



GLOBE TRADE CENTRE S.A.

UNAUDITED INTERIM CONDENSED

CONSOLIDATED

FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD

ENDED 30 SEPTEMBER 2021

**TOGETHER WITH INDEPENDENT AUDITORS' REVIEW
REPORT**

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Financial Position
as of 30 September 2021
(in thousands of Euro)

		30 September 2021 (unaudited)	31 December 2020 (audited)
	Note		
ASSETS			
Non-current assets			
Investment property	8	2,220,390	2,125,128
Residential landbank	18	26,219	10,094
Property, plant and equipment		7,365	7,785
Blocked deposits	10	10,914	10,979
Deferred tax asset		2,576	616
Other non-current assets		173	159
		2,267,637	2,154,761
Loan granted to non-controlling interest partner	9	10,559	11,252
Total non-current assets		2,278,196	2,166,013
Current assets			
Accounts receivables		7,329	5,873
Accrued income		2,192	878
VAT and other tax receivable	12	2,096	2,343
Income tax receivable		394	1,036
Prepayments and deferred expenses	17	11,885	3,604
Short-term blocked deposits	10	14,336	27,434
Cash and cash equivalents		91,598	271,996
		129,830	313,164
Assets held for sale	16	290,556	1,580
TOTAL ASSETS		2,698,582	2,480,757

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Financial Position
as of 30 September 2021
(in thousands of Euro)

		30 September 2021 (unaudited)	31 December 2020 (audited)
	Note		
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	22	11,007	11,007
Share premium		550,522	550,522
Capital reserve		(49,489)	(49,489)
Hedge reserve		(19,605)	(11,930)
Foreign currency translation		(2,656)	(2,553)
Accumulated profit		492,325	460,053
		982,104	957,610
Non-controlling interest	9	16,443	16,538
Total Equity		998,547	974,148
Non-current liabilities			
Long-term portion of long-term borrowing	14	1,268,884	1,067,867
Deposits from tenants		10,914	10,979
Long term payable		1,402	2,524
Provision for share based payment		1,455	977
Lease liability	15	37,952	42,891
Derivatives	11	22,169	15,895
Provision for deferred tax liability		132,817	133,230
		1,475,593	1,274,363
Current liabilities			
Trade payables and provisions	13	23,613	27,299
Deposits from tenants		1,512	1,790
Current portion of long-term borrowing	14	28,826	193,425
VAT and other taxes payable		2,381	1,551
Income tax payable		674	4,220
Derivatives	11	1,433	3,365
Current portion of lease liabilities	15	190	163
Advances received		786	433
		59,415	232,246
Liabilities related to assets held for sale	16	165,027	-
TOTAL EQUITY AND LIABILITIES		2,698,582	2,480,757

Globe Trade Centre S.A.
Interim Condensed Consolidated Income Statement
for the nine-month period ended 30 September 2021
(in thousands of Euro)

		Nine-month period ended 30 September 2021 (unaudited)	Nine-month period ended 30 September 2020 (unaudited)	Three-month period ended 30 September 2021 (unaudited)	Three-month period ended 30 September 2020 (unaudited)
	Note				
Rental revenue	5	94,615	91,697	34,832	32,659
Service charge revenue	5	29,808	29,877	10,743	10,225
Service charge costs	5	(31,529)	(30,591)	(11,505)	(10,536)
Gross margin from operations		92,894	90,983	34,070	32,348
Selling expenses		(1,183)	(1,002)	(422)	(295)
Administration expenses	6	(9,323)	(7,183)	(3,064)	(2,629)
Profit/(loss) from revaluation / impairment of assets	8	(2,111)	(66,915)	(1,031)	917
Other income		306	769	65	714
Other expenses		(649)	(1,101)	(305)	(552)
Profit/(loss) from continuing operations before tax and finance income / expense		79,934	15,551	29,313	30,503
Foreign exchange differences gain / (loss), net		(438)	(4,109)	(289)	(873)
Finance income		223	252	73	79
Finance cost	7	(33,922)	(25,331)	(12,308)	(8,280)
Profit/(loss) before tax		45,797	(13,637)	16,789	21,429
Taxation	20	(12,720)	(2,868)	(5,211)	(4,110)
Profit / (loss) for the period		33,077	(16,505)	11,578	17,319
Attributable to:					
Equity holders of the Company		32,272	(16,386)	11,312	17,233
Non-controlling interest	9	805	(119)	266	86
Basic earnings / (losses) per share (in Euro)	23	0.07	(0.03)	0.02	0.04

