the amount of EUR 74 million to acquire Spektrum Tower.

At 1 January 2018	**165 413**
Capital drawdown	358 300
Capital repayment	(287 107)
Interest accrued	6 595
Interest repayment	(6 422)
Arrangment fee payment	(4 493)
Amortized cost valuation	4 152
At 30 June 2018	**236 438**

At 1 January 2017	**-**
Capital drawdown	165 000
Interest accrued	297
Amortized cost valuation	116
At 31 December 2017	**165 413**

13. Trade and other payables, deposits from tenants and other deposits

Deposits from tenants and other deposits received

Policy
Deposits from tenants and other deposits liabilities are initially recognised at fair value and subsequently measured at amortised cost. Any difference between the initial fair value and the nominal amount is included as a component of operating lease income and recognised on a straight-line basis over the lease term.

Trade and other payables, deposits from tenants and other deposits are non-interest bearing and have settlement dates within one year, except for tenant deposits which are payable on lease termination. For explanations on the Group's liquidity risk management processes, refer to Note 18.

	As at		
	30 June 2018 € '000	**31 December 2017 € '000**	**30 June 2017 € '000**
Current			
Trade payables	3 873	5 932	3 123
Capex payables	4 588	5 501	7 591
VAT payable	705	407	192
Deposits from tenants	289	270	204
Guarantees retained from contractors	617	508	80
Deferred income	742	415	526
Other taxes payables	1 815	-	732
Salaries payable	138	-	-
Liabilities related to entities' acquisition	832	-	-
Liabilities related to share issuance	178	-	-
Liabilities related to new financing	233	-	-
Dividend payable	4 011	-	-
Amounts due to related parties	-	1 500	-
Consideration payable	1 169	1 220	-
Other payables	331	263	51
	19 521	**16 016**	**12 499**
Non-current			
Deposits from tenants	6 730	5 834	4 804
Guarantees retained from contractors	600	537	460
Consideration payable	685	-	-
	27 536	**22 387**	**17 763**

14. Trade and other receivables

	As at		
	30 June 2018 € '000	**31 December 2017 € '000**	**30 June 2017 € '000**
Current			
Rent and service charge receivables	8 138	6 380	3 783
RGA and NOIGA rent and service charge receivables*	1 187	2 317	-
Less: Provision for impairment of receivables	(1 638)	(1 176)	(1 037)
Rent receivables - net	**7 687**	**7 521**	**2 746**
VAT receivables	1 069	672	722
Deferred expenses	2 746	124	1 243
Receivables from related parties*	-	-	3 307
RGA and NOIGA capex receivables*	779	1 538	-
Dividend receivable	3 770	-	-
Receivables from Sellers (price adjustments)	1 516	-	-
Other	105	779	231
	17 672	**10 634**	**8 249**
Non-current			
Deferred expenses	-	69	-
Other	-	-	6
	17 672	**10 703**	**8 255**

** As at 30 June 2017 Griffin Topco II S.á r.l. and Griffin Topco III S.á r.l. were related entities to the Globalworth Poland Group.*

Rent and service charge receivables are non-interest bearing and are typically due within 30 days.

Rent and other receivables impaired and provided for
As at 30 June 2018 receivables with nominal value 1983 were impaired and provided for in the amount of 1638 due to tenant defaults. Movements in the provision for impairment of receivables were, as follows:

	As at		
	30 June 2018 € '000	**31 December 2017 € '000**	**30 June 2017 € '000**
At 1 January	**1 176**	**722**	**722**
Provision at the acquisition date	**410**	**-**	**-**
Charge for the year	70	402	278
Utilised	(18)	-	-
Foreign currency translation	-	52	37
At 30 June / 31 December	**1 638**	**1 176**	**1 037**

(All amounts in EUR thousands unless otherwise stated)

As at 30 June 2018, 31 December 2017 and 30 June 2017, the analysis of rent and other receivables and classification of provisions for impairment of receivables is set out below:

As at	**Total**	**Neither past due nor impaired**	**<30 days**	**30-60 days**	**60-90 days**	**90-120 days**	**>120 days**
30 June 2018	8 466	4 153	2 874	1 094	152	39	154
31 December 2017	8 697	4 624	1 790	923	71	66	1 223
30 June 2017	6 053	2 952	1 336	743	447	278	297

As at						
30 June 2018	Impaired rent and other receivables			159	76	1 748
	Provision for impairment			(7)	(37)	(1 594)
	Total provision					**(1 638)**
31 December 2017	Impaired rent and other receivables	1	1	18	35	1 131
	Provision for impairment	(1)	(1)	(12)	(34)	(1 128)
	Total provision					**(1 176)**
30 June 2017	Impaired rent and other receivables			504	347	1 208
	Provision for impairment			(57)	(69)	(911)
	Total provision					**(1 037)**

As of 30 June 2018 the Group introduced the expected credit loss model in accordance with the simplified approach required under IFRS 9 for all the receivables that meet the condition of maturity of one year or less and don't contain a significant financing component within the scope of IFRS 15.

The Group has recalculated IFRS9 impact on the impairment recognition and considered it insignificant as of the date of the first application.

15. Cash and cash equivalents

Cash and short-term deposits
Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Blocked (restricted) cash
The blocked (restricted) cash comprises of:
- debt service reserve accounts;
- deposits from tenants and amounts blocked to cover capital expenditures presented as short-term as they can be utilized to cover tenants' obligation due or current liabilities for capital expeditures;
- cash on the bank accounts with restrictions over the use of the funds.

	30 June 2018 € '000	31 December 2017 € '000	30 June 2017 € '000
Unblocked			
Cash at bank and on hand	151 880	14 481	11 334
Short-term deposits	1 266	1 176	3 359
Cash and cash equivalents as per Consolidated Statement of Cash Flows	**153 146**	**15 657**	**14 693**
Blocked			
Short-term:	***9 778***	***19 028***	***7 970***
Tenant deposits	2 843	9 309	4 335
Capex accounts	-	797	-
Rent accounts	5 355	8 663	2 371
Other bank deposits	1 044	-	1 095
Other	536	259	169
Long-term	***-***	***2 958***	***3 046***
Debt service reserve account	-	2 958	2 550
Other bank deposits	-	-	496
	9 778	**21 986**	**11 016**
Cash and cash equivalents as per Consolidated Statement of Financial Position	**162 924**	**37 643**	**25 709**

(All amounts in EUR thousands unless otherwise stated)

16. Fair value measurements – financial assets and financial liabilities

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments presented in the Consolidated Financial Statements:

	Carrying amount			**Fair value**		
As at	**30 June 2018**	**31 December 2017**	**30 June 2017**	**30 June 2018**	**31 December 2017**	**30 June 2017**
Financial assets						
Long-term loans	44	-	227	44	-	227
Debentures	-	18 389	18 033	-	18 389	18 033
Available for sale financial assets	-	10 243	6 409	-	10 243	6 409
Other financial assets	11 896	-	-	11 896	-	-
Short-term loans	-	60	10	-	60	10
Trade and other receivables	17 672	10 703	8 255	17 672	10 703	8 255
Cash and cash equivalents	162 924	37 643	25 709	162 924	37 643	25 709
Financial liabilities						
Bank loans	140 363	304 892	302 651	140 363	304 892	302 651
Other borrowings	236 438	165 413	21	236 438	165 413	21
Deferred consideration payable	685	-	-	685	-	-
Deposits from tenants	7 019	6 104	5 008	7 019	6 104	5 008
Guarantees retained from contractors	1 217	1 045	540	1 217	1 045	540
Trade and other payables	18 615	15 238	12 215	18 615	15 238	12 215

Management has assessed that the fair values of cash and short-term deposits, rent and other receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and 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. The following methods and assumptions were used to estimate the fair values:

- Receivables are evaluated by the Group based on parameters such as individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 30 June 2018, 31 December 2017 and 30 June 2017, the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values;
- The fair value of obligations under finance leases and deposits from tenants is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities;
- Derivatives valued using valuation techniques which employ the use of market observable inputs are mainly interest rate swaps. The Group enters into derivative financial instruments with financial institutions with investment grade credit ratings;
- Fair values of the Group’s interest-bearing borrowings and loans are determined by using the DCF method using a discount rate that reflects each of the Entity borrowing rate including its own non-performance risk as at 30 June 2018, 31 December 2017 and 30 June 2017 appropriately.

The difference between the fair value and carrying value of other financial instruments is insignificant, therefore both values are presented as equal.

(All amounts in EUR thousands unless otherwise stated)

17. Fair value hierarchy

Quantitative disclosures of the Group's financial instruments and investment property in the fair value measurement hierarchy as at 30 June 2018, 31 December 2017 and 30 June 2017:

As at 30 June 2018	Level 1	Level 2	Level 3	Total
Investment property	-	-	932 380	**932 380**
Long-term loans	-	44	-	**44**
Other financial assets	-	-	11 896	**11 896**
Trade and other receivables	-	17 672	-	**17 672**
Cash and cash equivalents	-	162 924	-	**162 924**
Bank loans	-	140 363	-	**140 363**
Other borrowings	-	236 438	-	**236 438**
Deferred consideration payable	-	685	-	**685**
Deposits from tenants	-	7 019	-	**7 019**
Guarantees retained from contractors	-	1 217	-	**1 217**
Trade and other payables	-	-	18 615	**18 615**

As at 31 December 2017	Level 1	Level 2	Level 3	Total
Investment property	-	-	680 130	**680 130**
Debentures	-	18 389	-	**18 389**
Available for sale financial assets	-	-	10 243	**10 243**
Short-term loans	-	60	-	**60**
Trade and other receivables	-	10 703	-	**10 703**
Cash and cash equivalents	-	37 643	-	**37 643**
Bank loans	-	304 892	-	**304 892**
Other borrowings	-	165 413	-	**165 413**
Deposits from tenants	-	6 104	-	**6 104**
Guarantees retained from contractors	-	1 045	-	**1 045**
Trade and other payables	-	-	15 238	**15 238**

