GLOBE TRADE CENTRE S.A.

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2019
TOGETHER WITH INDEPENDENT AUDITORS` REVIEW REPORT

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Financial Position
as of 30 September 2019
(in thousands of Euro)

	Note	30 September 2019 (unaudited)	31 December 2018 (Audited)
ASSETS			
Non-current assets			
Investment property	8	2,231,556	2,113,068
Residential landbank		13,356	12,698
Property, plant and equipment		7,884	6,712
Deferred tax asset		244	52
Other non-current assets		114	129
		2,253,154	**2,132,659**
Loan granted to non-controlling interest partner	9	10,480	10,282
Total non-current assets		**2,263,634**	**2,142,941**
Assets held for sale	11	**48,522**	**76,196**
Current assets			
Accounts receivables		6,662	4,449
Receivables related to expropriation of land	17	-	4,917
Accrued income		5,001	1,066
VAT receivable	12	4,152	5,156
Income tax receivable		833	1,233
Prepayments and deferred expenses		3,544	1,401
Short-term deposits	10	47,566	39,109
Cash and cash equivalents		151,716	80,456
		219,474	**137,787**
TOTAL ASSETS		**2,531,630**	**2,356,924**

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Financial Position
as of 30 September 2019
(in thousands of Euro)

	Note	30 September 2019 (unaudited)	31 December 2018 (audited)
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	19	11,007	10,960
Share premium		550,522	546,711
Capital reserve	19	(43,098)	(36,054)
Hedge reserve		(8,796)	(4,542)
Foreign currency translation		232	1,680
Accumulated profit		517,992	496,996
		1,027,859	**1,015,751**
Non-controlling interest	9	13,778	5,044
Total Equity		**1,041,637**	**1,020,795**
Non-current liabilities			
Long-term portion of long-term borrowing	14	953,817	993,453
Lease liability	15	45,691	-
Deposits from tenants		12,652	10,375
Long term payable		2,597	3,045
Provision for share based payment		1,144	4,533
Derivatives		6,685	3,736
Provision for deferred tax liability		148,160	139,120
		1,170,746	**1,154,262**
Liabilities directly associated with asset held for sale	11	**19,859**	-
Current liabilities			
Investment and trade payables and provisions	13	46,682	50,499
Current portion of long-term borrowing	14	225,916	121,894
Current portion of lease liability	15	111	-
VAT and other taxes payable	12	19,981	1,636
Income tax payable		1,669	1,114
Derivatives		3,793	1,887
Advances received	16	1,236	4,837
		299,388	**181,867**
TOTAL EQUITY AND LIABILITIES		**2,531,630**	**2,356,924**

Globe Trade Centre S.A.
Interim Condensed Consolidated Income Statement
for the nine-month period ended 30 September 2019
(in thousands of Euro)

	Note	Nine-month period ended 30 September 2019 (unaudited)	Nine-month period ended 30 September 2018 (unaudited)	Three-month period ended 30 September 2019 (unaudited)	Three-month period ended 30 September 2018 (unaudited)
Rental revenue	5	93,866	81,735	32,903	28,375
Service revenue	5	30,763	28,988	10,444	9,786
Residential revenue		-	4,578		-
Service costs	5	(30,861)	(27,937)	(10,690)	(9,416)
Residential costs		-	(3,868)		-
Gross margin from operations		**93,768**	**83,496**	**32,657**	**28,745**
Selling expenses		(1,098)	(1,566)	(363)	(371)
Administration expenses	6	(11,209)	(5,753)	(2,442)	(1,654)
Profit from revaluation/impairment of assets	8	21,784	31,331	5,302	7,963
Other income		934	530	647	123
Other expenses		(837)	(4,414)	(252)	(1,657)
Profit (loss) from continuing operations before tax and finance income / (expense)		**103,342**	**103,624**	**35,549**	**33,149**
Foreign exchange differences gain/ (loss), net		(275)	93	154	(201)
Finance income		282	238	101	80
Finance cost	7	(25,309)	(22,126)	(9,073)	(7,815)
Profit before tax		**78,040**	**81,829**	**26,731**	**25,213**
Taxation	18	(15,132)	(12,795)	(6,670)	(2,251)
Profit (loss) for the period		**62,908**	**69,034**	**20,061**	**22,962**
Attributable to:					
Equity holders of the Company		62,575	68,375	19,893	22,784
Non-controlling interest	9	333	659	168	178
Basic earnings per share (in Euro)	21	0.13	0.14	0.04	0.05

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Comprehensive Income
for the nine-month period ended 30 September 2019
(in thousands of Euro)

	Nine -month period ended 30 September 2019 (unaudited)	Nine -month period ended 30 September 2018 (unaudited)	Three-month period ended 30 September 2019 (unaudited)	Three-month period ended 30 September 2018 (unaudited)
Profit (loss) for the period	**62,908**	**69,034**	**20,061**	**22,962**
Gain (loss) on hedge transactions	(4,856)	(1,097)	(1,857)	343
Income tax	602	222	201	(91)
Net gain (loss) on hedge transactions	(4,254)	(875)	(1,656)	252
Foreign currency translation	(1,448)	(1,211)	(1,208)	374
Net other comprehensive income for the period, net of tax to be reclassified to profit or loss in subsequent periods	**(5,702)**	**(2,086)**	**(2,864)**	**626**
Total comprehensive income for the period, net of tax	**57,206**	**66,948**	**17,197**	**23,588**
Attributable to:				
Equity holders of the Company	56,873	66,289	17,029	23,410
Non-controlling interest	333	659	168	178

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Changes in Equity
for the nine-month period ended 30 September 2019
(in thousands of Euro)

	Share Capital	Share premium	Capital reserve	Hedge reserve	Foreign currency translation reserve	Accumulated profit	Total	Non-controlling interest	Total
Balance as of 1 January 2019	**10,960**	**546,711**	**(36,054)**	**(4,542)**	**1,680**	**496,996**	**1,015,751**	**5,044**	**1,020,795**
Other comprehensive income	-	-	-	(4,254)	(1,448)	-	(5,702)	-	(5,702)
Profit / (loss) for the period ended 30 September 2019	-	-	-	-	-	62,575	62,575	333	62,908
Total comprehensive income / (loss) for the period	**-**	**-**	**-**	**(4,254)**	**(1,448)**	**62,575**	**56,873**	**333**	**57,206**
Transactions with non-controlling interest	**-**	**-**	(7,044)	-	-	-	(7,044)	8,830	1,786
Distribution of dividend	**-**	**-**	-	-	-	(41,579)	(41,579)	(429)	(42,008)
Issuance of shares	47	3,811	-	-	-	-	3,858	-	3,858
Balance as of 30 September 2019 (unaudited)	**11,007**	**550,522**	**(43,098)**	**(8,796)**	**232**	**517,992**	**1,027,859**	**13,778**	**1,041,637**
Balance as of 1 January 2018	**10,651**	**520,504**	**(36,054)**	**(2,365)**	**2,323**	**441,977**	**937,036**	**4,226**	**941,262**
Other comprehensive income	-	-	-	(875)	(1,211)	-	(2,086)	-	(2,086)
Profit / (loss) for the period ended 30 September 2018	-	-	-	-	-	68,375	68,375	659	69,034
Total comprehensive income / (loss) for the period	**-**	**-**	**-**	**(875)**	**(1,211)**	**68,375**	**66,289**	**659**	**66,948**
Distribution of dividend	**-**	**-**	-	-	-	(36,183)	(36,183)	-	(36,183)
Issuance of shares	309	26,207	-	-	-	-	26,516	-	26,516
Balance as of 30 September 2018 (unaudited)	**10,960**	**546,711**	**(36,054)**	**(3,240)**	**1,112**	**474,169**	**993,658**	**4,885**	**998,543**