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Comprehensive Income
for the nine-month period ended 30 September 2021
(In thousands of Euro)

	Nine-month period ended 30 September 2021 (unaudited)	Nine-month period ended 30 September 2020 (unaudited)	Three-month period ended 30 September 2021 (unaudited)	Three-month period ended 30 September 2020 (unaudited)
Profit /(loss) for the period	33,077	(16,505)	11,578	17,319
<i>Net other comprehensive income for the period, net of tax not to be reclassified to profit or loss in subsequent periods</i>				
Gain/(Loss) on hedge transactions	(8,069)	(2,664)	(2,981)	(435)
Income tax	394	368	184	69
Net gain/(loss) on hedge transactions	(7,675)	(2,296)	(2,797)	(366)
Foreign currency translation	(103)	(4,057)	(84)	(1,050)
<i>Net other comprehensive income for the period, net of tax to be reclassified to profit or loss in subsequent periods</i>	(7,778)	(6,353)	(2,881)	(1,416)
Total comprehensive income/(loss) for the period, net of tax	25,299	(22,858)	8,697	15,903
Attributable to:				
Equity holders of the Company	24,494	(22,739)	8,431	15,817
Non-controlling interest	805	(119)	266	86

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Changes in Equity
for the nine-month period ended 30 September 2021
(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 2021 (audited)	11,007	550,522	(49,489)	(11,930)	(2,553)	460,053	957,610	16,538	974,148
Other comprehensive income/(loss)	-	-	-	(7,675)	(103)	-	(7,778)	-	(7,778)
Profit for the period ended 30 September 2021	-	-	-	-	-	32,272	32,272	805	33,077
Total comprehensive income / (loss) for the period	-	-	-	(7,675)	(103)	32,272	24,494	805	25,299
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	(900)	(900)
Balance as of 30 September 2021 (unaudited)	11,007	550,522	(49,489)	(19,605)	(2,656)	492,325	982,104	16,443	998,547

	Share Capital	Share premium	Capital reserve	Hedge reserve	Foreign currency translation reserve	Accumulated profit	Total	Non-controlling interest	Total
Balance as of 1 January 2020 (audited)	11,007	550,522	(43,098)	(4,994)	943	530,242	1,044,622	14,040	1,058,662
Other comprehensive income/(loss)	-	-	-	(2,296)	(4,057)	-	(6,353)	-	(6,353)
Profit /(Loss) for the period ended 30 September 2020	-	-	-	-	-	(16,386)	(16,386)	(119)	(16,505)
Total comprehensive income / (loss) for the period	-	-	-	(2,296)	(4,057)	(16,386)	(22,739)	(119)	(22,858)
Acquisition of non-controlling interest	-	-	(6,391)	-	-	-	(6,391)	3,590	(2,801)
Balance as of 30 September 2020 (unaudited)	11,007	550,522	(49,489)	(7,290)	(3,114)	513,856	1,015,492	17,511	1,033,003

Globe Trade Centre S.A.
Notes to the Interim Condensed Consolidated Financial Statements
for the nine-month period ended 30 September 2021
(In thousands of Euro)