As at 30 June 2017	Level 1	Level 2	Level 3	Total
Investment property	-	-	508 024	**508 024**
Long-term loans	-	227	-	**227**
Debentures	-	18 033	-	**18 033**
Available for sale financial assets	-	-	6 409	**6 409**
Short-term loans	-	10	-	**10**
Trade and other receivables	-	8 255	-	**8 255**
Cash and cash equivalents	-	25 709	-	**25 709**
Bank loans	-	302 651	-	**302 651**
Other borrowings	-	21	-	**21**
Deposits from tenants	-	5 008	-	**5 008**
Guarantees retained from contractors	-	540	-	**540**
Trade and other payables	-	-	12 215	**12 215**

(All amounts in EUR thousands unless otherwise stated)

18. Liquidity risk

Globalworth Poland Real Estate N.V. and Entities' objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans. The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments (including interest payments):

Liquidity risk	**Contractual payments**						**Difference to carrying amount**	**Carrying amount**
As at 30 June 2018	**On demand**	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**> 5 years**	**Total**		
Bank loans	85	3 947	3 825	17 442	138 718	**164 017**	(23 654)	**140 363**
Other borrowings	470	2 986	8 861	47 419	258 224	**317 960**	(81 522)	**236 438**
Deferred consideration payable	-	-	-	685	-	**685**	-	**685**
Deposits from tenants	97	7	185	5 108	1 622	**7 019**	-	**7 019**
Guarantees retained from contractors	368	65	184	525	75	**1 217**	-	**1 217**
Trade and other payables	2 143	15 255	1 217	-	-	**18 615**	-	**18 615**
	3 163	**22 260**	**14 272**	**71 179**	**398 639**	**509 513**	**(105 176)**	**404 337**

	Contractual payments						**Difference to carrying amount**	**Carrying amount**
As at 31 December 2017	**On demand**	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**> 5 years**	**Total**		
Bank loans	88	17 202	10 310	119 329	201 494	**348 423**	(43 531)	**304 892**
Other borrowings	-	-	171 113	-	-	**171 113**	(5 700)	**165 413**
Deposits from tenants	25	17	228	2 774	3 060	**6 104**	-	**6 104**
Guarantees retained from contractors	250	149	109	536	1	**1 045**	-	**1 045**
Trade and other payables	1 461	12 593	1 184	-	-	**15 238**	-	**15 238**
	1 824	**29 961**	**182 944**	**122 639**	**204 555**	**541 923**	**(49 231)**	**492 692**

(All amounts in EUR thousands unless otherwise stated)

	Contractual payments						Difference to carrying amount	Carrying amount
As at 30 June 2017	**On demand**	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**> 5 years**	**Total**		
Bank loans	-	3 360	22 960	116 820	197 222	**340 362**	(37 711)	**302 651**
Other borrowings	-	21	-	-	-	**21**	-	**21**
Deposits from tenants	132	11	61	2 489	2 315	**5 008**	-	**5 008**
Guarantees retained from contractors	-	20	60	454	6	**540**	-	**540**
Trade and other payables	1 314	10 502	399	-	-	**12 215**	-	**12 215**
	1 446	**13 914**	**23 480**	**119 763**	**199 543**	**358 146**	**(37 711)**	**320 435**

19. Information about the movements on impairments of financial assets, fixed assets and intangible assets.

In the first half year of 2018 the revaluation allowance on trade and other receivables in the amount of EUR 70 thousand has been created (please see Note 14), whereas provision in the amount of EUR 18 thousand has been utilized. No other provision for impairment of the Group's assets have been created.

SECTION V: ASSETS ACQUISITION AND OTHER DISCLOSURES

20. Asset acquisition

In the first half of 2018 the Group has acquired 100% of shares of following entities:

- On 14 March 2018, the Group acquired 100 % of the shares of Warta Tower Investments Sp. z o.o. (formerly Warta Tower Spółka z ograniczoną odpowiedzialnością Sp. k.) holding an office building called "Warta Tower";

- On 25 May 2018, the Group acquired 100 % of the shares of West Gate II - Projekt Echo - 114 Sp. z o.o. Sp. k. holding an office building called "West Link";

- On 21 June 2018, the Group acquired 100 % of the shares of Blackwyn Investments Sp. z o.o. holding an office building called "Quattro Business Park".

The existing strategic management functions and associated processes were not acquired with the properties listed above and, as such, the Directors consider this transaction as an assets acquisition.

The purchase price and the acquisition cost for the purchased assets amounted to c. EUR 227 million to be adjusted to reflect the net asset value as of the date of the execution of the agreement on the basis of the closing balance sheet of the newly acquired company. Based on the external valuation report, value of acquired investment properties as at 30 June 2018 is EUR 240 million.

Purchase price presented in cash flow statement is as follows:

Payment for acquisition of subsidiaries presented in Cash Flow Statement:

	Warta Tower	**West Link**	**Quattro**	**Total**
Acquisition price	56 263	31 937	138 892	**227 092**
less:				-
Cash of acquired entities	(540)	(21)	(1 464)	**(2 025)**
Unpaid liability	(75)	(507)	(804)	**(1 386)**
	55 648	**31 409**	**136 624**	**223 681**
Set off with debentures				**(18 684)**
Payment for newly acquired Entities				(204 997)
Payment for Entities acquired in 2017				(302)
				(205 299)

The revenue and profit contributed by the subsidiary, since acquisition date, and the impact on the Group's results had these companies been acquired at the beginning of the year, are disclosed below:

	Warta Tower	**West Link**	**Quattro**	**Total**
	€ '000	**€ '000**	**€ '000**	**€ '000**
Subsidiary's contribution				
Revenue	2 326	*251*	299	**2 876**
Profit/(loss) after tax	5 410	(222)	2 273	**7 461**

(All amounts in EUR thousands unless otherwise stated)

Half year subsidiary's results				
Revenue	3 903	607	5 956	**10 466**
Profit/(loss) after tax	6 281	9 043	3 302	**18 626**

21. Consolidation of subsidiaries

Policy

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Interim Condensed Consolidated Financial Statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2018, 31 December 2017 and 30 June 2017. Specifically, the Group controls an investee if, and only if, it has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee;
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group’s voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Interim Condensed Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.
If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Details on all direct and indirect subsidiaries of the Company, over which the Group has control and consolidated as of 30 June 2018, 31 December 2017 and 30 June 2017, are disclosed in section “Structure of the Group" of the Note 1.1. in the Directors' Report. There are no other subsidiaries which were not consolidated.

22. Reporting by segments

Segments of the Group business are presented in accordance with data from internal management reporting and analysed by the key decision maker, responsible for allocating resources and assessing performance of operating segments.
For investment property, discrete financial information is provided on a property-by-property basis to members of executive management, which collectively comprise the chief operating decision maker. The information provided is net of Rental income (including gross Service charge and marketing income and Property operating expenses), Valuation gains/(losses) from investment property, Net gains/(losses) on investment property. The individual properties are aggregated into segments with similar economic characteristics such as the nature of the property and the occupied market it serves. Management Board considered to aggregate high-street mixed-use and office into segments.

Consequently, the Group is considered to have two reportable segments, as follows:

- High-street mixed-use — acquires, develops and leases shopping malls and office space in these malls;
- Office — acquires, develops and leases offices.

Moreover the Group distinguishes the Unallocated and Consolidation eliminations segments. The first segment comprises of GPRE Management Sp. z o.o., IB14 Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych, Lima Sp. z o.o., Luapele Sp. z o.o., Globalworth Poland Real Estate N.V. HQ figures (loans granted to SPVs, Asset management fee revenues, HQ administrative/human resources costs) as well as unallocated operations. Bonds issued by GPRE Management Sp. z o.o., Luapele Sp. z o.o., Lima Sp. z o.o. and purchased by IB14 are presented per net, as both entities belong to the Unallocated segment. All other transactions between individual segments are eliminated in the Consolidation eliminations segment – mainly intercompany loans and asset management fee.

Income, expenses, measurement of segment profit/(loss), valuation of assets and liabilities of the segment are determined in accordance with the accounting policies adopted for the preparation and presentation of the Consolidated Financial Statements, as well as the accounting policies that relate specifically to segment reporting. The measure of segment profit/(loss) is the Operating Profits and Profit/(loss) before tax.

Interim Condensed Consolidated Statement of Financial Position by segments

	As at 30 June 2018				
Segments	**High-street mixed-use properties € '000**	**Office properties € '000**	**Unallocated € '000**	**Consolidation eliminations € '000**	**Total € '000**
Segments non-current assets including:					-
Investment property	317 160	615 220	-	-	932 380
Investment in subsidiaries	-	-	1 044 366	(1 044 366)	-
Long-term loans	555	3 001	635 589	(639 101)	44
Other financial assets	-	-	5 920	-	5 920
Other non-current assets	22	5	155	-	182
	317 737	**618 226**	**1 686 030**	**(1 683 467)**	**938 526**
Segments current assets including:					
Other financial assets	-	-	5 976	-	5 976
Other current assets	17 823	30 858	127 091	4 845	180 617
	17 823	**30 858**	**133 067**	**4 845**	**186 593**
Total assets	**335 560**	**649 084**	**1 819 097**	**(1 678 622)**	**1 125 119**
Segments non-current liabilities including:					
Bank loans	36 452	96 744	-	-	133 196
Other borrowings	192 142	220 126	261 674	(437 504)	236 438
Deferred consideration payable	-	-	-	685	685
Deferred tax liability	7 718	9 967	17 687	(14 207)	21 165
Guarantees retained from contractors	76	524	-	-	600
Deposits from tenants	2 271	4 459	-	-	6 730
	238 659	**331 820**	**279 361**	**(451 026)**	**398 814**
Segments current liabilities including:					
Bank loans	4 735	2 432	-	-	7 167
Other borrowings	-	198 420	6 446	(204 866)	-
Guarantees retained from contractors	131	486	-	-	617
Deposits from tenants	151	138	-	-	289
Other current liabilities	4 958	6 603	4 402	2 994	18 957
	9 975	**208 079**	**10 848**	**(201 872)**	**27 030**
Total liabilities	**248 634**	**539 899**	**290 209**	**(652 898)**	**425 844**