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Cash Flows
for the nine-month period ended 30 September 2019
(in thousands of Euro)

	Note	Nine-month period ended 30 September 2019	Nine-month period ended 30 September 2018
		(unaudited)	(unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:	Note		
Profit before tax		78,040	81,829
Adjustments for:			
Loss/(profit) from revaluation/impairment of assets		(21,784)	(31,331)
Share of loss (profit) of associates and joint ventures			-
Profit on disposal of assets			-
Foreign exchange differences loss/(gain), net		275	(92)
Finance income		(282)	(238)
Finance cost		25,310	22,126
Share based payment (income) / expenses		(3,389)	(2,236)
Depreciation and amortization		496	405
Operating cash before working capital changes		**78,666**	**70,463**
Increase in trade receivables, prepayments and other current assets		(3,120)	(1,047)
Decrease/ (increase) in inventory		-	3,755
Increase/(decrease) in advances received		(35)	(2,733)
Increase in deposits from tenants		2,277	125
Increase/(decrease) in trade and other payables		289	(1,279)
Cash generated from operations		**78,077**	**69,284**
Tax paid in the period		(4,775)	(6,160)
Net cash flows from operating activities		**73,302**	**63,124**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Expenditure on investment property		(111,696)	(83,265)
Decrease in short term deposits		3,001	15,645
Proceeds related to expropriation of land	17	4,917	-
Purchase of completed assets and land			(16,450)
Purchase of subsidiary			(37,846)
Decrease/(Increase) in Escrow accounts for purchase of assets			455
Sale of investment property	11	72,659	13,613
VAT/CIT on purchase/sale of investment property		19,169	1,749
Interest received		84	58
Loans repayments			1,301
Net cash flows from/(used in) investing activities		**(11,866)**	**(104,740)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term borrowings	14	172,641	171,871
Repayment of long-term borrowings	14	(87,804)	(130,373)
Repayment of lease liabilities		(1,682)	-
Dividends paid		(37,992)	(9,752)
Dividends paid to non-controlling interest		(429)	-
Interest paid		(21,774)	(20,379)
Loans origination cost		(1,269)	(1,933)
Loan granted to non-controlling interest			(9,393)
Decrease/(increase) in blocked deposits	10	(11,458)	(1,859)
Net cash from/(used in) financing activities		**10,233**	**(1,818)**
Effect of foreign currency translation		**(409)**	**(808)**
Net increase / (decrease) in cash and cash equivalents		**71,260**	**(44,242)**
Cash and cash equivalents at the beginning of the period		**80,456**	**148,746**
Cash and cash equivalents at the end of the period		**151,716**	**104,504**

1. Principal activities

Globe Trade Centre S.A. (the "Company" or "GTC") and its subsidiaries ("GTC Group" or "the Group") are an international real-estate corporation. The Company was registered in Warsaw on 19 December 1996. The Company's registered office is in Warsaw, Poland at Komitetu Obrony Robotników (previously 17 Stycznia) 45a Street. The Company owns through subsidiaries, joint ventures and associates commercial and residential real estate companies with a focus on Poland, Budapest, Bucharest, and Belgrade. Additionally, the Company operates in Zagreb and Sofia. There is no seasonality in the business of the Group companies.

The major shareholder of the Company is GTC Dutch Holdings B.V. ("LSREF III"), controlled by Lone Star, a global private equity firm, which held 298,575,091 shares 61.49% of total share as of 30 September 2019.

Events in the period

Completion of investments

In April 2019, GTC Group has completed the construction of office building (Green Heart N2) in Belgrade.

In May 2019, GTC Group has completed the construction of shopping centre (Ada Mall) in Belgrade.

In June 2019, GTC Group has completed the construction of office building (ABC I) in Sofia.

In July 2019, GTC Group has completed the construction of office building (Matrix I) in Zagreb.

In July 2019, GTC Group has completed the construction of office building (Green Heart N1) in Belgrade.

Issuance of bonds and refinance

In December 2018, the Group repaid the loan for Artico office building in the amount of Euro 12.9 million and signed new loan agreement for the refinancing Artico office building in the amount of Euro 14.6 million with PKO BP. The loan was drawn in January 2019.

On 14 February 2019, Midroog (Israel-based credit rating agency accredited by the State of Israel) assigned an A2.il rating with a stable outlook for repayment capability of debt that the Company might raise in Israel, in the amount of up to Euro 70 million.

In March 2019, the Group and UniCredit signed a new loan agreement in the amount of Euro 20 million (including Euro 3.5 million top up after completion, subject to agreed conditions), for the construction of ABC II.

In March 2019, the Group refinanced Fortyone offices in Belgrade. The total loan amounted to Euro 40 million.

In April 2019, the Company issued new bonds denominated in Euro with a total amount of Euro 9.4 million to be repaid in April 2022.

In July 2019, the Group and OTP signed a loan agreement, which refinanced the existing loan of Duna Tower and Center Point in Budapest with a top-up of Euro 27 million, to a total of Euro 93 million.

1. Principal activities (continued)

In August 2019, the Group and Erste signed a new loan agreement to finance the construction of Matrix II, in the amount of Euro 11.7 million construction loan to be increased by Euro 2.8 million after completion.

Sale of Assets

In September 2019, the Group sold GTC White House office building in Budapest for a total amount of Euro 70.7 million and the bank loan related to this investment was fully repaid.

In June 2019, the Company signed preliminary agreement for the sale of the company that holds Neptun Office Center, Gdansk (see note 11). Accordingly, as of 30 September 2019 the asset was presented within the assets held for sale, with a total fair value of Euro 44.3 million. The bank loan was presented within liabilities held for sale, with a total book value of Euro 19.9 million.

Distribution of dividend

In May 2019, the Company's shareholders adopted a resolution regarding distribution of dividend in the amount of PLN 178.9 million (Euro 41.6 million). In June 2019, the Company issued 2,018,126 series N Shares to the Company's shareholders who elected to receive the dividend in shares (Euro 4 million), and paid dividend in cash in the amount of Euro 37.6 million to the remaining shareholders.

2. Basis of preparation

The Interim Condensed Consolidated Financial Statements for the nine-month period ended 30 September 2019 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by EU.

At the date of authorisation of these consolidated financial statements, taking into account the EU's ongoing process of IFRS endorsement and the nature of the Group's activities, there is no difference between International Financial Reporting Standards applying to these consolidated financial statements and International Financial Reporting Standards endorsed by the European Union.

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 consolidated financial statements and the notes thereto for the year ended 31 December 2018, which were authorized for issue on 20 March 2019. The interim financial results are not necessarily indicative of the full year results.

The functional currency of GTC S.A. and most of its subsidiaries is Euro. The functional currency of some of GTC's subsidiaries is other than Euro.

The financial statements of those companies prepared in their functional currencies are included in the consolidated financial statements by translation into Euro using appropriate exchange rates outlined in IAS 21. Assets and liabilities are translated at the period end exchange rate, while income and expenses are translated at average exchange rates for the period. All resulting exchange differences are classified in equity as "Foreign currency translation" without effecting earnings for the period.

As of 30 September 2019, the Group's net working capital (defined as current assets less current liabilities) was negative and amounted to Euro 79.9 million as some loans that are expected to be refinanced were temporarily classified as current liabilities. The Group signed preliminary sale agreements and consider offers it received for the sale of few assets (see note 11). Those assets are presented within Assets held for sale, (net of liabilities held for sale), in the amount of Euro 28.6 million. In addition the Company raised new bonds in the amount of PLN 220 million (see note 23)

The management has analysed the timing, nature and scale of potential financing needs of particular subsidiaries and believes that cash on hand, as well as expected operating cash-flows will be sufficient to fund the Group's anticipated cash requirements for working capital purposes, for at least the next twelve months from the balance sheet date. Consequently, the consolidated financial statements have been prepared on the assumption that the Group companies will continue as a going concern in the foreseeable future, for at least 12 months from the balance sheet date.