		Nine-month period ended 30 September 2021 (unaudited)	Nine-month period ended 30 September 2020 (unaudited)
	Note		
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit/ (loss) before tax		45,797	(13,637)
Adjustments for:			
Loss/(profit) from revaluation/impairment of assets and residential projects	8	2,111	66,915
Foreign exchange differences loss/(gain), net		438	4,109
Finance income		(223)	(252)
Finance cost	7	33,922	25,331
Provision for share based payment loss/(profit)	6	478	(1,059)
Depreciation		490	478
Operating cash before working capital changes		83,013	81,885
Decrease / (increase) in accounts receivables and prepayments and other current assets		(3,074)	(454)
Decrease / (increase) in advances received		775	784
Increase / (decrease) in deposits from tenants		2,286	(34)
Increase / (decrease) in trade and other payables		1,165	(1,640)
Cash generated from operations		84,165	80,541
Tax paid in the period		(7,388)	(5,021)
Net cash from operating activities		76,777	75,520
CASH FLOWS FROM INVESTING ACTIVITIES:			
Expenditure on investment property and property, plant and equipment	8	(68,182)	(64,658)
Purchase of completed assets and land	8	(260,882)	-
Purchase of residential landbank	18	(12,807)	-
Decrease in short term deposits designated for investment		922	5,777
Purchase of minority		-	(1,802)
Sale of investment property		-	500
Sale of subsidiary		595	-
Advances received for assets held for sale	16	1,080	-
VAT/tax on purchase/sale of investment property		247	1,410
Interest received		16	45
Net cash used in investing activities		(339,011)	(58,728)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from long-term borrowings	14	699,123	157,248
Repayment of long-term borrowings	14	(580,179)	(183,729)
Interest paid and other financing breaking fees		(26,350)	(22,582)
Repayment of lease liability		(516)	(156)
Loans origination payment		(7,561)	(954)
Decrease/(Increase) in short term deposits		6,313	(1,375)
Net cash from /(used) in financing activities		90,830	(51,548)
Net foreign exchange difference		(626)	(5,802)
Net increase/ (Decrease) in cash and cash equivalents		(172,030)	(40,558)
Cash and cash equivalents at the beginning of the period	21	271,996	179,636
Cash and cash equivalents at the end of the period	21	99,966	139,078

1. Principal activities

Globe Trade Centre S.A. (the “Company” or “GTC”) with its subsidiaries (“GTC Group” or “the Group”) is an international real estate developer and investor. The Company was registered in Warsaw on 19 December 1996. The Company’s registered office is in Warsaw, Poland at Komitetu Obrony Robotników 45a Street. The Company owns, through its subsidiaries, commercial and residential real estate companies with a focus on Poland, Hungary, Bucharest, Belgrade, Zagreb and Sofia. There is no seasonality in the business of the Group companies.

As of 30 September 2021, the majority shareholder of the Company is GTC Holding Zrt., which holds directly and indirectly 320,466,380 shares of GTC S.A., entitling to 320,466,380 votes in the Company, representing 66% of the Company’s share capital and carrying the right to 66% of the total number of votes in GTC S.A. GTC Holding Zrt. holds directly 21,891,289 shares of the Company, entitling to 21,891,289 votes in GTC S.A., representing 4.51% of the Company’s share capital and carrying the right to 4.51% of the total number of votes in GTC S.A. and indirectly (i.e. through GTC Dutch Holdings B.V.) holds 298,575,091 shares in the Company, entitling to 298,575,091 votes in GTC S.A., representing 61.49% of the Company’s share capital and carrying the right to 61.49% of the total number of votes in the Company.

EVENTS IN THE PERIOD

On 8 January 2021, GTC Pixel and GTC Francuska signed a loan agreement with Santander Bank Polska, which refinanced the existing loans. GTC Pixel repaid the loan in PKO BP in the amount of EUR 19.2 million and obtained the new loan in Santander Bank Polska in the amount of EUR 19.7 million. GTC Francuska repaid the loan in ING in the amount of EUR 18.9 million and obtained the new loan in Santander Bank Polska in the amount of EUR 19.3 million.

On 5 March 2021, GTC S.A. repaid all bonds issued under ISIN code PLGTC0000276 (full redemption). The original nominal value was EUR 20,494.

On 11 March 2021, GTC Real Estate Development Hungary Zrt, a wholly-owned subsidiary of the Company, signed a sale purchase agreement to acquire a Napred company, Belgrade, holding a land plot of 19,537 sqm for a consideration of EUR 33.8 million from Groton Global Corp. The site has potential office development of ca 79,000 sqm. The transaction is expected to be finalized during 2021 upon certain conditions precedents are fulfilled.