	As at 31 December 2017				
Segments	**High-street mixed-use properties € '000**	**Office properties € '000**	**Unallocated € '000**	**Consolidation eliminations € '000**	**Total € '000**
Segments non-current assets including:					-
Investment property	309 100	371 030	-	-	680 130
Investment in subsidiaries	-	-	535 389	(535 389)	-
Long-term loans	-	389	264 876	(265 265)	-
Available for sale financial assets	-	-	5 897	-	5 897
Other non-current assets	1 645	1 415	14	-	3 074
	310 745	**372 834**	**806 176**	**(800 654)**	**689 101**
Segments current assets including:					
Short-term loans	-	-	55	5	60
Debentures	-	-	18 389	-	18 389
Available for sale financial assets	-	-	4 346	-	4 346
Other current assets	20 785	16 920	8 214	(599)	45 320
	20 785	**16 920**	**31 004**	**(594)**	**68 115**
Total assets	**331 530**	**389 754**	**837 180**	**(801 248)**	**757 216**
Segments non-current liabilities including:					
Bank loans	183 207	95 483	-	-	278 690
Other borrowings	55 555	195 416	14 246	(265 217)	-
Deferred tax liability	6 015	1 251	11 754	-	19 020
Guarantees retained from contractors	84	453	-	-	537
Deposits from tenants	2 894	2 940	-	-	5 834
	247 755	**295 543**	**26 000**	**(265 217)**	**304 081**
Segments current liabilities including:					
Bank loans	8 056	18 146	-	-	26 202
Other borrowings	-	-	165 424	(11)	165 413
Guarantees retained from contractors	158	350	-	-	508
Deposits from tenants	171	99	-	-	270
Other current liabilities	7 089	3 326	6 155	(599)	15 971
	15 474	**21 921**	**171 579**	**(610)**	**208 364**
Total liabilities	**263 229**	**317 464**	**197 579**	**(265 827)**	**512 445**

	As at 30 June 2017				
Segments	**High-street mixed-use properties € '000**	**Office properties € '000**	**Unallocated € '000**	**Consolidation eliminations € '000**	**Total € '000**
Segments non-current assets including:					-
Investment property	305 340	202 684	-	-	508 024
Investment in subsidiaries	-	-	345 687	(345 687)	-
Long-term loans	-	496	107 401	(107 670)	227
Debentures	-	-	18 033	-	18 033
Available for sale financial assets	-	-	6 409	-	6 409
Other non-current assets	1 642	1 416	-	-	3 058
	306 982	**204 596**	**477 530**	**(453 357)**	**535 751**
Segments current assets including:					
Short-term loans	-	-	10	-	10
Other current assets	15 598	9 402	6 227	(314)	30 913
	15 598	**9 402**	**6 237**	**(314)**	**30 923**
Total assets	**322 580**	**213 998**	**483 767**	**(453 671)**	**566 674**
Segments non-current liabilities including:					
Bank loans	180 510	96 542	-	-	277 052
Other borrowings	52 338	54 220	149 198	(255 735)	21
Deferred tax liability	4 952	5 328	5 427	(3)	15 704
Guarantees retained from contractors	219	250	-	(9)	460
Deposits from tenants	2 830	1 965	-	9	4 804
	240 849	**158 305**	**154 625**	**(255 738)**	**298 041**
Segments current liabilities including:					
Bank loans	7 150	18 449	-	-	25 599
Other borrowings	-	-	347	(347)	-
Guarantees retained from contractors	51	29	-	-	80
Deposits from tenants	88	116	-	-	204
Other current liabilities	9 833	2 159	786	(563)	12 215
	17 122	**20 753**	**1 133**	**(910)**	**38 098**
Total liabilities	**257 971**	**179 058**	**155 758**	**(256 648)**	**336 139**

Interim Condensed Consolidated Statement of Profit or Loss by segments

	1.01.2018-30.06.2018				
Segments	**High-street mixed-use properties € '000**	**Office properties € '000**	**Unallocated € '000**	**Consolidation eliminations € '000**	**Total € '000**
Revenue	13 728	21 310	-	-	35 038
Operating expenses	(4 589)	(5 747)	(89)	89	(10 336)
Segment NOI	**9 139**	**15 563**	**(89)**	**89**	**24 702**
Asset management income	-	-	1 568	(1 568)	-
Asset management expense	(456)	(1 025)	(87)	1 568	-
Other administrative expenses	(200)	(847)	(2 701)	1 938	(1 810)
Fair value movement	6 639	15 500	-	(2 807)	19 332
Other expenses	(140)	(40)	-	-	(180)
Other income	53	123	-	-	176
Gain/(loss) from valuation of financial instruments	-	-	1 653	-	1 653
Foreign exchange loss	(83)	(182)	(267)	(6)	(538)
Finance costs (excl. foreign exchange losses)	(7 923)	(11 888)	(13 662)	14 420	(19 053)
Finance income	27	83	11 324	(11 075)	359
Segment results	**7 056**	**17 287**	**(2 261)**	**2 559**	**24 641**
Profit/(loss) before tax	**7 056**	**17 287**	**(2 261)**	**2 559**	**24 641**

	1.04.2018-30.06.2018				
Segments	**High-street mixed-use properties € '000**	**Office properties € '000**	**Unallocated € '000**	**Consolidation eliminations € '000**	**Total € '000**
Revenue	6 348	11 914	-	-	18 262
Operating expenses	(2 201)	(3 052)	(41)	89	(5 205)
Segment NOI	**4 147**	**8 862**	**(41)**	**89**	**13 057**
Asset management income	-	-	725	(725)	-
Asset management expense	(220)	(457)	(48)	725	-
Other administrative expenses	(18)	(440)	(1 183)	1 020	(621)
Fair value movement	6 611	11 534	-	(1 992)	16 153
Other expenses	(75)	26	(6)	-	(55)
Other income	4	71	-	-	75
Gain/(loss) from valuation of financial instruments	-	-	1 415	-	1 415
Foreign exchange loss	3	(239)	(182)	-	(418)
Finance costs (excl. foreign exchange losses)	(5 815)	(7 014)	(10 050)	8 906	(13 973)
Finance income	16	40	7 246	(7 164)	138
Segment results	**4 653**	**12 383**	**(2 124)**	**859**	**15 771**
Profit/(loss) before tax	**4 653**	**12 383**	**(2 124)**	**859**	**15 771**

	1.01.2017-30.06.2017				
Segments	**High-street mixed-use properties € '000**	**Office properties € '000**	**Unallocated € '000**	**Consolidation eliminations € '000**	**Total € '000**
Revenue	11 380	9 589	-	-	20 969
Operating expenses	(4 469)	(2 578)	-	-	(7 047)
Segment NOI	**6 911**	**7 011**	**-**	**-**	**13 922**
Asset management income	-	-	387	(387)	-
Asset management expense	(212)	(149)	(26)	387	-
Other administrative expenses	(804)	(1 212)	(792)	532	(2 276)
Fair value movement	754	4 592	-	-	5 346
Other expenses	(385)	(272)	(11)	-	(668)
Other income	136	37	-	-	173
Foreign exchange gains	9 715	7 256	(1 119)	12	15 864
Finance costs	(3 951)	(3 762)	(4 513)	7 392	(4 834)
Finance income (excl. foreign exchange gains)	60	16	7 123	(7 087)	112
Segment results	**12 224**	**13 517**	**1 049**	**849**	**27 639**
Profit/(loss) before tax	**12 224**	**13 517**	**1 049**	**849**	**27 639**

	1.04.2017-30.06.2017				
Segments	**High-street mixed-use properties € '000**	**Office properties € '000**	**Unallocated € '000**	**Consolidation eliminations € '000**	**Total € '000**
Revenue	6 265	5 027	-	-	11 292
Operating expenses	(2 235)	(1 254)	-	-	(3 489)
Segment NOI	**4 030**	**3 773**	**-**	**-**	**7 803**
Asset management income	-	-	387	(387)	-
Asset management expense	(212)	(149)	(26)	387	-
Other administrative expenses	(460)	(469)	(495)	184	(1 240)
Fair value movement	14 377	13 568	-	-	27 945
Other expenses	(281)	(271)	(1)	-	(553)
Other income	57	37	-	-	94
Foreign exchange gains	(233)	(126)	391	-	32
Finance costs	(2 149)	(2 003)	(2 002)	5 090	(1 064)
Finance income (excl. foreign exchange gains)	13	8	4 978	(4 939)	60
Segment results	**15 142**	**14 368**	**3 232**	**335**	**33 077**
Profit/(loss) before tax	**15 142**	**14 368**	**3 232**	**335**	**33 077**

Revenue

	1.01.2018-30.06.2018 € '000	1.04.2018-30.06.2018 € '000	1.01.2017-30.06.2017 € '000	1.04.2017-30.06.2017 € '000
City of Investment Property location				
High street segment:				
Katowice	3 357	1 233	2 637	1 465
Warsaw	4 701	2 513	3 158	2 148
Wroclaw	5 670	2 602	5 585	2 652
	13 728	**6 348**	**11 380**	**6 265**
Office segment:				
Gdansk	2 596	1 319	-	-
Katowice	3 391	1 802	-	-
Krakow	3 448	1 854	2 907	1 576
Lodz	3 558	1 772	3 528	1 769
Warsaw	5 742	3 678	3 154	1 682
Wroclaw	2 575	1 489	-	-
	21 310	**11 914**	**9 589**	**5 027**
Total	**35 038**	**18 262**	**20 969**	**11 292**

Investment property

City of Investment Property location	30 June 2018 € '000	31 December 2017 € '000	30 June 2017 € '000
High street segment:			
Katowice	60 820	61 530	61 330
Warsaw	118 160	108 430	104 550
Wroclaw	138 180	139 140	139 460
	317 160	**309 100**	**305 340**
Office segment:			
Gdansk	56 420	56 350	-
Katowice	68 480	68 520	-
Krakow	215 150	70 660	69 630
Lodz	71 350	71 270	69 660
Warsaw	127 680	62 330	63 394
Wroclaw	76 140	41 900	-
	615 220	**371 030**	**202 684**
Total	**932 380**	**680 130**	**508 024**