3. Significant accounting policies and new standards, interpretations and amendments

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2018 (see Note 7 to the consolidated financial statements for 2018), except for the adoption of new standards effective as of 1 January 2019. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. No changes to comparative data or error corrections were made (except of the matter described in note 22).

Standards issued and effective for financial years beginning on or after 1 January 2019:

- IFRS 16 Leases (issued on 13 January 2016) - effective for financial years beginning on or after 1 January 2019;
- IFRIC 23 Uncertainty over Income Tax Treatments (issued on 7 June 2017) - 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) – 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) – effective for financial years beginning on or after 1 January 2019;
- Annual Improvements to IFRS Standards 2015-2017 Cycle (issued on 12 December 2017) – effective for financial years beginning on or after 1 January 2019;

The Company's assessment is that above changes (new standards/ amendments) has no material impact, except of the impact of IFRS 16, as described below:

IFRS 16 Leases

In January 2016, the IASB issued the final version of International Financial Reporting Standard 16 *Leases* ("IFRS 16"). IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessor provide relevant information that faithfully represents those transactions:

- IFRS 16 requires lessees to recognise most long term leases on their balance sheets. Lessor accounting is substantially unchanged to the existing accounting under IAS 17 Leases.
- Lessees have a single accounting model for all leases, with certain exemptions.
- It requires the disclosure of new information about leases that hasn't previously been required.

There are two types of leases in GTC group that are subject to IFRS 16 and affect the financial statements.

- Leasing property rented to tenants - Primary activity of GTC Group.

For this leasing activity, GTC Group acts as a Lessor. As was mentioned previously, a lessor accounting under IFRS 16 is substantially unchanged, therefore we do not expect any influence on the Group.

- Leases of lands under perpetual usufruct where the Group acts as Lessee

3. Significant accounting policies and new standards, interpretations and amendments (continued)

Perpetual usage payments are payments, which are done in advance or in arrears on an annual or monthly basis within define period (from 33 to 87 years). Perpetual usage payments are done in Poland, Croatia, Romania and Serbia.

Due to the fact that perpetual usage payments, by substance, are treated as lease payments, payments are to be considered under IFRS 16.

In the consolidated financial position statements the Group recognized, on 1 January 2019, a Right-of-Use and Lease Liabilities in an amount of Euro 47 million as following:

Right of use of lands under perpetual usufruct in the amount of 46 million is presented as part of the Investment Property, with separate disclosure in a separate note.

Right of use of lands under perpetual usufruct in the amount of 1 million is presented as part of the residential landbank.

Lease Liabilities is in the amount of 47 million presented separately, as part of the Short term and Long term Liabilities, with a separate disclosure.

In the Consolidated Income Statement the Group used to present the lease payments for completed assets within the Operating expenses and for landbank within Other expenses. Under IFRS 16 the Group presents the amortization of Right-of-Use or the change in fair value of Right-of-Use within the profit (loss) on Revaluations. Interest embedded within land leases is presented as Finance expenses.

The Right of Use of lands under perpetual usufruct is amortized over the lease period (for cost method) or valued using the fair value approach (for investment properties valued in fair value).

The Group transitioned to IFRS 16 in accordance with the modified retrospective approach. The prior year figures were not adjusted.

The Group entered into several other leases. Those leases are immaterial, thus are not treated in accordance with IFRS 16. Additionally, the Group has decided not to apply the new guidelines to leases whose term will end within twelve months of the date of initial application. In such cases the lease is accounted as short term lease.

3. Significant accounting policies and new standards, interpretations and amendments (continued)

Standards issued but not yet effective:

- 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 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;
- *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;
- Amendment to IFRS 3 *Business Combinations* (issued on 22 October 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;
- Amendments to IAS 1 and IAS 8: *Definition of Material* (issued on 31 October 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.

(in thousands of Euro)

4. Investment in Subsidiaries, Associates and Joint Ventures

The interim condensed consolidated financial statements include the financial statements of the Company and its subsidiaries listed below together with direct and indirect ownership of these entities as at the end of each period (the table presents the effective stake):

Subsidiaries

Name	Holding Company	Country of incorporation	30 September 2019	31 December 2018
GTC Konstancja Sp. z o.o.	GTC S.A.	Poland	100%	100%
GTC Korona S.A.	GTC S.A.	Poland	100%	100%
Globis Poznań Sp. z o.o.	GTC S.A.	Poland	100%	100%
GTC Aeropark Sp. z o.o.	GTC S.A.	Poland	100%	100%
Globis Wrocław Sp. z o.o.	GTC S.A.	Poland	100%	100%
GTC Satellite Sp. z o.o.	GTC S.A.	Poland	100%	100%
GTC Neptune Gdansk Sp. z o.o.	GTC S.A.	Poland	100%	100%
GTC Sterlinga Sp. z o.o.	GTC S.A.	Poland	100%	100%
GTC Karkonoska Sp. z o.o.(1)	GTC S.A.	Poland	100%	100%
GTC Ortal Sp. z o.o.	GTC S.A.	Poland	100%	100%
Diego Sp. z o.o.	GTC S.A.	Poland	100%	100%
GTC Francuska Sp. z o.o.	GTC S.A.	Poland	100%	100%
GTC UBP Sp. z o.o.	GTC S.A.	Poland	100%	100%
GTC Pixel Sp. z o.o.	GTC S.A.	Poland	100%	100%
GTC Moderna Sp. z o.o.	GTC S.A.	Poland	100%	100%
Centrum Handlowe Wilanow Sp. z o.o.	GTC S.A.	Poland	100%	100%
GTC Management sp. z o.o.	GTC S.A.	Poland	100%	100%
GTC Corius sp. z o.o.	GTC S.A.	Poland	100%	100%
Centrum Światowida sp. z o.o.	GTC S.A.	Poland	100%	100%
Glorine investments sp. z o.o.	GTC S.A.	Poland	100%	100%
Glorine investments Sp. z o.o. s.k.a.	GTC S.A.	Poland	100%	100%
GTC Galeria CTWA Sp. z o.o.	GTC S.A.	Poland	100%	100%
Artico Sp. z o.o	GTC S.A.	Poland	100%	100%
Julesberg Sp. z o.o. (1)	GTC S.A.	Poland	100%	100%
Jowett Sp. z o.o. (1)	GTC S.A.	Poland	100%	100%
GTC Hungary Real Estate Development Company Ltd. ("GTC Hungary")	GTC S.A.	Hungary	100%	100%
GTC Duna Kft.	GTC Hungary	Hungary	100%	100%
Vaci Ut 81-85 Kft.	GTC Hungary	Hungary	100%	100%
Riverside Apartmanok Kft. ("Riverside") (1)	GTC Hungary	Hungary	100%	100%
Centre Point I. Kft. ("Centre Point I")	GTC Hungary	Hungary	100%	100%
Centre Point II. Kft.	GTC Hungary	Hungary	100%	100%
Spiral I.Kft.	GTC Hungary	Hungary	100%	100%
Spiral II Hungary. Kft.	GTC Hungary	Hungary	100%	100%
River Loft Apartmanok Ltd. (2)	GTC Hungary	Hungary	-	100%
SASAD Resort Kft. ("Sasad")	GTC Hungary	Hungary	100%	100%
Albertfalva Üzletközpont Kft. ("formerly Szeremi Gate")	GTC Hungary	Hungary	100%	100%
GTC Metro Kft.	GTC Hungary	Hungary	100%	100%
Kompakt Land Kft	GTC Hungary	Hungary	100%	100%
GTC White House Kft. ("formerly GTC Renaissance Plaza Kft.")	GTC Hungary	Hungary	100%	100%
VRK Tower Kft	GTC Hungary	Hungary	100%	100%
Amarantan Ltd.	GTC Hungary	Hungary	100%	100%