1. Principal activities (continued)

On 17 March 2021, GTC Real Estate Development Hungary Zrt., a wholly-owned subsidiary of the Company issued 10-year green bonds with a total nominal value of EUR 53.8 million denominated in HUF to finance real estate acquisitions, redevelopment, and constructions of eligible projects. The bonds are fully, and irrevocable guaranteed by the Company and were issued at a yield of 2.68% with an annual fixed coupon of 2.6%. The bonds are amortized 10% a year starting on the 7th year, with 70% of the value paid at the maturity on 17 March 2031.

On 17 March 2021, GTC Real Estate Development Hungary Zrt., a wholly-owned subsidiary of the Company, entered into cross-currency interest swap agreements with two different banks to hedge the total green bonds liability against foreign exchange fluctuations. The green bonds were fixed to the Euro, and the fixed annual coupon was swapped for an average annual interest fixed rate of 0.93%.

On 18 March 2021, Erste Group Bank AG, Raiffeisenlandesbank Niederösterreich-Wien AG and GTC CTWA Sp. z o.o., a wholly-owned subsidiary of the Company, operating Galeria Jurajska shopping mall, signed a waiver letter, according to which the DSCR covenant was waived until the end of September 2022 and a prepayment of EUR 5 million was made at the end of March 2021.

On 19 March 2021, City Gate SRL and City Gate Bucharest SRL wholly-owned subsidiaries of the Company signed prolongation of the loan agreement with Erste Group Bank AG for additional five years.

On 19 March 2021, Commercial Development d.o.o. Beograd, a wholly-owned subsidiary of the Company, operating Ada Mall, and Intesa Bank signed a restated loan agreement whereby the existing loan in the amount of EUR 58.3 million was early prepaid by 31 March 2021 in the amount of EUR 29 million and the margin reduced from 3.15% to 2.9%. Following the prepayment, the outstanding loan amount shall be payable in full at maturity in 2029.

On 1 April 2021, GTC Corius, a wholly-owned subsidiary of the Company, signed a loan agreement prolongation with Berlin Hyp Bank, for additional five years.

1. Principal activities (continued)

On 30 April 2021, Globe Office Investments Ltd, an indirect wholly-owned subsidiary of the Company, acquired from a company related to the majority shareholder of the Company a 15,700 sqm Class A office building on Váci corridor (Vaci Green D) in Budapest for a consideration of EUR 51 million. The transaction was partially financed by a bank facility in the amount of EUR 25 million.

On 7 May 2021, GTC Sterlinga Sp. z o.o., a wholly-owned subsidiary of the Company, signed a prolongation of the loan agreement with Pekao S.A. for additional five years.

On 12 May 2021, GTC Real Estate Development Hungary Zrt., a wholly-owned subsidiary of the Company, acquired 100% holding of Winmark Ingatlanfejlesztő Kft ("Winmark"), which owns the Ericsson Headquarter Office Building and the Siemens Evosoft Headquarter Office Building two class A office buildings in Budapest from WING Real Estate Group for a consideration of EUR 160.3 million, which was financed partially by a bank facility in the amount of EUR 80 million.

On 21 May 2021, GTC signed a sale and purchase agreement, concerning the sale of the entire share capital of Serbian subsidiaries: Atlas Centar d.o.o. Beograd ("Atlas Centar"), Demo Invest d.o.o. Novi Beograd ("Demo Invest"), GTC BBC d.o.o. ("BBC"), GTC Business Park d.o.o. Beograd ("Business Park"), GTC Medjunarodni Razvoj Nekretnina d.o.o. Beograd ("GTC MRN") and Commercial and Residential Ventures d.o.o. Beograd ("CRV"). The purchase price under the Agreement shall be calculated on an enterprise value basis, based on a property value of aggregate EUR 267.6 million. The closing of the transaction is expected to take place during the fourth quarter of 2021 following the satisfaction of customary conditions precedent, including the completion of acquisition debt financing by the Buyer.

On 1 June 2021, GOC EAD, a wholly-owned subsidiary of the Company, acquired a land plot in Sofia with an area of 2,417 sqm for a total amount of EUR 4.7 million. The Group plans to develop an office building in Sofia, Bulgaria with a leasable area of 9,200 sqm.