23. Changes in presentation of Interim Condensed Financial Statements as at 30 June 2017

There were no errors in the prior period reported data of prior periods that would imply changes in the comparative data. Due to becoming a part of the Globalworth Group, Globalworth Poland Group adjusted the presentation of current and prior year Interim Condensed Consolidated Financial Statements to the Globalworth's policy.
The following changes have been introduced:

Interim Condensed Consolidated Statement of Financial Position

		Adjustments							
As at 30 June 2017	**Approved € '000**	**1**	**2**	**3**	**4**	**5**	**6**	**Amended € '000**	
ASSETS									**ASSETS**
Non-current assets									**Non-current assets**
Completed investment property	508 024							508 024	Investment property
Property, plant and equipment	6						(6)	-	
Long term loans	227							227	Long-term loans
Debentures	18 033							18 033	Debentures
Available for sale financial assets	6 409							6 409	Available for sale financial assets
							6	6	Other long-term assets
Other receivables	6							6	Other receivables
Long-term restricted cash	3 046							3 046	Long-term restricted cash
Deferred tax assets	2 752		(2 752)					-	Deferred tax assets
	538 503	-	**(2 752)**	-	-	-	-	**535 751**	
Current assets									**Current assets**
Short term loans	10							10	Short-term loans
Rent and other receivables	8 249							8 249	Trade and other receivables
Income tax receivable	1							1	Income tax receivable
Restricted cash	7 870	(7 970)				100		-	
Cash and short-term deposits	14 793	7 970				(100)		22 663	Cash and cash equivalents
	30 923	-	-	-	-	-	-	**30 923**	
TOTAL ASSETS	**569 426**	-	**(2 752)**	-	-	-	-	**566 674**	**TOTAL ASSETS**

As at 30 June 2017	Approved € '000	Adjustments 1	2	3	4	5	6	Amended € '000	
EQUITY AND LIABILITIES									**EQUITY AND LIABILITIES**
									Total equity
Issued share capital	156 133							156 133	Issued share capital
Share premium	44 026							44 026	Share premium
Other reserves	8 121							8 121	Other reserves
Foreign currency translation reserve	1 992							1 992	Foreign currency translation reserve
Accumulated profit	20 263							20 263	Retained earnings
Equity attributable to equity holders of the parent	**230 535**	-	-	-	-	-	-	**230 535**	Equity attributable to equity holders of the parent
Non-current liabilities									**Non-current liabilities**
Bank loans	277 052							277 052	Bank loans
Other borrowings	21							21	Other borrowings
Deferred tax liability	18 456		(2 752)					15 704	Deferred tax liability
				460				460	Guarantees retained from contractors
Deposits from tenants and other deposits	5 264			(460)				4 804	Deposits from tenants
	300 793	-	**(2 752)**	-	-	-	-	**298 041**	
Current liabilities									**Current liabilities**
Bank loans	25 599							25 599	Bank loans
				80				80	Guarantees retained from contractors
Trade and other payables	4 624				7 591			12 215	Trade and other payables
Capex payables	7 591				(7 591)			-	
Deposits from tenants and other deposits	284			(80)				204	Deposits from tenants
	38 098	-	-	-	-	-	-	**38 098**	
Total equity and liabilities	**569 426**	-	**(2 752)**	-	-	-	-	**566 674**	**Total equity and liabilities**

1) Combining “Cash and short-term deposits” and “short-term restricted cash” into one position i.e. “Cash and cash equivalents”,
2) Netting of deferred tax assets and liabilities,
3) Separating the guarantees retained from contractors from deposits from tenants (previously all deposits was presented under the same line “Deposits from tenants and other deposits”),
4) Transfer of “Capex payables” from the separate line into the aggregated position of “Trade and other payables”,
5) Change of presentation of tenants’ deposits from long-term to short-term as they can be utilized to cover tenants’ obligation due or current liabilities for capital expenditures.

6) Change in the presentation of minor tangilble assets not related to the investment properties.

Consolidated Statement of Profit or Loss

		Adjustments						
Period ended 30 June 2017	**Approved € '000**	**7**	**8**	**9**	**10**	**11**	**Amended € '000**	
Rental income	14 305	6 391	269			4	20 969	Revenue
Service charge and marketing income	6 391	(6 391)					-	
Property operating expenses	(7 255)				208		(7 047)	Operating expenses
Net rental income	**13 441**	-	**269**	-	**208**	**4**	**13 922**	**Net operating income**
Administrative expenses	(2 515)			17		222	(2 276)	Administrative expenses
Valuation gain/(loss) from investment property	5 554				(208)		5 346	Fair value movement
			(269)			(399)	(668)	Other expenses
						173	173	Other income
	3 039	-	**(269)**	**17**	**(208)**	**(4)**	**2 575**	
Operating profit	**16 480**	-	-	**17**	-	-	**16 497**	**Profit/(loss) before net financing costs**
								Net financing costs
Finance cost	(4 817)			(17)			(4 834)	- Finance cost
Finance income	15 976						15 976	- Finance income
	11 159	-	-	**(17)**	-	-	**11 142**	
Profit/(loss) before tax	**27 639**	-	-	-	-	-	**27 639**	**Profit/(loss) before tax**
Income tax (expenses)/gain	(7 376)						(7 376)	Income tax (expenses)/gain
Profit/(loss) for the year	**20 263**	-	-	-	-	-	**20 263**	**Profit/(loss) for the year**

7) Combining “Rental income” and “service charge and marketing income” into one position i.e. “Revenue”,
8) Changing the presentation of bad debt allowance from “Rental income” (as a diminishing position) to “Other expenses”,
9) Changing the presentation of bank charges from “Administrative expenses” to “Finance cost”,
10) Changing the presentation of agent fees from “Property operating expenses” to “Fair value movement”,
11) Transfer of other income and other expenses from “Administrative expenses” to “Other income” and “Other expenses” line. Transfer of income from penalty for early termination of agreement to “Revenue”. ‘Other expenses’ emabrace creation of doubtful debts provision, repairs to be covered by

insurance company, penalties. Under ‘Other income’ reversal of provisions for doubtful debts, reversal of too high provision from prior periods are presented and adjustments uti settlement from prior periods.

Consolidated Statement of Cash Flows

		Adjustments						
Period ended 30 June 2017	**Approved € '000**	**5**	**9**	**10**	**11**	**12**	**Amended € '000**	
Profit/(loss) before tax	**27 639**		-	-			**27 639**	**Profit/(loss) before tax**
Adjustments to reconcile profit before tax to net cash flows								Adjustments to reconcile profit before tax to net cash flows
Valuation (gain)/loss on investment property and impairment	(5 554)			208	-		(5 346)	Fair value movement on investment property
Finance income	(15 976)					15 976	-	
Finance expense	4 963		17			(15 976)	(10 996)	Net financing income
	11 072	-	**17**	**208**	-	-	**11 297**	**Operating profit before changes in working capital**
Working capital adjustments								
Decrease/(increase) in rent and other receivables	(3 449)						(3 449)	Decrease/(increase) in trade and other receivables
(Decrease)/increase in trade and other payables	(272)						(272)	(Decrease)/increase in trade and other payables
Movements in deposits from tenants and other deposits	1 516						1 516	Movements in deposits from tenants and guarantees retained from contractors
VAT settlements	(403)						(403)	VAT settlements
Other Items	81			(208)	-		(127)	Other items
Income tax paid	41						41	Income tax paid
Net cash flow from operating activities	**8 586**	-	**17**	-	-	-	**8 603**	**Cash flows from operating activities**
Investing activities								**Investing activities**
Capital expenditure on investment property	(5 850)						(5 850)	Capital expenditure on investment property
Purchase of financial assets	(23 952)						(23 952)	Purchase of financial assets
Net cash flow from investing activities	**(29 802)**	-		-	-	-	**(29 802)**	**Cash flows from investing activities**

				Adjustments				
Period ended 30 June 2017	**Approved € '000**	**5**	**9**	**10**	**11**	**12**	**Amended € '000**	
Financing activities								**Financing activities**
Proceeds from issue of share capital	29 045						29 045	Proceeds from share issuance
Bank loan proceeds	5 181						5 181	Bank loan proceeds
Bank loan repayments	(4 941)						(4 941)	Bank loan repayments
Proceeds from borrowings	1 480						1 480	Proceeds from borrowings
			(17)				(17)	Payment of other financing costs
Interest paid	(3 601)						(3 601)	Interest paid
Change in restricted cash	(1 803)	(100)					(1 903)	Change in restricted cash
Net cash flow from financing activities	**25 361**	**(100)**	**(17)**	-	-		**25 244**	**Cash flows from financing activities**
Net increase/(decrease) in cash and cash equivalents	**4 145**	**(100)**		-	-	-	**4 045**	**Net increase / (decrease) in cash and cash equivalents**
Cash and cash equivalents at the beginning of the period	10 010						10 010	Cash and cash equivalents at the beginning of the period
Translation differences	638						638	Translation differences
Cash and cash equivalents at the end of the period	**14 793**	**(100)**	-	-	-	-	**14 693**	**Cash and cash equivalents at the end of the period**

12) Combining “Finance income” and “Finance expenses” into one position i.e. “Net financing costs”.

24. Description of achievements or failures of the Group and indication of major events in the first half of 2018

Purchase agreement regarding Warta Tower in Warsaw

On 14 March 2018, the Company through its controlled entity concluded an agreement based on which it purchased 100% of shares in Chmielna Inwestycje KREH2 spółka z ograniczoną odpowiedzialnością spółka komandytowa, holding legal rights to the office building Warta Tower in Warsaw. The total consideration for the interest in the Target amounted to c. EUR 55 million and after the final adjustments the final price for the shares amounted to EUR 8,108,000.
The acquisition was financed through a second tranche of GFGL Loan amounting to EUR 55 million.
Under the agreement the sellers granted standard warranties and indemnities to the purchasers which are customary for this type of the transaction. The sellers obligations under the agreement are subject to the guarantee of Kulczyk Real Estate Holding S.à r.l.