(1) Under liquidation

(2) Liquidated

(in thousands of Euro)

4. Investment in Subsidiaries, Associates and Joint Ventures (continued)

Name	Holding Company	Country of incorporation	30 September 2019	31 December 2018
GTC Nekretnine Zagreb d.o.o.("GTC Zagreb")	GTC S.A.	Croatia	100%	100%
Euro Structor d.o.o.	GTC S.A.	Croatia	70%	70%
Marlera Golf LD d.o.o.	GTC S.A.	Croatia	80%	80%
Nova Istra Idaeus d.o.o.	Marlera Golf LD d.o.o	Croatia	80%	80%
GTC Matrix d.o.o.	GTC S.A.	Croatia	100%	100%
GTC Seven Gardens d.o.o.	GTC S.A.	Croatia	100%	100%
Towers International Property S.R.L.	GTC S.A.	Romania	100%	100%
Galleria Shopping Center S.R.L. (formerly "International Hotel and Tourism S.R.L.") (1)	GTC S.A.	Romania	-	100%
Green Dream S.R.L.	GTC S.A.	Romania	100%	100%
Aurora Business Complex S.R.L	GTC S.A.	Romania	71.5%	71.5%
Cascade Building S.R.L	GTC S.A.	Romania	100%	100%
City Gate Bucharest S.R.L.	GTC S.A.	Romania	100%	100%
Mablethompe Investitii S.R.L. (2)	GTC S.A.	Romania	-	100%
Venus Commercial Center S.R.L.	GTC S.A.	Romania	100%	100%
Beaufort Invest S.R.L.	GTC S.A.	Romania	100%	100%
Fajos S.R.L.	GTC S.A.	Romania	100%	100%
City Gate S.R.L.	GTC S.A.	Romania	100%	100%
City Rose Park SRL (previously Complexul Residential Colentina S.R.L.)	GTC S.A.	Romania	100%	100%
Deco Intermed S.R.L.	GTC S.A.	Romania	66.7%	66.7%
GML American Regency Pipera S.R.L.	GTC S.A.	Romania	66.7%	66.7%

(1) Sold

(2) Liquidated

(in thousands of Euro)

4. Investment in Subsidiaries, Associates and Joint Ventures (continued)

Name	Holding Company	Country of incorporation	30 September 2019	31 December 2018
NRL EAD	GTC S.A.	Bulgaria	100%	100%
Advance Business Center EAD	GTC S.A.	Bulgaria	100%	100%
GTC Yuzhen Park EAD ("GTC Yuzhen")	GTC S.A.	Bulgaria	100%	100%
Dorado 1 EOOD	GTC S.A.	Bulgaria	100%	100%
GTC Medj Razvoj Nekretnina d.o.o. Beograd	GTC S.A.	Serbia	100%	100%
GTC Business Park d.o.o. Beograd	GTC S.A.	Serbia	100%	100%
Commercial and Residential Ventures d.o.o. Beograd	GTC S.A.	Serbia	100%	100%
Demo Invest d.o.o. Novi Beograd	GTC S.A.	Serbia	100%	100%
Atlas Centar d.o.o. Beograd	GTC S.A.	Serbia	100%	100%
Commercial Development d.o.o. Beograd	GTC S.A.	Serbia	100%	100%
Glamp d.o.o. Beograd	GTC S.A.	Serbia	100%	100%
GTC BBC d.o.o	GTC S.A.	Serbia	100%	100%
Europort Investment (Cyprus) 1 Limited	GTC S.A.	Cyprus	100%	100%
Europort Ukraine Holdings 1 LLC	Europort Investment (Cyprus) 1 Limited	Ukraine	100%	100%
Europort Ukraine LL	Europort Investment (Cyprus) 1 Limited	Ukraine	100%	100%
Europort Project Ukraine 1 LLC	Europort Investment (Cyprus) 1 Limited	Ukraine	100%	100%

Investment in Associates and Joint Ventures

Name	Holding Company	Country of incorporation	30 September 2019	31 December 2018
CID Holding S.A. ("CID") (1)	GTC S.A.	Luxembourg	35%	35%

(1) Under liquidation

(in thousands of Euro)

5. Segmental analysis

The operating segments are aggregated into reportable segments, taking into consideration the nature of the business, operating markets and other factors.

Operating segments are divided into geographical zones, which have common characteristics and reflect the nature of management reporting structure:

a. Poland
b. Belgrade
c. Budapest
d. Bucharest
e. Zagreb
f. Sofia
g. Other

Segment analysis of rental income and costs for the nine month period ended 30 September 2019 and 30 September 2018 is presented below:

	2019			2018		
Portfolio	**Revenues**	**Costs**	**Gross margin**	**Revenues**	**Costs**	**Gross margin**
Poland	56,681	(15,337)	41,344	60,226	(18,905)	41,321
Belgrade	20,383	(4,559)	15,824	14,666	(3,162)	11,504
Budapest	18,569	(4,458)	14,111	16,087	(3,756)	12,331
Bucharest	13,011	(2,312)	10,699	12,997	(2,714)	10,283
Zagreb	8,202	(2,837)	5,365	8,161	(2,680)	5,481
Sofia (*)	7,783	(1,358)	6,425	3,164	(588)	2,576
Total	**124,629**	**(30,861)**	**93,768**	**115,301**	**(31,805)**	**83,496**

Segment analysis of rental income and costs for the three month period ended 30 September 2019 and 30 September 2018 is presented below:

	2019			2018		
Portfolio	**Revenues**	**Costs**	**Gross margin**	**Revenues**	**Costs**	**Gross margin**
Poland	18,458	(5,221)	13,237	18,387	(4,697)	13,690
Belgrade	8,678	(1,839)	6,839	4,852	(966)	3,886
Budapest	6,171	(1,412)	4,759	5,454	(1,408)	4,046
Bucharest	4,431	(726)	3,705	4,408	(945)	3,463
Zagreb	2,833	(991)	1,842	2,692	(924)	1,768
Sofia (*)	2,776	(501)	2,275	2,368	(476)	1,892
Total	**43,347**	**(10,690)**	**32,657**	**38,161**	**(9,416)**	**28,745**

(*) Income relates to the Mall of Sofia, which was acquired on 31 May 2018.

(in thousands of Euro)

5. Segmental analysis (continued)

Segment analysis of assets and liabilities as of 30 September 2019 is presented below:

	Real estate	Cash and deposits	Other	Total assets	Loans, bonds and leases	Deferred tax liability	Other	Total liabilities
Poland	1,039,266	40,946	5,052	**1,085,264**	504,655	74,683	34,111	**613,449**
Belgrade	416,914	19,489	5,482	**441,885**	208,311	14,591	24,319	**247,221**
Budapest	306,884	43,951	6,231	**357,066**	127,650	11,940	25,156	**164,746**
Bucharest	218,959	9,953	1,448	**230,360**	111,391	12,284	5,148	**128,823**
Zagreb	155,986	4,619	11,499	**172,104**	57,290	17,422	10,220	**84,932**
Sofia	150,300	9,078	2,093	**161,471**	78,641	7,422	6,986	**93,049**
Other	11,971	32	14	**12,017**	-	-	1,184	**1,184**
Non allocated	-	71,214	249	**71,463**	143,837	9,818	2,934	**156,589**
	2,300,280	**199,282**	**32,068**	**2,531,630**	**1,231,775**	**148,160**	**110,058**	**1,489,993**