On 8 June 2021, two rating agencies assigned a corporate family rating ("CFR") to GTC: Moody's Investors Service ("Moody's") – Ba1 and Fitch Ratings ("Fitch") – BBB-. Outlook for the assigned ratings is positive (Moody's) and stable (Fitch). After the issue of EUR 500 million fixed-rate, senior unsecured green bonds due 2026, Moody's and Fitch assigned credit ratings for issued bonds on the same level as CFR. Bonds were issued by GTC Aurora Luxembourg S.A., a wholly-owned subsidiary of the Company, and guaranteed by the Company.

1. Principal activities (continued)

On 23 June 2021, GTC Aurora Luxembourg S.A., a wholly-owned subsidiary of the Company, issued 5-year unsecured green bonds with the total nominal value of EUR 500 million denominated in EUR to primarily refinance existing secured debt on its projects whose activities meet the eligibility criteria detailed in the GTC's Green Bond Framework, as well as for general corporate purposes. The bonds are guaranteed by the Company and were issued at a yield of 2.375% with an annual fixed coupon of 2.25%. The bonds are paid at the maturity on 23 June 2026.

On 25 June 2021, GTC Metro Kft., a wholly-owned subsidiary of the Company, repaid the full outstanding amount of the loan with CIB bank in the amount of EUR 13 million.

On 29 June 2021, the Annual General Meeting adopted a resolution regarding the capital increase of up to 20% of the existing share capital. As per the Annual General Meeting authorization, the Management may conduct the transaction within the next six months.

On 30 June 2021, Centrum Światowida Sp. z o.o., a wholly-owned subsidiary of the Company, repaid the full outstanding amount of the loan with Bank Polska Kasa Opieki S.A. and Commercial Bank of China (Europe) S.A. in the total amount of EUR 174.1 million.

On 30 June 2021, GTC Korona S.A., a wholly-owned subsidiary of the Company, repaid the full outstanding amount of the loan with Santander Bank Polska S.A. in the amount of EUR 41.6 million.

On 30 June 2021, GTC Matrix d.o.o., a wholly-owned subsidiary of the Company, repaid the full outstanding amount of the loan with Erste bank in the amount of EUR 23.5 million.

On 30 June 2021, Advance Business Center EAD, a wholly-owned subsidiary of the Company, repaid the full outstanding amount of the loan with UniCredit bank in the amount of EUR 41.1 million.

On 30 June 2021, City Gate Bucharest S.R.L. and City Gate S.R.L., a wholly-owned subsidiaries of the Company, repaid the full outstanding amount of the loan with Erste bank in the amount of EUR 62 million.

1. Principal activities (continued)

On 30 June 2021, Venus Commercial Center S.R.L., a wholly-owned subsidiary of the Company, repaid the full outstanding amount of the loan with Alpha bank in the amount of EUR 13.8 million.

On 30 June 2021, GTC HBK Project Ltd, an indirect wholly-owned subsidiary of the Company, acquired from a company related to the majority shareholder of the Company a 6,400 sqm mixed-used retail and office asset in Budapest for the total consideration of EUR 21 million. The acquisition was partially financed by a bank facility in the amount of EUR 10.8 million.

On 30 June 2021, GTC VI188 Property Ltd, an indirect wholly-owned subsidiary of the Company, acquired from a company related to the majority shareholder of the Company a 15,000 sqm Class A office building in Budapest for a consideration of EUR 31.2 million. The acquisition was partially financed by a bank facility in the amount of EUR 16.2 million.

On 15 July 2021, Cascade Building SRL, a wholly-owned subsidiary of the Company, repaid the full outstanding amount of the loan with Banca Transilvania S.A. in the total amount of EUR 3.6 million.

On 22 July 2021, GTC FOD Kft, an indirect wholly-owned subsidiary of the Company, acquired from a company related to the majority shareholder of the Company a 24,000 sqm Class A Office Building in Debrecen, the second-largest city in Hungary, for consideration of EUR 46.7 million.

On 31 August 2021, Dorado 1 EOOD, a wholly-owned subsidiary of the Company, operating Mall of Sofia, repaid the full outstanding amount of the loan with OTP Bank in the total amount of EUR 53.4 million.