Purchase of West Link in Wroclaw

On 25 May 2018, the Company through its controlled entity acting as the purchaser and Echo Investment S.A. and the entities controlled by it acting as the sellers concluded a final share purchase agreement regarding the purchase of 100% of the shares in the general partner and the limited partner of West Gate II – Projekt Echo – 114 Spółka z ograniczoną odpowiedzialnością sp.k. The acquired companies are the owners of the real property in Wrocław and the "West Link" office building located thereon.
The building's GLA amounts to 14,400 sq meters, the annual contracted rental income of the building generated by the occupancy ratio of 100% amounts to EUR 2.5 million, and its WALT exceeds 6 years. The main tenant is Nokia Solutions and Network sp. z o.o.

Purchase of Quattro in Cracow

On 21 June 2018, the Company through its controlled entity concluded an agreement based on which it purchased 100% of shares in Blackwyn Investments spółka z ograniczoną odpowiedzialnością, holding legal rights to the complex of office buildings Quattro Business Park in Cracow. The price for the shares was calculated on the basis of the amount of EUR 139 million adjusted to the acquired company's cash, debt and working capital position. Within the transaction, the purchaser repaid bank loan granted by Bank Polska Kasa Opieki S.A. The property's GLA amounts to 60,200 sq meters, the annual contracted rental income of the property generated by the occupancy ratio of 99% amounts to EUR 10.7 million and WALT amounts to 3 years.

The Acquisition was financed partly with the Private Placement and partly with GFGL Loan.

Changes in the financing structure

On 27 February 2018 the Board of Directors of Globalworth Poland Real Estate N.V. resolved that the Company as borrower will sign amendment to the loan agreement with subsidiary of Globalworth Real Estate Investments Limited, i.e. Globalworth Finance Guernsey Limited and extend the availability period for additional loan from two to three months from the date of the loan agreement (for details please refer to Note 12).

In April 2018 Centren Sp. z o.o., Dolfia Sp. z o.o., Lamantia Sp. z o.o., Ebgaron Sp. z o.o., Nordic Park Offices Spółka komandytowa Sp. z o.o., DH Handlowy Supersam Katowice Sp. z o.o., Dom Handlowy

Renoma Spółka z ograniczoną odpowiedzialnością Sp. k. repaid bank loans amounting to EUR 215,056,000 in total, including interest and fees.

Moreover, on 25 May 2018, subsidiaries of the Company have entered into a credit facility agreement for the purpose of financing or refinancing of Lubicz, Tryton, West Gate and West Link projects with a consortium of Landesbank Hessen-Thüringen and Deutsche Pfandbriefbank AG.
The total facility amounts to EUR 100 million, bears market level margin, matures in 7 years and is hedged in 95%.

In June 2018 Hala Koszyki Sp. z o.o. prepaid bank loan amounting to EUR 18,065,227.

Change of the Company's business name

On 26 April 2018 the Annual General Meeting of Shareholders amended change of the Company's name from Griffin Premium RE.. N.V. to Globalworth Poland Real Estate N.V.

Private placement of EUR 400,000,000

For details of Private Placement of EUR 400,000,000 please refer to Note 4 of the Director's Report.

25. List of important events during reported period and factors and events, especially those of a non-typical character, that have had an impact on the profit/loss of the Company

Except from the significant events described in Note 24 of this report, in 1H 2018 the subsidiaries of Globalworth Poland Real Estate N.V. signed new leases and renewals for a total GLA of over 18,200 sq meters. The average occupancy ratio increased from 92.4% as at 31 December 2017 to 94.6% as at 30 June 2018. If the Rental Guarantees applicable to office component in the portfolio are taken into account, the average occupancy ratio was 97.3% as at 30 June 2018. If both the Rental Guarantees applicable to office component and the NOI Guarantee applicable to retail component in the portfolio are taken into account, the average occupancy ratio was 98.4% as at 30 June 2018.

26. Explanations on the seasonality or cyclicality of the Capital Group's business in the presented period

The Company settles a turnover rent mostly on an annual basis. Apart from the item described above, the business of the Group is only marginally affected by the seasonality or cyclicality.

27. Dividend paid (or declared)

On 26 April 2018 the Annual General Meeting of Globalworth Poland Real Estate N.V. resolved to distribute the amount of EUR 11.3 million to the Company's shareholders. The dividend in the amount of PLN 0.11 per share was paid in the amount of EUR 6.9 million prior to the balance sheet day and the remaining part was paid on 3 July 2018.

28. Information on changes in contingent liabilities or contingent assets after the end of the last financial year

As at 30 June 2018 the Group had mortgages on investment properties in the amount of EUR 202,391 thousand.
In addition to mortgages on investment properties, the Group had in 2018 the following contingent liabilities and commitments:

Granted by the borrowers towards the financing banks:

- Financial and registered pledges over bank accounts of the borrowers;
- Registered and civil pledges over the shares of the borrowers being limited liability partnerships;
- Registered and civil pledges over the general and limited partner's rights in the borrowers being limited partnerships;
- Registered and civil pledges over the shares of selected limited partners and general partners holding rights in the borrowers being limited partnerships;
- Registered pledges and ordinary pledges on the monetary receivables of the limited partner;
- Registered pledges and ordinary pledges on the monetary receivables of the general partner;
- Registered pledges over collection of movable assets and property rights of the borrowers;
- Power of attorney to bank accounts of the borrowers;

- Security assignment in relation to rights under existing and future contracts including, but not limited to insurance agreements, lease agreements, lease guarantees, agreement with general contractor and other relevant contracts;
- Security assignment in relation to rights under subordinated debt;
- Subordination of the existing intercompany debts;
- Blank promissory notes with promissory note declarations;
- Statements on voluntary submission to execution.

Established towards other third parties:

- Amended agreement regarding terms of one of the investment implementation describing contractual penalty – payment in case of disposal of the investment property without transferring commitments resulting from Agreement, including the payment of compensation, to new entity;
- Amended agreement regarding terms of one of the investment implementation, describing compensation resulting from permission to implement the investment and establishment of the right of way – payment after entering the right of way into the land and mortgage register;
- Agreement – notarial deed, resulting in obligation of contractual penalty payment for a breach of agreement in terms of information obligation, complaints withdrawal etc. – payment in case of failure to fulfil the commitments resulting from agreement and receiving request for payment;
- Amended agreement requiring compensation payment resulting from establishment of the right of way and permission to implement the one of investments;
- Amended agreement, which results in obligation of covering part of land lot renovation costs on condition that the right of way is established and invoices are provided by The Building Works and Property Agency;
- Appendix to Agreement concerning one of the investments design preparation – single premium payment after completed investment, if the design solutions used by the Architect with their final optimization allow the Investor to achieve investment budgetary objective;
- Cost overruns guarantee agreement;

Transmission service easement for investment property regarding transformer station.

29. Subsequent events

Purchase agreement regarding Spektrum Tower in Warsaw

On 12 July 2018, the Company concluded the agreement based on which it purchased 100% shares in Spektrum Tower spółka z ograniczoną odpowiedzialnością, holding legal rights to the office building Spektrum Tower in Warsaw. The price for shares was calculated on basis of the amount of EUR 101,000,000 adjusted to the acquired company's cash, debt and working capital position. Final price may be adjusted due to retentions. Within the transaction, the purchaser repaid bank loan granted by Bank BerlinHyp AG. The property's GLA amounts to 29,500 sq meters, the annual contracted rental income of the property generated by the occupancy ratio of 93% amounts to EUR 6.3 million and WALT amounts to 5 years. Office building is leased to over 60 tenants.

The acquisition was financed partly with the Private Placement and partly with GFGL Loan.

Prepayment of bank loan

In July 2018 Hala Koszyki Sp. z o.o. prepaid bank loan in the amount of EUR 1,915,090. As the prepayment was agreed on prior to the balance sheet day, the amount was presented as 'Bank loans' in the current liabilities.

Resignation of the non-executive director

Andreas Segal, a non-executive director of the Company, resigned from his position, effectively 15 September 2018.

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DIRECTOR'S REPORT

III. Director's Report

1. General information

Globalworth Poland Real Estate Group (further "**Globalworth Poland Real Estate Group**" or "**the Group**") owns and manages yielding real estates throughout Poland. On 30 June 2018 the Group was composed of the entities presented below in Note 1.1. In the period until 3 March 2017 these entities were owned directly or indirectly by Griffin Topco II S.á r.l. ("**GT II**") and Griffin Topco III S.á r.l. ("**GT III**"), which are entities indirectly controlled by a fund ultimately controlled by Oaktree Capital Management Group LLC.

On 21 December 2016, Globalworth Poland Real Estate N.V. ("**the Company**") was incorporated with the aim to become a holding Company to the Group for the purpose of creating a real estate platform to be then listed on Warsaw Stock Exchange. With effect from March 2017 Globalworth Poland Real Estate N.V. became the legal parent of entities' operations which were previously directly and indirectly controlled and managed by GT II and GT III following a reorganisation as described in the Note 1. 2. As a result of the settlement of the tender offer on 6 December 2017 the Globalworth Group became the major shareholder of the Company.

Company's shares are listed on the Warsaw Stock Exchange since 13 April 2017.

1.1. Structure of the Group

The main area of business activities of the Group is to manage an unique Polish pure office and high-street mixed-use platform. The Group focuses its operational activities on the active management of its tenant base, closely monitoring the Polish real estate market to ensure that the current portfolio meets the expectations of its current and future tenants.

The principal activity of Globalworth Poland Real Estate N.V. as the parent company is the holding of interests in and rendering management and advisory services to other companies in the Group.

Execution by the Company of the advisory, management and financial functions serves to:

• supervision of the implementation of the Group's strategy;
• ensure a quick flow of information across the Group;
• strengthening the efficiency of cash and financial management of individual entities;
• strengthening the market position of the Group as a whole.

These Interim Condensed Consolidated Financial Statements of the Group comprise the Company and the other entities mentioned below (the "**Entities**"):

Globalworth Poland Real Estate N.V. (formerly known as Griffin Premium RE.. N.V.)- a private limited liability company, with its registered office at Claude Debussylaan 15, 1082MC Amsterdam. On 21 December 2016, the company was registered in the Netherlands Chamber of Commerce Business Register under the number 67532837.