Segment analysis of assets and liabilities for the years ended 31 December 2018 is presented below:

	Real estate	Cash and deposits	Other	Total assets	Loans and bonds	Deferred tax liability	Other	Total liabilities
Poland	1,003,436	13,557	6,544	**1,023,537**	493,664	72,078	16,555	**582,297**
Belgrade	359,089	11,984	2,468	**373,541**	142,242	14,279	17,486	**174,007**
Budapest	354,760	14,096	1,269	**370,125**	113,132	11,304	11,855	**136,291**
Bucharest	214,450	13,030	6,176	**233,656**	109,685	11,082	9,955	**130,722**
Zagreb	136,424	3,995	11,029	**151,448**	48,000	16,776	8,896	**73,672**
Sofia	128,547	3,920	1,665	**134,132**	64,044	7,213	3,225	**74,482**
Other	10,910	11	-	**10,921**	-	-	1,184	**1,184**
Non allocated	-	58,972	592	**59,564**	150,951	6,388	6,135	**163,474**
Total	**2,207,616**	**119,565**	**29,743**	**2,356,924**	**1,121,718**	**139,120**	**75,291**	**1,336,129**

(in thousands of Euro)

6. Administration expenses

Administration expenses for the period of nine-months ended 30 September 2018 and 30 September 2019 comprises the following amounts:

	Nine-month period ended 30 September 2019	Nine-month period ended 30 September 2018	Three-month period ended 30 September 2019	Three-month period ended 30 September 2018
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Administration expenses	14,598	7,989	8,449	2,516
Income arising from provision for share based payment (*)	(3,389)	(2,236)	(6,007)	(862)
	11,209	**5,753**	**2,442**	**1,654**

(*) Non-cash fair value adjustment, influenced by the change of share price and exercise of phantom shares

7. Finance costs

Finance costs for the period of nine-months ended 30 September 2019 and 30 September 2018 comprises the following amounts:

	Nine-month period ended 30 September 2019	Nine-month period ended 30 September 2018	Three-month period ended 30 September 2019	Three-month period ended 30 September 2018
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Finance costs related to loans and bonds	23,731	22,126	8,550	7,815
Finance costs related to lease liability	1,579	-	523	-
	25,310	**22,126**	**9,073**	**7,815**

(in thousands of Euro)

8. Investment Property

The investment properties that are owned by the Group are office and shopping center space, including property under construction:

Investment property can be split up as follows:

	30 September 2019	**31 December 2018**
	(unaudited)	(audited)
Completed investment property	2,013,325	1,791,910
Investment property under construction	61,235	190,051
Investment property landbank at cost	112,741	131,107
Right of use of lands under perpetual usufruct	44,255	-
Total	**2,231,556**	**2,113,068**

The movement in investment property for the periods ended 30 September 2019 (unaudited) and 31 December 2018 (audited) was as follows:

	Right of Use of land	**Level 2**	**Level 3 and cost**	**Total**
Carrying amount as of 1 January 2018	**-**	**1,381,290**	**555,551**	**1,936,841**
Hierarchy level reclassification	-	30,300	(30,300)	-
Capitalised subsequent expenditure	-	30,582	82,524	113,106
Purchase of completed buildings	-	6,799	9,649	16,448
Purchase of subsidiaries holding land plots	-	-	96,784	96,784
Adjustment to fair value / (impairment)	-	107	40,018	40,125
Land Disposals	-	-	(11,694)	(11,694)
Classified to assets held for sale	-	(70,000)	(6,884)	(76,884)
Foreign exchange differences	-	(1,761)	103	(1,658)
Carrying amount as of 31 December 2018	**-**	**1,377,317**	**735,751**	**2,113,068**
Capitalised subsequent expenditure	**-**	9,428	97,874	107,302
Recognition of right of use of lands under perpetual usufruct	45,362	-	-	45,362
Prepaid right of use of lands under perpetual usufruct	(294)	-	-	(294)
Adjustment to fair value / (impairment)		15,546	5,362	20,908
Amortization of right of use of lands under perpetual usufruct	(274)			(274)
Classified to assets for own use, net		(899)	(301)	(1,200)
Classified to assets held for sale (Neptun Office Center)	(707)	(44,034)	(3,781)	(48,522)
Disposals	-	-	(3,029)	(3,029)
Foreign exchange differences	168	(2,045)	112	(1,765)
Carrying amount as of 30 September 2019	**44,255**	**1,355,313**	**831,988**	**2,231,556**

(in thousands of Euro)

8. Investment Property (continued)

Fair value and impairment adjustment consists of the following:

	Nine-month period ended 30 September 2019	Nine-month period ended 30 September 2018	Three-month period ended 30 September 2019	Three-month period ended 30 September 2018
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Adjustment to fair value of completed investment properties	14,209	(3,331)	8,826	(2,144)
Adjustment to fair value of Investment properties under construction	6,201	32,606	(4,057)	10,107
Reversal of impairment/(Impairment) adjustment	498	2,056	59	-
Total adjustment to fair value / (impairment) of investment property	**20,908**	**31,331**	**4,828**	**7,963**
Impairment of residential landbank	(532)	-	10	-
Adjustment of assets held for sale (*)	1,712	-	566	-
Amortization of right of use of lands under perpetual usufruct (including on residential landbank)	(304)	-	(102)	-
Total	**21,784**	**31,331**	**5,302**	**7,963**

(*) Galeria Bucharest land in Romania and White House office building in Budapest.

Assumptions used in the valuations of completed assets as of 30 September 2019 (unaudited) are presented below:

Portfolio	Book value	GLA thousand	Average Occupancy	Actual Average rent	Average ERV	Fair Value Hierarchy Level
	'000 Euro	sqm	%	Euro/ sqm/m	Euro/ sqm/m	
Poland retail	510,030	113	92%	22.1	22.2	2
Poland office	399,348	196	91%	14.4	14.1	2
Belgrade retail	135,600	34	99%	21.1	21.9	3
Belgrade office	261,081	117	96%	16.7	16.5	3
Budapest office	255,513	125	96%	12.7	13.7	2
Bucharest office	190,421	67	97%	18.7	19.4	2
Zagreb retail	104,813	34	99%	20.7	20.3	3
Zagreb office	23,719	11	83%	13.2	14.6	3
Sofia office	34,400	16	99%	14.0	14.1	3
Sofia retail	98,400	33	100%	21.1	20.9	3
Total	**2,013,325**	**746**	**94%**	**16.9**	**17.0**	

(in thousands of Euro)

8. Investment Property (continued)

Assumptions used in the valuations of completed assets as of 31 December 2018 (audited) are presented below:

Portfolio	Book value	GLA thousand	Average Occupancy	Actual Average rent	Average ERV (*)	Fair Value Hierarchy Level
	'000 Euro	sqm	%	Euro/ sqm/m	Euro/ sqm/m	
Poland retail	516,930	113	94%	21.1	22.0	2
Poland office	432,610	212	89%	14.2	14.1	2
Belgrade office	211,782	97	94%	16.0	16.5	3
Budapest office	237,740	125	98%	12.3	12.5	2
Bucharest office	190,036	67	94%	18.8	19.4	2
Zagreb retail	104,812	34	95%	20.6	20.3	3
Sofia retail	98,000	33	98%	19.8	20.4	3
Total	**1,791,910**	**681**	**93%**	**16.3**	**16.6**	

Information regarding investment properties under construction as of 30 September 2019 (unaudited) is presented below:

	Book value	Estimated area (GLA)
	'000 Euro	thousand sqm
Belgrade (Green Heart N3)	8,880	5
Sofia (ABC II)	17,500	18
Budapest (Pillar) (*)	21,565	29
Zagreb (Matrix II) (*)	13,290	11
Total	**61,235**	**63**

(*) Investment is presented at cost.