On 9 September 2021, Europort Investments (Cyprus) 1 Limited, a wholly-owned subsidiary of the Company, sold shares of all its subsidiaries holding two land plots in Ukraine (Odessa) for an amount of EUR 0.6 million. Subsequently to the sale, the Company no longer has any assets or holds any entities in Ukraine.

On 21 September 2021, GTC KLZ 7-10 Ltd, an indirect wholly owned subsidiary of the Company, acquired from an investment fund related to the majority shareholder of the Company a land plot of 3,750 sqm for the total consideration of EUR 12.8 million. The site has potential residential development ca. 17,000 sqm.

1. Principal activities (continued)

On 21 September 2021, GTC Origine Investments Pltd, a wholly owned subsidiary of the Company, acquired 100% holding of G-Delta Adrsy Ltd from an investment fund related to the majority shareholder of the Company, which owns an existing office building for a future refurbishment with a GLA of 3,600 sqm for consideration of EUR 10.8 million. The office building is located in the CBD of Budapest.

On 28 September 2021, Commercial Development d.o.o. Beograd, a wholly-owned subsidiary of the Company, operating Ada Mall, repaid the entire outstanding amount of the loan with Intesa Bank in the total amount of EUR 29.3 million.

2. Basis of preparation

The Interim Condensed Consolidated Financial Statements for the nine-month period ended 30 September 2021 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 significant difference between International Financial Reporting Standards applying to these consolidated financial statements and International Financial Reporting Standards endorsed by the European Union. The new standards which have been issued but are not effective yet in the financial year beginning on 1 January 2021 have been presented in the Group's consolidated financial statements for the year ended 31 December 2020 (note 6). Also there is no significant changes in accounting estimates used by the Group. For valuation of Serbian offices and newly acquired land in Bulgaria (GOC EAD) transaction approach was used. Asset deal approach was used for Winmark and G-Delta Adrsy transactions (please refer to note 1), as it is qualified in accordance with IFRS 3.

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 2020, which were authorized for issue on 22 March 2021. 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.

2. Basis of preparation (continued)

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 affecting earnings for the period.

As of 30 September 2021, the Group’s net working capital (defined as current assets less current liabilities) amounted to EUR 70.4 million.

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 interim condensed 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.

Covid- 19 Outbreak

It became apparent that the economic disruptions caused by the Covid-19 virus and the increased market uncertainty combined with an increased volatility in the financial markets might lead to a potential decrease in the Company assets’ values, as well as impact on the Company’s compliance with financial covenants (for further information please see note 19).

3. Significant accounting policies and new standards, interpretations amendments adopted by the Group

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 2020 (see Note 7 to the consolidated financial statements for 2020) except for changes in the standards which became effective 1 January 2021:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2 (issued on 27 August 2020). These amendments complement those made in 2019 ('IBOR – phase 1') and focus on the effects on entities when an existing interest rate benchmark is replaced with a new benchmark rate as a result of the reform.
- Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9 (issued on 25 June 2020)

Those amendments to the standards have no significant effect on the Group's consolidated financial statements.

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.

Globe Trade Centre S.A.
Notes to the Interim Condensed Consolidated Financial Statements
for the nine-month period ended 30 September 2021
(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, and voting rights proportion as at the end of each period (the table presents the effective stake):

Subsidiaries

Name	Holding Company	Country of incorporation	30 September 2021	31 December 2020
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 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. (1)	GTC S.A.	Poland	100%	100%
Glorine Investments Sp. z o.o. s.k.a. (1)	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%
GTC Hungary Real Estate Development Company PLtd. ("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")	Vaci Ut 81-85 Kft.	Hungary	100%	100%
Centre Point II. Kft.	Vaci Ut 81-85 Kft.	Hungary	100%	100%
Spiral I.Kft.	GTC Hungary	Hungary	100%	100%

(1) Under liquidation

Globe Trade Centre S.A.
Notes to the Interim Condensed Consolidated Financial Statements
for the nine-month period ended 30 September 2021
(in thousands of Euro)