Bakalion Sp. z o.o. – Registered office is located at Marszałkowska 142 Street, Warsaw, Poland. The Company was formed on the basis of a Notarial Deed drawn up on 19 December 2012. The Company is registered in the Register of Businesses maintained by the District Court in Warsaw, XII Business Department of the National Court Register, with the reference KRS number 446054.

The company owns two office buildings located in Kraków known as "Centrum Biurowe Lubicz I and II".

Centren Sp. z o.o. - Registered office is located at Marszałkowska 142 Street, Warsaw, Poland. The Company was formed on the basis of a Notarial Deed drawn up on 4 February 2013. The Company is registered in the Register of Businesses maintained by the District Court in Warsaw, XII Business Department of the National Court Register, with the reference KRS number 465417. The company owns an office property located in Łódź called "Green Horizon".

Dolfia Sp. z o.o. - Registered office is located at Marszałkowska 142 Street, Warsaw, Poland. The Company was formed on the basis of a Notarial Deed drawn up on 19 December 2012. The Company is registered in the Register of Businesses maintained by the District Court in Warsaw, XII Business Department of the National Court Register, with the reference KRS number 445995.
The company owns an office property located in Warsaw, known as "Batory Office Building I".

Ebgaron Sp. z o.o. - Registered office is located at Marszałkowska 142 Street, Warsaw, Poland. The Company was formed on the basis of a Notarial Deed drawn up on 19 December 2012. The Company is registered in the Register of Businesses maintained by the District Court in Warsaw, XII Business Department of the National Court Register, with the reference KRS number 446794.
The company owns an office property located in Warsaw, known as "Bliski Center".

Hala Koszyki Sp. z o.o. (formerly Lenna Investments Sp. z o.o) – Registered office is located at Marszałkowska 142 Street, Warsaw, Poland. The Company was formed on the basis of a Notarial Deed drawn up on 30 September 2011. The Company is registered in the Register of Businesses maintained by the District Court in Warsaw, XII Business Department of the National Court Register, with the reference KRS number 399453. On 22 November 2017 Entity merged with Hala Koszyki Sp. z o.o. and Grayson Investments Sp. z o.o. using the interest pooling method. After merger the Entity changed the name into Hala Koszyki Sp. z o.o. The company is the owner the complex of three office and one retail building located in Warsaw known as "Hala Koszyki".

Lamantia Spółka z ograniczoną odpowiedzialnością Sp. k. - Registered office is located at Marszałkowska 142 Street, Warsaw, Poland. The partnership was formed as a result of the conversion of Cyrion Sp. z o.o. into Lamantia Sp. z o.o. Sp.k. on the basis of the resolution of Extraordinary General Shareholders Meeting of 8 December 2015. The registration of the conversion was made on 21 December 2015. The partnership is registered in the Register of Businesses maintained by the District Court in Warsaw, XII Business Department of the National Court Register, with the reference KRS number 593148. The partnership owns an office property located in Warsaw called "Philips House".

Lamantia Sp. z o.o. - Registered office is located at Marszałkowska 142 Street, Warsaw, Poland. The Company was formed on the basis of a Notarial Deed drawn up on 8 January 2015. The Company is registered in the Register of Businesses maintained by the District Court in Warsaw, XII Business Department of the National Court Register, with the reference KRS number 551021. The company is a general partner to Lamantia Spółka z ograniczoną odpowiedzialnością Sp.k.

Nordic Park Offices Spółka z ograniczoną odpowiedzialnością Sp. k.- Registered office is located at Marszałkowska 142 Street, Warsaw, Poland. The partnership was formed as a result of the conversion of Kafue Investments Sp. z o.o. into Nordic Park Offices Sp. z o.o. Sp.k. on the basis of the resolution of Extraordinary General Shareholders Meeting of 15 April 2016. The registration of the conversion was made on 11 May 2016. The partnership is registered in the Register of Businesses maintained by the District Court in Warsaw, XII Business Department of the National Court Register, with the reference KRS number 617700. The partnership owns an office property located in Warsaw called "Nordic Park".

Nordic Park Offices Sp. z o.o. - Registered office is located at Marszałkowska 142 Street, Warsaw, Poland. The Company was formed on the basis of a Notarial Deed drawn up on 4 February 2016. The Company is registered in the Register of Businesses maintained by the District Court in Warsaw, XII Business Department of the National Court Register, with the reference KRS number 602816. The company is a general partner to Nordic Park Offices Spółka z ograniczoną odpowiedzialnością Sp.k.

DH Supersam Katowice Sp. z o.o. - Registered office is located at Marszałkowska 142 Street, Warsaw, Poland. The Company was formed on the basis of a Notarial Deed drawn up on 15 October 2010. The Company is registered in the Register of Businesses maintained by the District Court in Warsaw, XII Business Department of the National Court Register, with the reference KRS number 382110. The company is the owner of the high-street mixed-use building located in Katowice known as "Supersam".

Dom Handlowy Renoma Sp. z o.o. - Registered office is located at Marszałkowska 142 Street, Warsaw, Poland. The Company was formed on the basis of a Notarial Deed drawn up on 8 January 2015 as Sebrena Sp. z o.o. On 18 June 2015 its name was changed into Dom Handlowy Renoma Sp. z o.o. The Company is registered in the Register of Businesses maintained by the District Court in Warsaw, XII Business Department of the National Court Register, with the reference KRS number 545107. The company is a general partner to Dom Handlowy Renoma Spółka z ograniczoną odpowiedzialnością Sp. k.

Dom Handlowy Renoma Spółka z ograniczoną odpowiedzialnością Sp. k. - Registered office is located at Marszałkowska 142 Street, Warsaw, Poland. The partnership was formed on the basis of a Notarial Deed drawn up on 27 November 2009. On 2 December 2015 DH Renoma Sp. z o.o. changed its legal form into Dom Handlowy Renoma Sp. z o.o. Sp.k. The partnership was entered in the Register of Businesses maintained by the District Court in Warsaw, XII Business Department of the National Court Register on 28 January 2015, with the reference KRS number 589297. The partnership is the owner of the high-street mixed-use building located in Wrocław known as "Renoma".

IB 14 Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych - The Fund operates on the basis of Investment Funds and Management of Alternative Investment Funds Act of 27 May 2004 (Journal of Laws of 2016, Item 1896, as amended).
On 20 November 2015, the Fund was entered in the register of Investment Funds maintained by the Regional Court (Sąd Okręgowy) in Warsaw, 7th Civil Registry Division, under No. RFi 1250.

Charlie RE Sp. z o.o. - a company in the form of limited liability company existing under the laws of the Republic of Poland, with its registered office at Marszałkowska 142 Street, Warsaw, Poland. The Company was entered in Register of Businesses of the National Court Register maintained by the District Court in Warsaw, XII Business Department of the National Court Register, with the reference KRS number 594818.

December RE Sp. z o.o. - a company in the form of limited liability company existing under the laws of the Republic of Poland, with its registered office at Marszałkowska 142 Street, Warsaw, Poland. The Company was entered in Register of Businesses of the National Court Register maintained by the District Court in Warsaw, XII Business Department of the National Court Register, with the reference KRS number 594700.

Akka RE Sp. z o.o. - a company in the form of limited liability company existing under the laws of the Republic of Poland, with its registered office at Marszałkowska 142 Street, Warsaw, Poland. The Company was entered in Register of Businesses of the National Court Register maintained by the District

Court in Warsaw, XII Business Department of the National Court Register, with the reference KRS number 594695.

Akka SCSp – a special limited partnership established and existing under the laws of the Grand Duchy of Luxembourg, with its registered office at 6, rue Eugène Ruppert, L-2453 Luxembourg, registered in the Luxembourg Register of Commerce and Companies under the number B201.731.

Charlie SCSp - a special limited partnership established and existing under the laws of the Grand Duchy of Luxembourg, with its registered office at 6, rue Eugène Ruppert, L-2453 Luxembourg, registered in the Luxembourg Register of Commerce and Companies under the number B199.336.

December SCSp – a special limited partnership established and existing under the laws of the Grand Duchy of Luxembourg, with its registered office at 6, rue Eugène Ruppert, L-2453 Luxembourg, registered in the Luxembourg Register of Commerce and Companies under the number B205.185.

GPRE Management Sp. z o.o. - acquired by the Group in January 2017 – an entity in the form of limited liability company existing under the laws of the Republic of Poland, with its registered office at Marszałkowska 142 Street, Warsaw, Poland. The Company was entered in Register of Businesses of the National Court Register maintained by the District Court in Warsaw, XII Business Department of the National Court Register, with the reference KRS number 602904.

Griffin Premium RE Lux S.á r.l. - a private limited liability company, with its registered office at 6, rue Eugène Ruppert, L-2453 Luxembourg. On 17 January 2017, the company was registered in the Register of Commerce and Companies under the number B211834.

Lima Sp. z o.o. – company acquired by the Group on 25 April 2017 - a company in the form of limited liability company existing under the laws of the Republic of Poland, with its registered office at Marszałkowska 142 Street, Warsaw, Poland. The Company was entered in Register of Businesses of the National Court Register maintained by the District Court in Warsaw, XII Business Department of the National Court Register, with the reference KRS number 654807.

Ormonde Sp. z o.o. – company acquired by the Group on 22 December 2017 - a company in the form of limited liability company existing under the laws of the Republic of Poland, with its registered office at Marszałkowska 142 Street, Warsaw, Poland. The Company was entered in Register of Businesses of the National Court Register maintained by the District Court in Warsaw, XII Business Department of the National Court Register, with the reference KRS number 403662. The company is a shareholder to Tryton Business Park Sp. z o.o. (formerly was a general partner to Emfold Investments Spółka z ograniczoną odpowiedzialnością Sp. k.).