Information regarding to investment properties under construction as of 31 December 2018 is presented below:

	Book value	Estimated area (GLA)
	'000 Euro	thousand sqm
Belgrade (Ada Mall, Green Heart N1, N2, N3)	140,980	59
Sofia (ABC I, ABC II)	30,547	33
Zagreb (Matrix I, Matrix II)	18,524	21
Total	**190,051**	**113**

(in thousands of Euro)

8. Investment Property (continued)

Information regarding book value of investment property landbank for construction as of 30 September 2019 and 31 December 2018 is presented below:

	30 September 2019 (unaudited)	31 December 2018 (audited)
Poland	37,668	39,270
Serbia	6,873	5,510
Hungary	24,380	38,921
Romania	14,835	13,895
Croatia	13,702	12,600
Total	**97,458**	**110,196**

Information regarding book value of investment property landbank (long term pipeline) as of 30 September 2019 and 31 December 2018 is presented below:

	30 September 2019 (unaudited)	31 December 2018 (audited)
Poland	7,969	12,351
Hungary	3,400	4,500
Bulgaria	1,800	1,800
Ukraine	2,114	2,260
Total	**15,283**	**20,911**
Grand Total	**112,741**	**131,107**

(in thousands of Euro)

9. Non-controlling interest

The Company's subsidiary that holds Avenue Mall (Euro Structor d.o.o.) has granted in year 2018 its shareholders a loan, pro-rata to their stake in the subsidiary. The loan principle and interest shall be repaid by 30 November 2022. In the event that Euro Structor renders resolution for distribution of dividend, Euro Structor has the right to set-off the dividend against the loan. In case a shareholder will sell its stake in Euro Structor, the loan shall be due for repayment upon the sale.

Summarised financial information of the material non-controlling interest as of 30 September 2019 (unaudited) is presented below:

	Avenue Mall	Non-core projects	Total
NCI share in equity	23,947	(10,169)	13,778
Loans granted to NCI	(10,480)	-	(10,480)
Loans received from NCI	-	8,223	8,223
Total as of 30 September 2019	**13,467**	**(1,946)**	**11,521**
NCI share in profit / (loss)	**1,000**	**(667)**	**333**

On 30 September 2019, the Company and the minority partner (NCI) approved shareholders resolutions to buy out the minority interest in Aurora Business Complex S.R.L (Romania). According to the resolutions, the minority partner will sell its shares in Aurora Business Complex S.R.L and the related shareholders loans to the Company for LEI 10 (Euro 2).

The negative NCI (Aurora, Bucharest) share amounted to Euro 9.5 million was transferred to capital reserve. Loans from NCI amounted to Euro 2.4 million were assigned to GTC based on the abovementioned resolution.

As result of the transaction, the Company's total equity increased by Euro 2.4 million.

10. Short term deposits

Short-term deposits include deposits related to loan agreements, derivatives, and other contractual commitments and can be used only for certain operating activities as determined by underlying agreements.

In March 2019, an amount of Euro 28.1 million was drawn from the Ada Mall (Belgrade) construction loan, and deposited temporarily in order to settle contractual commitments related to the construction of this project.

(in thousands of Euro)

11. Assets and liabilities held for sale

Assets held for sale comprises the following:
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	30 September 2019	31 December 2018
Neptun Office Center, Gdansk	44,267	-
GTC Whitehouse office building, Budapest	-	70,000
Mikolowska land plot, Katowice	4,255	-
Spiral 2 land plot, Budapest	-	2,630
Galeria Bucharest land plot	-	3,566
Balance the end of the period	**48,522**	**76,196**

Liabilities held for sale in the amount of Euro 19,859 thousand comprise the outstanding bank loan in the company, which holds Neptune Office Centre in Gdansk.

Proceeds from sale of assets comprises the following:

	Nine-month period ended 30 September 2019	Nine-month period ended 30 September 2018
GTC Whitehouse office building Budapest	67,000	-
Karkonoska land plot, Wroclaw	3,029	-
Spiral 2 land plot, Budapest	2,630	340
Advance paid on Galeria Bucharest land plot	-	1,122
Vasas landbank, Budapest	-	4,525
Green Dream landbank, Bucharest	-	7,626
Total	**72,659**	**13,613**

12. VAT and other tax receivable / payables

VAT and other tax receivable represent VAT receivable on the purchase of assets, services and development activity.

An amount of Euro 18.1 million of VAT payable as of 30 September 2019 relates to the sale of White House office building (see note 1).

13. Trade and other payables

The balance of trade and other payables decreased from Euro 50.4 million to Euro 46.7 million in the nine months period ended 30 September 2019.

The majority of the payables relates to development activity payables in Ada Mall, Green Heart, ABC, Pillar and Matrix. Amount is planned to be financed mostly by long term loans.

(in thousands of Euro)

14. Long-term loans and bonds

	30 September 2019	31 December 2018
Bonds mature in 2018-4/2019	-	15,799
Bonds 1019	29,231	28,959
Schuldschein 1219	15,306	15,023
Bonds 0320	18,499	18,673
Bonds 0620	40,444	40,070
Bonds 1220	10,205	10,117
Bonds 0321	20,546	20,737
Bonds 0422	9,606	-
Loan from OTP (GTC)	-	1,573
Loan from Santander (Globis Poznan)	17,736	15,084
Loan from Santander (Korona Business Park)	43,749	44,756
Loan from PKO BP (Pixel)	20,070	20,577
Loan from Santander (Globis Wroclaw)	22,234	22,754
Loan from ING (Nothus and Zephirus)	-	9,332
Loan from Berlin Hyp (Corius)	10,464	10,721
Loan from Pekao (Sterlinga)	15,794	16,188
Loan from Pekao (Neptun Office Center) (*)	-	20,411
Loan from Pekao (Galeria Polnocna)	191,154	194,904
Loan from PKO BP (Artico)	14,413	-
Loan from Pekao (Galeria Jurajska)	85,024	87,680
Loan from Berlin Hyp (UBP)	28,443	29,140
Loan from ING (Francuska)	21,712	22,117
Loan from OTP (Centre Point)	51,929	42,042
Loan from CIB (Metro)	14,723	15,554
Loan from Erste (Spiral)	20,686	22,586
Loan from Erste (GTC White House)	-	7,904
Loan from OTP (Duna)	40,269	25,046
Loan from Erste (GTC House)	11,132	11,718
Loan from Erste (19 Avenue)	22,753	23,499
Loan from OTP (BBC)	21,992	22,595
Loan from Raiffeisen Bank (Green Heart)	47,758	31,812
Loan from Raiffeisen Bank (Forty one)	38,611	26,075
Loan from Intesa Bank (Ada Mall)	62,360	26,543
Loan from Erste (Citygate)	75,888	78,204
Loan from Banca Transilvania (Cascade)	4,178	4,612
Loan from Alpha Bank (Premium)	16,129	17,101
Loan from OTP (Mall of Sofia)	57,739	59,582
Loan from UniCredit (ABC)	20,902	4,462
Loan from Erste (Matrix)	9,571	-
Loan from Zagrabecka Banka (AMZ)	46,500	48,000
Loans from NCI	8,223	9,768
Deferred issuance debt expenses	(6,240)	(6,371)
	1,179,733	**1,115,347**

(*) Presented as liability directly associated with assets held for sale

(in thousands of Euro)

14. Long-term loans and bonds (continued)

Long-term loans and bonds have been separated into the current portion and the long-term portion as disclosed below:

	30 September 2019	31 December 2018
Current portion of long term loans and bonds:		
Bonds mature in 2018-4/2019	-	15,799
Bonds 1019	29,231	28,959
Schuldschein 1219	15,306	15,023
Bonds 0320	18,499	175
Bonds 0620	40,444	70
Bonds 1220	101	13
Bonds 0321	52	243
Bonds 0422	166	-
Loan from OTP (GTC)	-	1,573
Loan from Santander (Globis Poznan)	449	15,084
Loan from Santander (Korona Business Park)	1,434	1,395
Loan from PKO BP (Pixel)	677	677
Loan from Berlin Hyp (UBP)	930	930
Loan from Pekao (Galeria Jurajska)	85,024	3,544
Loan from Santander (Globis Wroclaw)	693	693
Loan from ING (Nothus and Zephirus)	-	9,332
Loan from Berlin Hyp (Corius)	342	342
Loan from Pekao (Sterlinga)	525	525
Loan from Pekao (Neptun Office Center) (*)		662
Loan from PKO BP (Artico)	437	-
Loan from Pekao (Galeria Polnocna)	5,000	5,000
Loan from ING (Francuska)	540	540
Loan from OTP (Centre Point)	1,807	2,033
Loan from Erste (GTC White House)	-	476
Loan from OTP (Duna)	1,401	1,211
Loan from CIB (Metro)	1,153	1,115
Loan from Erste (Spiral)	1,411	1,415
Loan from Erste (GTC House)	781	781
Loan from Erste (19 Avenue)	994	994
Loan from Raiffeisen Bank (Green Heart)	2,127	914
Loan from OTP (BBC)	805	805
Loan from Raiffeisen Bank (Forty one)	1,853	1,302
Loan from Intesa Bank (Ada Mall)	3,236	664
Loan from OTP (Mall of Sofia)	2,457	2,457
Loan from UniCredit (ABC)	1,296	804
Loan from Zagrabecka Banka (Avenue Mall Zagreb)	2,000	2,000
Loan from Erste (Matrix)	336	-
Loan from Alpha Bank (Premium)	1,025	1,025
Loan from Banca Transilvania (Cascade)	240	240
Loan from Erste (City Gate)	3,144	3,079
	225,916	**121,894**

(*) Presented as liability directly associated with assets held for sale

(in thousands of Euro)

14. Long-term loans and bonds (continued)

	30 September 2019	31 December 2018
Long term portion of long term loans and bonds:		
Bonds 0320	-	18,498
Bonds 0620	-	40,000
Bonds 1220	10,104	10,104
Bonds 0321	20,494	20,494
Bonds 0422	9,440	-
Loan from Santander (Globis Poznan)	17,287	-
Loan from Santander (Korona Business Park)	42,315	43,361
Loan from PKO BP (Pixel)	19,393	19,900
Loan from Santander (Globis Wroclaw)	21,541	22,061
Loan from Berlin Hyp (Corius)	10,122	10,379
Loan from Pekao (Sterlinga)	15,269	15,663
Loan from Pekao (Neptun Office Center) (*)	-	19,749
Loan from Pekao (Galeria Polnocna)	186,154	189,904
Loan from PKO BP (Artico)	13,976	-
Loan from Pekao (Galeria Jurajska)	-	84,136
Loan from Berlin Hyp (UBP)	27,513	28,210
Loan from ING (Francuska)	21,172	21,577
Loan from OTP (Centre Point)	50,122	40,009
Loan from CIB (Metro)	13,570	14,439
Loan from OTP (Duna)	38,868	23,835
Loan from Erste (Spiral)	19,275	21,171
Loan from Erste (GTC White House)	-	7,428
Loan from Erste (GTC House)	10,351	10,937
Loan from Erste (19 Avenue)	21,759	22,505
Loan from Raiffeisen Bank (Green Heart)	45,631	30,898
Loan from Intesa Bank (Ada mall)	59,124	25,879
Loan from OTP (BBC)	21,187	21,790
Loan from Raiffeisen Bank (Forty one)	36,758	24,773
Loan from Erste (City Gate)	72,744	75,125
Loan from Banca Transilvania (Cascade)	3,938	4,372
Loan from Alpha Bank (Premium)	15,104	16,076
Loan from OTP (Mall of Sofia)	55,282	57,125
Loan from UniCredit (ABC)	19,606	3,658
Loan from Zagrabecka Banka (Avenue Mall Zagreb)	44,500	46,000
Loan from Erste (Matrix)	9,235	-
Loans from NCI	8,223	9,768
Deferred issuance debt expenses	(6,240)	(6,371)
	953,817	**993,453**

(*) Presented as liability directly associated with assets held for sale

(in thousands of Euro)

14. Long-term loans and bonds (continued)

To secure the bank loans, the banks have mortgage over the assets and security deposits together with assignment of the associated receivables and insurance rights.

The fair value of the loans, related to the floating component of interest, which equals the market rate, is similar to their carrying value.

In its financing agreements with banks, the Company undertakes to comply with certain financial covenants that are listed in those agreements; the main covenants are: maintaining a Loan-to-Value and Debt Service Coverage ratios in the company that holds the project.

In addition, all investment properties and IPUC companies that were financed by a lender have been pledged to secure the long-term loans. Unless otherwise stated, fair value of the pledged assets or shares in such companies exceeds the carrying value of the related loans.

The movement in long term loans and bonds for the years ended 30 September 2019 and 31 December 2018 was as follows:

	30 September 2019	31 December 2018
Balance as of the beginning of the year (excluding deferred debt expenses)	**1,121,718**	**1,040,979**
Drawdowns	172,641	191,224
Repayments	(87,804)	(162,104)
Reclassified as liability held for sale	(19,915)	-
Transactions with NCI	(1,786)	-
First to be consolidated	-	53,052
Change in accrued interest	825	(169)
Capitalization of interest	1,179	1,554
Foreign exchange differences	(885)	(2,818)
Balance as of end of the year (excluding deferred debt expenses)	**1,185,973**	**1,121,718**

Repayments of long-term debt and future interest that has not yet been accrued are scheduled as follows (Euro million):

	30 September 2019 (unaudited)	**31 December 2018** (audited)
First year	250	148
Second year	182	268
Third year	136	219
Fourth year	241	142
Fifth year	122	133
Thereafter	349	300
	1,280	**1,210**

(in thousands of Euro)

15. Lease liability and Right of Use of land

Lease liabilities includes lease payments for land subject to perpetual usufruct payments and classified as land under investment property (completed, under construction and landbank) and residential landbank.

The balance of Right of Use of land as of 30 September 2019 was as follows:

	Completed investment property	Investment property under construction	Investment property landbank at cost	Residential landbank	Property, plant and equipment	Assets held for sale	Total
Country							
Poland	11,225	-	22,327	-	-	709	34,261
Romania	6,976	-	-	-	-	-	6,976
Serbia	3,264	463	-	-	-	-	3,727
Croatia	-	-	-	1,186		-	1,186
Hungary	-	-	-	-	80	-	80
Balance as of 30 September 2019	**21,465**	**463**	**22,327**	**1,186**	**80**	**709**	**46,230**

The balance of lease liability as of 30 September 2019 was as follows:

	Completed investment property	Investment property under construction	Investment property landbank at cost	Residential landbank	Property, plant and equipment	Assets held for sale	Total	Discount rate
Country								
Poland	11,227	-	22,369	-	-	233	33,829	4.2%
Romania	6,973	-	-	-	-	-	6,973	5.7%
Serbia	3,264	463	-	-	-	-	3,727	7.6%
Croatia	-	-	-	1,219	-	-	1,219	4.4%
Hungary	-	-	-	-	54	-	54	3.9%
Balance as of 30 September 2019	**21,464**	**463**	**22,369**	**1,219**	**54**	**233**	**45,802**	

The lease liabilities were discounted using discount rates applicable to long term borrowing in local currencies in the countries of where the assets are located.