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

Name	Holding Company	Country of incorporation	30 September 2021	31 December 2020
Albertfalva Üzletközpont Kft.	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.	GTC Hungary	Hungary	100%	100%
VRK Tower Kft.	GTC Hungary	Hungary	100%	100%
GTC Future Kft.	GTC Hungary	Hungary	100%	100%
Globe Office Investments Kft.	GTC Hungary	Hungary	100%	100%
Office Planet Kft. (3)	GTC Hungary	Hungary	100%	-
Halsey Investments Sp. z.o.o. (4)	GTC Hungary	Poland	100%	-
GTC Univerzum Projekt Kft. (previously Winmark Kft.) (4)	GTC Hungary	Hungary	100%	-
GTC Origine Investments Pltd. ("GTC Origine") (3)	GTC S.A.	Hungary	100%	-
GTC HBK Project Kft. (3)	GTC Origine	Hungary	100%	-
GTC VI188 Property Kft. (3)	GTC Origine	Hungary	100%	-
GTC FOD Property Kft. (3)	GTC Origine	Hungary	100%	-
G-Delta Adrssy Kft. (4)	GTC Origine	Hungary	100%	-
GTC KLZ 7-10 Kft. (3)	GTC Origine	Hungary	100%	-
GTC Nekretnine Zagreb d.o.o.	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	100%	100%
Nova Istra Idaeus d.o.o.	Marlera Golf LD d.o.o	Croatia	100%	100%
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%
Green Dream S.R.L.	GTC S.A.	Romania	100%	100%
Aurora Business Complex S.R.L.	GTC S.A.	Romania	100%	100%
Cascade Building S.R.L.	GTC S.A.	Romania	100%	100%
City Gate Bucharest S.R.L.	GTC S.A.	Romania	100%	100%
Venus Commercial Center S.R.L.	GTC S.A.	Romania	100%	100%
Beaufort Invest S.R.L. (2)	GTC S.A.	Romania	-	100%
Fajos S.R.L. (2)	GTC S.A.	Romania	-	100%
City Gate S.R.L.	GTC S.A.	Romania	100%	100%
City Rose Park 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) Under liquidation

(2) Liquidated

(3) Newly established wholly owned subsidiary

(4) Acquired

The accompanying notes are an integral part of this Interim Condensed Consolidated Financial Statements

Globe Trade Centre S.A.
Notes to the Interim Condensed Consolidated Financial Statements
for the nine-month period ended 30 September 2021
(in thousands of Euro)

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

Name	Holding Company	Country of incorporation	30 September 2021	31 December 2020
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%
GOC EAD (3)	GTC S.A.	Bulgaria	100%	-
GTC Medj Razvoj Nekretnina d.o.o. Beograd (5)	GTC S.A.	Serbia	100%	100%
GTC Business Park d.o.o. Beograd (5)	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 (5)	GTC S.A.	Serbia	100%	100%
Atlas Centar d.o.o. Beograd (5)	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. (5)	GTC S.A.	Serbia	100%	100%
GTC Aurora Luxembourg S.A. (3)	GTC S.A.	Luxembourg	100%	-
Europort Investment (Cyprus) 1 Limited	GTC S.A.	Cyprus	100%	100%
	Europort Investment (Cyprus) 1 Limited	Ukraine	-	100%
Europort Ukraine Holdings 1 LLC (6)				
	Europort Investment (Cyprus) 1 Limited	Ukraine	-	100%
Europort Ukraine LLC (6)				
	Europort Investment (Cyprus) 1 Limited	Ukraine	-	100%
Europort Project Ukraine 1 LLC (6)				
	Europort Investment (Cyprus) 1 Limited			

(3) Newly established wholly owned subsidiary

(5) GTC S.A. holds 100% shares through a wholly-owned subsidiary Office Planet Kft, which has 70% of shares and remaining 30% is held directly by GTC S.A.

(6) Sold

Globe Trade Centre S.A.
Notes to the Interim Condensed Consolidated Financial Statements
for the nine-month period ended 30 September 2021
(in thousands of Euro)

5. Segmental analysis

Rental income divided by sectors is presented below:

	Nine-month period ended 30 September 2021 (unaudited)	Nine-month period ended 30 September 2020 (unaudited)	Three-month period ended 30 September 2021 (unaudited)	Three-month period ended 30 September 2020 (unaudited)
Rental income from office sector	85,895	82,012	30,685	27,870
Rental income from retail sector	38,528	39,562	14,890	15,014
TOTAL	124,423	121,574	45,575	42,884

The operating segments are aggregated into reportable segments, taking into consideration the nature of the business, operating markets, and other factors. GTC operates in six core markets: Poland, Hungary, Bucharest, Belgrade, Sofia, and Zagreb. Segment "Hungary" includes Budapest and Debrecen, earlier only Budapest.