Emfold Investments Sp. z o.o. – company acquired by the Group on 22 December 2017 - a company in the form of limited liability company existing under the laws of the Republic of Poland, with its registered office at Marszałkowska 142 Street, Warsaw, Poland. The Company was entered in Register of Businesses of the National Court Register maintained by the District Court in Warsaw, XII Business Department of the National Court Register, with the reference KRS number 590437. The company is a shareholder to Tryton Business Park Sp. z o.o. (formerly was a limited to partner to Emfold Investments Spółka z ograniczoną odpowiedzialnością Sp. k.).

Tryton Business Park Sp. z o.o. (formerly: Emfold Investments Spółka z ograniczoną odpowiedzialnością Sp. k.) – company acquired by the Group on 22 December 2017. Registered office is located at Marszałkowska 142 Street, Warsaw, Poland. The partnership was entered in the Register of

Businesses maintained by the District Court in Warsaw, XII Business Department of the National Court Register, with the reference KRS number 746244. The company is the owner of the office building located in Gdańsk known as "Tryton Business House".

Wetherall Investments Sp. z o.o. – company acquired by the Group on 22 December 2017 - a company in the form of limited liability company existing under the laws of the Republic of Poland, with its registered office at Marszałkowska 142 Street, Warsaw, Poland. The company was entered in Register of Businesses of the National Court Register maintained by the District Court in Warsaw, XII Business Department of the National Court Register, with the reference KRS number 405166. The company is a shareholder to A4 Business Park Spółka z ograniczoną odpowiedzialnością (formerly: A4 Business Park – Iris Capital - Spółka z ograniczoną odpowiedzialnością Sp. k.).

Iris Capital Sp. z o.o. – company acquired by the Group on 22 December 2017 - company in the form of limited liability company existing under the laws of the Republic of Poland, with its registered office at Marszałkowska 142 Street, Warsaw, Poland. The company was entered in Register of Businesses of the National Court Register maintained by the District Court in Kielce, X Business Department of the National Court Register, with the reference KRS number 406675. The company is a shareholder to A4 Business Park Spółka z ograniczoną odpowiedzialnością (formerly: A4 Business Park – Iris Capital Spółka z ograniczoną odpowiedzialnością Sp. k.).

A4 Business Park Sp. z o.o. (formerly: A4 Business Park – Iris Capital Spółka z ograniczoną odpowiedzialnością Sp. k.) – company acquired by the Group on 22 December 2017 a company in the form of limited liability. Registered office is located at Marszałkowska 142 Street, Warsaw, Poland. The company was entered in the Register of Businesses maintained by the District Court in Warsaw, XII Business Department of the National Court Register, with the reference KRS number 747264. The company is the owner of the office building located in Katowice known as "A4 Business Park".

Wagstaff Investments Sp. z o.o. – company acquired by the Group on 22 December 2017 - a company in the form of limited liability company existing under the laws of the Republic of Poland, with its registered office at Marszałkowska 142 Street, Warsaw, Poland. The Company was entered in Register of Businesses of the National Court Register maintained by the District Court in Warsaw, XII Business Department of the National Court Register, with the reference KRS number 404848. The company is a shareholder to West Gate Wrocław Spółka z ograniczoną odpowiedzialnością Sp. k. (formerly: Echo – West Gate Spółka z ograniczoną odpowiedzialnością Sp.k.).

West Gate Wrocław Sp. z o.o. (formerly: Echo – West Gate Spółka z ograniczoną odpowiedzialnością) – company acquired by the Group on 22 December 2017 - a company in the form of limited liability company existing under the laws of the Republic of Poland, with its registered office at Marszałkowska 142 Street, Warsaw, Poland. The Company was entered in Register of Businesses of the National Court Register maintained by the District Court in Kielce, X Business Department of the National Court Register, with the reference KRS number 412286. The company is shareholder to West Gate Wrocław Spółka z ograniczoną odpowiedzialnością Sp. k. (formerly: Echo – West Gate Spółka z ograniczoną odpowiedzialnością Sp.k.)

West Gate Wrocław Spółka z ograniczoną odpowiedzialnością Sp. k. (formerly: Echo – West Gate Spółka z ograniczoną odpowiedzialnością Sp.k.) – company acquired by the Group on 22 December 2017 - a company in the form of limited liability company. Registered office is located at Marszałkowska 142 Street, Warsaw, Poland. The company was entered in the Register of Businesses maintained by the District Court in Kielce, X Business Department of the National Court Register, with the reference KRS number 615824. The company is the owner of the office building located in Wrocław known as "West Gate".

Warta Tower Sp. z o.o. (formerly: Kohala Sp. z o.o.) – company acquired by the Group on 20 February 2018 - a company in the form of limited liability company existing under the laws of the Republic of Poland, with its registered office at Marszałkowska 142 Street, Warsaw, Poland. The Company was entered in Register of Businesses of the National Court Register maintained by the District Court in Warsaw, XII Business Department of the National Court Register, with the reference KRS number 718648. The company is a shareholder to Warta Tower Investments Sp. z o.o. (formerly was a general partner to Warta Tower Spółka z ograniczoną odpowiedzialnością Sp. k.).

Warta LP Sp. z o.o. (formerly: Kumu Sp. z o.o.) – company acquired by the Group on 20 February 2018 - a company in the form of limited liability company existing under the laws of the Republic of Poland, with its registered office at Marszałkowska 142 Street, Warsaw, Poland. The Company was entered in Register of Businesses of the National Court Register maintained by the District Court in Warsaw, XII Business Department of the National Court Register, with the reference KRS number 716976. The company is a shareholder to Warta Tower Investments Sp. z o.o. (formerly was a limited partner to Warta Tower Spółka z ograniczoną odpowiedzialnością Sp. k.).

Warta Tower Investments Sp. z o.o.(formerly Warta Tower Spółka z ograniczoną odpowiedzialnością Sp. k.) – the comapny acquired by the Group on 14 March 2018. Registered office is located at Marszałkowska 142 Street, Warsaw, Poland. The company was entered in the Register of Businesses maintained by the District Court in Warsaw, XII Business Department of the National Court Register, with the reference KRS number 745615. The company is the owner of the office building located in Warsaw known as "Warta Tower".

GPRE Property Management Sp. z o.o. (formerly: Mokulele Sp. z o.o.) – company acquired by the Group on 29 March 2018 - a company in the form of limited liability company existing under the laws of the Republic of Poland, with its registered office at Marszałkowska 142 Street, Warsaw, Poland. The Company was entered in Register of Businesses of the National Court Register maintained by the District Court in Warsaw, XII Business Department of the National Court Register, with the reference KRS number 717733.

Blackwyn Investments Sp. z o.o. – company acquired by the Group on 21 June 2018 - a company in the form of limited liability company existing under the laws of the Republic of Poland, with its registered office at Marszałkowska 142 Street, Warsaw, Poland. The Company was entered in Register of Businesses of the National Court Register maintained by the District Court in Warsaw, XII Business Department of the National Court Register, with the reference KRS number 480970. The company is the owner of the office building located in Kraków known as "Quattro Business Park".

West Link Sp. z o.o. (previously Projekt Echo - 114 Sp. z o.o.) – company acquired by the Group on 25 May 2018 - a company in the form of limited liability company existing under the laws of the Republic of Poland, with its registered office at Marszałkowska 142 Street, Warsaw, Poland. The Company was entered in Register of Businesses of the National Court Register maintained by the District Court in Kielce, X Business Department of the National Court Register, with the reference KRS number 580707. The company is a general partner to West Gate II - Projekt Echo - 114 Sp. z o.o. Sp. k.

Elissea Investments Sp. z o.o. – company acquired by the Group on 25 May 2018 - a company in the form of limited liability company existing under the laws of the Republic of Poland, with its registered office at Marszałkowska 142 Street, Warsaw, Poland. The Company was entered in Register of

(All amounts in EUR thousands unless otherwise stated)

Businesses of the National Court Register maintained by the District Court in Warsaw, XII Business Department of the National Court Register, with the reference KRS number 591180. The company is a limited partner to to West Gate II - Projekt Echo - 114 Sp. z o.o. Sp. k.

West Link Sp. z o.o. Sp.k. (formerly: West Gate II - Projekt Echo - 114 Sp. z o.o. Sp. k.) – partnership acquired by the Group on 25 May 2018. Registered office is located at Marszałkowska 142 Street, Warsaw, Poland. The partnership was entered in the Register of Businesses maintained by the District Court in Kielce, X Business Department of the National Court Register, with the reference KRS number 619132. The partnership is the owner of the office building located in Wrocław known as "West Link".

Luapele Sp. z o.o. – company acquired by the Group on 8 June 2018 - a company in the form of limited liability company existing under the laws of the Republic of Poland, with its registered office at Marszałkowska 142 Street, Warsaw, Poland. The Company was entered in Register of Businesses of the National Court Register maintained by the District Court in Warsaw, XII Business Department of the National Court Register, with the reference KRS number 728639.