(in thousands of Euro)

15. Lease liability and Right of Use of land (continued)

The movement in Right of Use of land for the nine months ended 30 September 2019 and year ended 31 December 2018 was as follows:

	30 September 2019	31 December 2018
Balance as of 31 December 2018	**-**	**-**
Recognition of Right of Use asset for lands under perpetual usufruct (*)	46,580	-
Recognition of Right of Use for property plant and equipment	94	
Amortization of right of use	(314)	-
Prepaid right of use of lands under perpetual usufruct	(294)	-
Foreign exchange differences	164	-
Balance as of 30 September 2019	**46,230**	**-**

The movement in lease liability for the nine months ended 30 September 2019 and year ended 31 December 2018 was as follows:

	30 September 2019	31 December 2018
Balance as of 31 December 2018	**-**	**-**
Recognition of lease liability for lands under perpetual usufruct (*)	46,580	-
Recognition of Right of Use for property plant and equipment	94	
Payments of leases	(1,682)	-
Change in provision for disputable amounts of perpetual usufruct	(352)	-
Change in accrued interest	1,367	-
Foreign exchange differences	(205)	-
Balance as of 30 September 2019	**45,802**	**-**

(*) IFRS 16 was adopted on 1 January 2019

(in thousands of Euro)

16. Advance received

Advances received comprises the following amounts:

	30 September 2019 (unaudited)	31 December 2018 (audited)
Sale of investment properties landbank	-	3,817
Rental income received in advance	1,236	1,020
	1,236	**4,837**

17. Receivables related to expropriation of land

An amount of Euro 4.9 million was approved by the Romanian State to be paid to the Group as compensation for expropriated land in Bucharest and recognized as receivable as of December 31, 2018. The amount was paid to the Group on January 11, 2019.

18. Taxation

Regulations regarding VAT, corporate income tax and social security contributions are subject to frequent changes. These frequent changes result in there being little point of reference, inconsistent interpretations not consistent and few established precedents that may be followed. The binding regulations also contain uncertainties, resulting in differences in opinion regarding the legal interpretation of tax regulations both between government bodies, and between government bodies and companies. Tax settlements and other areas of activity (e.g. customs or foreign currency related issues) may be subject to inspection by administrative bodies authorised to impose high penalties and fines, and any additional taxation liabilities calculated as a result must be paid together with high interest. The above circumstances mean that tax exposure is greater in Group's countries than in countries that have a more established taxation system.

Effective 15 July 2016, the Polish Tax Code was amended for the General Anti-Abuse Rule (GAAR) provisions. The new regulation will require significantly more judgement in assessment of the tax consequences of particular transactions.

(in thousands of Euro)

19. Capital and Reserves

Share capital

As at 30 September 2019, the shares structure was as follows:

Number of Shares	Share series	Total value in PLN	Total value in Euro
139,286,210	A	13,928,621	3,153,995
1,152,240	B	115,224	20,253
235,440	B1	23,544	4,443
8,356,540	C	835,654	139,648
9,961,620	D	996,162	187,998
39,689,150	E	3,968,915	749,022
3,571,790	F	357,179	86,949
17,120,000	G	1,712,000	398,742
100,000,000	I	10,000,000	2,341,372
31,937,298	J	3,193,729	766,525
108,906,190	K	10,890,619	2,561,293
10,087,026	L	1,008,703	240,855
13,233,492	M	1,323,349	309,049
2,018,126	N	201,813	47,329
485,555,122		**48,555,512**	**11,007,473**

Shareholders who as at 30 September 2019 held above 5% of the Company shares were as follows:

- GTC Dutch Holdings B.V
- OFE PZU Zlota Jesien
- OFE AVIVA Santander

Capital reserve

Capital reserve represents a loss attributed to non-controlling partners of the Group, which crystalized once the Group acquired the non-controlling interest in the subsidiaries of the Group.

(in thousands of Euro)

20. Phantom shares

Certain key management personnel of the Company are entitled to specific payments resulting from phantom shares in the Company (the "Phantom Shares").

The Phantom shares (as presented in below mentioned table) have been accounted for based on future cash settlement.

Strike (PLN)	Blocked	Vested	Total
6.11	2,051,200	51,200	2,102,400
7.02	50,000		50,000
8.96	90,000	45,000	135,000
Total	**2,191,200**	**96,200**	**2,287,400**

As at 30 September 2019, phantom shares outstanding were as follows:

Last exercise date	Strike (in PLN)	Number of phantom shares
31/12/2020	7.02	50,000
30/06/2021	6.11	702,400
15/08/2021	6.11	500,000
31/12/2021	6.11	600,000
31/12/2021	8.96	105,000
30/06/2022	6.11	300,000
30/06/2022	8.96	30,000
Total		**2,287,400**

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(in thousands of Euro)

21. Earnings per share

Basic and diluted earnings per share were calculated as follows:

	Nine-month period ended 30 September 2019	Nine -month period ended 30 September 2018	Three-month period ended 30 September 2019	Three-month period ended 30 September 2018
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Profit for the period attributable to equity holders (euro)	62,575,000	68,375,000	19,893,000	22,784,000
Weighted average number of shares for calculating basic earnings per share	484,357,553	475,538,732	485,555,122	483,536,996
Basic earnings per share (euro)	0.13	0.14	0.04	0.05

There have been no potentially dilutive instruments as at 30 September 2019, 30 September 2018.

22. Restatement

The Company changed the presentation of investment property in its statement of financial position as of 31 December 2018 as following:

	31 December 2018	31 December 2018
	(restated)	(reported)
Investment property	2,113,068	1,981,961
Investment property landbank	-	131,107

23. Subsequent events

In November 2019, the Company issued new bonds denominated in PLN with a total amount of PLN 220 million to be repaid in in three equal tranches from November 2022 to November 2023.

24. Release date

The interim condensed consolidated financial statements were authorised for issue by the Management Board on 13 November 2019.

Ernst & Young Audyt Polska
spółka z ograniczoną odpowiedzialnością sp. k.
Rondo ONZ 1
00-124 Warszawa

+48 (0) 22 557 70 00
+48 (0) 22 557 70 01
warszawa@pl.ey.com
www.ey.com/pl

INDEPENDENT AUDITOR'S REPORT
ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders and Supervisory Board of Globe Trade Centre S.A.

Introduction

We have reviewed the interim condensed consolidated financial statements of Globe Trade Centre S.A. Capital Group ('the Group'), for which the holding company is Globe Trade Centre S.A. (the 'Company'), located in Warsaw, at Komitetu Obrony Robotników 45A street, including: the interim condensed consolidated statement of financial position as at 30 September 2019, the interim condensed consolidated income statement, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity, the interim condensed consolidated statement of cash flows for the nine-month period ended 30 September 2019 and notes ('the interim condensed consolidated financial statements').

The Company's Management is responsible for the preparation and presentation of the interim condensed consolidated financial statements in accordance with the requirements of International Accounting Standard 34 Interim Financial Reporting as adopted by the European Union ('IAS 34').

Our responsibility is to express a conclusion on the interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity ('standard'). A review of interim condensed financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with the requirements of International Accounting Standard 34 Interim Financial Reporting as adopted by the European Union.

Other matters

On 13 November 2019 we also reported separately on the interim condensed consolidated financial statements of Globe Trade Centre S.A. for the same period, prepared in accordance with IAS 34 using Polish zloty as the presentation currency.

Warsaw, 13 November 2019

on behalf of
Ernst & Young Audyt Polska spółka
z ograniczoną odpowiedzialnością sp. k.
Rondo ONZ 1, 00-124 Warsaw
Reg. No. 130

Jaroslaw Dac
Certified Auditor
No. 10138