		As at	
Entity	*Registered office*	*30 June 2018*	*Consolidation method*
		%	
Globalworth Poland Real Estate N.V. (parent company)	*Amsterdam/The Netherlands*	*100*	*full*
Bakalion Sp. z o.o.	*Warsaw/Poland*	*100*	*full*
Centren Sp. z o.o.	*Warsaw/Poland*	*100*	*full*
Dolfia Sp. z o.o.	*Warsaw/Poland*	*100*	*full*
Ebgaron Sp. z o.o.	*Warsaw/Poland*	*100*	*full*
Hala Koszyki Sp. z o.o. (formerly Lenna Investments Sp. z o.o.)	*Warsaw/Poland*	*100*	*full*
Lamantia Spółka z ograniczoną odpowiedzialnością Sp. k.	*Warsaw/Poland*	*100*	*full*
Lamantia Sp. z o.o.	*Warsaw/Poland*	*100*	*full*
Dom Handlowy Renoma Sp. z o.o.	*Warsaw/Poland*	*100*	*full*
Dom Handlowy Renoma Spółka z ograniczoną odpowiedzialnością Sp. k.	*Warsaw/Poland*	*100*	*full*
DH Supersam Katowice Sp. z o.o.	*Warsaw/Poland*	*100*	*full*
Nordic Park Offices Spółka z ograniczoną odpowiedzialnością Sp. k.	*Warsaw/Poland*	*100*	*full*
Nordic Park Offices Sp. z o.o.	*Warsaw/Poland*	*100*	*full*
Akka SCSp	*Luxembourg / Luxembourg*	*100*	*full*
Charlie SCSp	*Luxembourg / Luxembourg*	*100*	*full*
December SCSp	*Luxembourg / Luxembourg*	*100*	*full*
Akka RE Sp. z o.o.	*Warsaw/Poland*	*100*	*full*
Charlie RE Sp. z o.o.	*Warsaw/Poland*	*100*	*full*
December RE Sp. z o.o.	*Warsaw/Poland*	*100*	*full*
IB 14 FIZ Aktywów Niepublicznych	*Warsaw/Poland*	*100*	*full*
GPRE Management Sp. z o.o.	*Warsaw/Poland*	*100*	*full*
Lima Sp. z o.o.	*Warsaw/Poland*	*100*	*full*
Griffin Premium RE Lux S.á r.l.	*Luxembourg / Luxembourg*	*100*	*full*
Ormonde Sp. z o.o.	*Warsaw/Poland*	*100*	*full*
Emfold Investments Sp. z o.o.	*Warsaw/Poland*	*100*	*full*
Tryton Business Park Sp. z o.o. (formerly: Emfold Investments Spółka z ograniczoną odpowiedzialnością Sp. k.)	*Warsaw/Poland*	*100*	*full*
Wetherall Investments Sp. z o.o.	*Warsaw/Poland*	*100*	*full*
Iris Capital Sp. z o.o	*Warsaw/Poland*	*100*	*full*
A4 Business Park Sp. z o.o. (formerly: A4 Business Park – Iris Capital Spółka z ograniczoną odpowiedzialnością Sp. k.)	*Warsaw/Poland*	*100*	*full*
Wagstaff Investments Sp. z o.o	*Warsaw/Poland*	*100*	*full*
West Gate Wrocław Sp. z o.o. (formerly: Echo – West Gate Spółka z ograniczoną odpowiedzialnością)	*Warsaw/Poland*	*100*	*full*

(All amounts in EUR thousands unless otherwise stated)

West Gate Wrocław Spółka z ograniczoną odpowiedzialnością Sp. k. (formerly: Echo – West Gate Spółka z ograniczoną odpowiedzialnością Sp.k.)	*Warsaw/Poland*	*100*	*full*
Warta Tower Sp. z o.o. (formerly: Kohala Sp. z o.o)	*Warsaw/Poland*	*100*	*full*
Warta LP Sp. z o.o. (formerly: Kumu Sp. z o.o)	*Warsaw/Poland*	*100*	*full*
Warta Tower Investments Sp. z o.o. (formerly: Warta Tower Spółka z ograniczoną odpowiedzialnością Sp. k.)	*Warsaw/Poland*	*100*	*full*
GPRE Property Management Sp. z o.o. (formerly: Mokulele Sp. z o.o)	*Warsaw/Poland*	*100*	*full*
Blackwyn Investments Sp. z o.o.	*Warsaw/Poland*	*100*	*full*
West Link Sp. z o.o. (previously Projekt Echo - 114 Sp. z o.o.)	*Warsaw/Poland*	*100*	*full*
Elissea Investments Sp. z o.o.	*Warsaw/Poland*	*100*	*full*
West Link Sp. z o.o. Sp.k. (formerly: West Gate II - Projekt Echo - 114 Sp. z o.o. Sp. k.)	*Warsaw/Poland*	*100*	*full*
Luapele Sp. z o.o.	*Warsaw/Poland*	*100*	*full*

Management Board of:

Globalworth Poland Real Estate N.V.

- Małgorzata Turek - Executive Director
- Rafał Pomorski - Executive Director
- Ioannis Papalekas - Non-executive Director
- Dimitris Raptis - Non-executive Director
- Norbert Sasse - Non-executive Director
- George Muchanya - Non-executive Director
- Maciej Dyjas - Non-executive Director (until 27 February 2018)
- Nebil Senman - Non-executive Director (until 27 February 2018)
- Claudia Pendred - Independent Non-executive Director
- Marcus M.L.J. van Campen - Independent Non-executive Director
- Andreas Segal - Independent Non-executive Director (until 15 Semptember 2018)
- Thomas Martinus de Witte - Independent Non-executive Director

On 26 April 2018 Norbert Sasse and George Muchanya were appointed as non-executive directors of the Company, for a term until immediately after the annual general meeting of the Company held in 2022, such in accordance with the nomination by the Board of Directors. Andreas Segal voluntarily resigned from the function of independent non-executive director of the Company with effect from 15 September 2018.

1.2. Reorganisation

Reorganisation of the Group has been described in Note 2 to Interim Condensed Consolidated Financial Statements.

2. Position of the Management Board concerning the option to implement previously published result forecasts for the relevant year in the light of the results presented in the quarterly report in relation to predicted results

The Group has not made public any forecasts of its 2018 results.

(All amounts in EUR thousands unless otherwise stated)

3. Description of the main risks and uncertainties for the remaining 6 months of the financial year

The key negative external factors and uncertainties affecting the Group's development include:

- uncertainty as to key assumptions of fiscal policy in Poland (on-going changes to existing tax laws and their interpretation);
- suspended implementation of the REIT legislation in Poland;
- continuously increasing supply of new office buildings in Polish real estate market; constant Tenant's pressure to increase the incentives (rent free periods, fit - outs, buy - outs, others), "result oriented" rental structures (affordability clauses) getting more and more popular among retail tenants;
- new retail developments in cities where the Company's mixed-use assets are located;
- e-commerce impacting traditional retail in shopping centers;
- Sunday's retail ban for shopping impacting retail assets with limited entertainment and restaurant components;
- decreased competition in Polish banking sector due to its consolidation and "repolonization";
- decreasing availability of new employees for SCC/BPO sector which might impact the further expansions of these companies;
- general scarcity of employees in the entire economy and pressure on salaries increase.

The key negative internal factors and uncertainties important for the Group's development include:

- further office acquisitions require capital increases;
- limited number of investment products with reasonable pricing;
- increasing prices of construction labor and materials, limited availability of reputable vendors in short and medium terms.

4. The ownership structure of major holdings of Globalworth Poland Real Estate N.V.

According to the information available to Globalworth Poland Real Estate N.V., the shareholding structure of the Company as at 30 June 2018 was as follows:

Shareholders	Number of shares	Par value per share [EUR]	Value of share capital [EUR]	%
Globalworth Holding B.V.	302 973 736	1	302 973 736	68,43
Growthpoint Properties International (Pty) Ltd	95 541 401	1	95 541 401	21,58
Nationale Nederlanden OFE	15 600 000	1	15 600 000	3,52
European Bank for Reconstruction and Development	14 807 000	1	14 807 000	3,34
Other shareholders	13 835 246	1	13 835 246	3,13
Total	**442 757 383**		**442 757 383**	**100,00**

On 8 June 2018 Globalworth Poland Real Estate N.V. issued 286,624,204 ordinary shares with a nominal value of EUR 1.00 per share, of which 95,541,401 shares were allotted to Growthpoint Properties International (PTY) Ltd and 191,082,803 shares were allotted to Globalworth Holding B.V ("Private

Placement"). A sale price per one such share equaled to EUR 1.57 and the Company raised in total EUR 450,000,000.28, with the surplus above the nominal value being allocated to the share premium.

5. Share capital structure

The share capital structure has been outlined in the Note 4 of Director's Report.

6. Information on court proceedings

At the end of first half of 2018, there were neither court nor administrative proceedings regarding liabilities or receivables of the Company or its subsidiaries in the total value of at least 10% of the Company's equity.

7. Information on transactions with related entities on other than market conditions

The related party transactions, except for the ones described in the Notes 8 and 12 of Interim Condensed Consolidated Financial Statements, are set out in the table below:

		Income statement		**Statement of financial position**	
		Income/(expense)		**Amounts owing (to)/from**	
Name	Nature of transactions / balances amounts	**30 June 2018 €'000**	30 June 2017 €'000	**30 June 2018 €'000**	31 December 2017 €'000
Mindspace Ltd.	Trade and other receivables	**-**	-	**4**	588
	Revenue	**332**	-	**-**	-
	Deposits from tenant	**-**	-	**(654)**	(1 250)
Growthpoint Properties International (Pty) Ltd	Equity cost	-		**2 250**	-
Globalworth Holding B.V.	Equity cost	-	-	**4 500**	-

The equity costs result from an underwriting fee paid, amounting to 1.5% of the equity investment under the Private Placement.

8. Information of granted loan sureties and granted guarantees equivalent in value to at least 10% of the issuer's equity capitals

In the period of six months of 2018, neither Globalworth Poland Real Estate N.V. nor any of its subsidiaries issued any guarantees to third parties whose value exceeds 10% of the Company's equity.

9. Other information that the Company believes to be important to assess the personnel, economic and financial situation, the financial result and any changes in these aspects of business, and information significant for the assessment of Globalworth Poland Real Estate Group's capacity to meet its obligations

Changes in the Board of Directors

Ms. M.W. Dyjas and Mr. Mr. N. Senman voluntarily resigned as non-executive Directors of the Company with effect from 27 February 2017.

On 26 April 2018 Annual General Meeting resolved to discharge all the Members of the Board of Directors from liability for the performance of their duties in the financial year 2017 insofar as the performance of such duties is disclosed in the 2017 annual accounts or has otherwise been communicated to the general meeting of the Company.

New appointments are described in the Note 1 to Director's report.

10. Factors which, in the opinion of the Management Board, will influence the Capital Group's financial performance for at least the upcoming quarter

Factors to influence the result in the coming periods include:

- future potential acquisitions,
- regular revenue generated from the lease of space in offices and high-street mixed-use assets,
- revaluation of the fair value of investment properties owned by the Group, including:
    i. changes of exchange rates,
    ii. changing levels of net operating revenue,
- cost of sales, and general and administrative expenses,
- measurement of liabilities due to bank loans at amortised cost,
- measurement of loans and cash due to changing foreign exchange rates,
- interest on deposits,
- interest on bank loans.