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

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

Segment analysis of rental income and costs for the nine-month period ended 30 September 2021 and 30 September 2020 is presented below:

	2021			2020		
Portfolio	Revenues	Costs	Gross margin	Revenues	Costs	Gross margin
Poland	46,557	(12,855)	33,702	50,192	(14,467)	35,725
Belgrade	24,874	(6,017)	18,857	25,280	(6,123)	19,157
Hungary	22,624	(4,989)	17,635	17,094	(3,704)	13,390
Bucharest	11,724	(2,196)	9,528	12,784	(2,119)	10,665
Zagreb	9,600	(3,067)	6,533	7,961	(2,624)	5,337
Sofia	9,044	(2,405)	6,639	8,263	(1,554)	6,709
Total	124,423	(31,529)	92,894	121,574	(30,591)	90,983

Globe Trade Centre S.A.
Notes to the Interim Condensed Consolidated Financial Statements
for the nine-month period ended 30 September 2021
(in thousands of Euro)

5. Segmental analysis (continued)

Segment analysis of rental income and costs for the three-month period ended 30 September 2021 and 30 September 2020 is presented below:

	2021			2020		
Portfolio	Revenues	Costs	Gross margin	Revenues	Costs	Gross margin
Poland	16,579	(4,538)	12,041	18,416	(5,110)	13,306
Belgrade	8,362	(1,967)	6,395	8,711	(2,001)	6,710
Hungary	10,719	(2,224)	8,495	5,968	(1,200)	4,768
Bucharest	3,256	(748)	2,508	4,379	(730)	3,649
Zagreb	3,330	(1,019)	2,311	2,637	(935)	1,702
Sofia	3,329	(1,009)	2,320	2,773	(560)	2,213
Total	45,575	(11,505)	34,070	42,884	(10,536)	32,348

Segment analysis of assets and liabilities as of 30 September 2021 is presented below:

	Real estate	Cash and deposits	Other	Total assets	Loans, bonds and leases	Deferred tax liability	Other	Total liabilities
Poland	905,187	41,927	2,902	950,016	301,776	61,658	14,529	377,963
Belgrade	377,149	16,848	4,547	398,544	147,882	10,892	8,019	166,793
Hungary	678,900	31,991	12,578	723,469	427,392	15,853	9,127	452,372
Bucharest	186,687	9,055	1,387	197,129	15,067	12,755	3,413	31,235
Zagreb	161,699	7,013	11,394	180,106	43,695	16,856	4,540	65,091
Sofia	188,276	3,824	2,088	194,188	32	8,685	3,015	11,732
Other	29,052	490	1	29,543	-	-	-	-
Non allocated	-	19,996	5,591	25,587	558,310	17,010	19,529	594,849
Total	2,526,950	131,144	40,488	2,698,582	1,494,154	143,709	62,172	1,700,035

Globe Trade Centre S.A.
Notes to the Interim Condensed Consolidated Financial Statements
for the nine-month period ended 30 September 2021
(in thousands of Euro)

5. Segmental analysis (continued)

Segment analysis of assets and liabilities as of 31 December 2020 is presented below:

	Real estate	Cash and deposits	Other	Total assets	Loans, bonds and leases	Deferred tax liability	Other	Total liabilities
Poland	906,313	44,939	3,872	955,124	532,127	59,536	14,005	605,668
Belgrade	370,123	13,316	3,711	387,150	211,497	10,373	8,628	230,498
Hungary	321,704	149,239	4,680	475,623	223,862	12,240	17,617	253,719
Bucharest	197,247	13,527	1,119	211,893	104,974	11,816	3,103	119,893
Zagreb	159,319	5,905	12,305	177,529	67,142	16,728	4,383	88,253
Sofia	179,109	11,609	1,087	191,805	93,212	8,337	6,850	108,399
Other	9,521	17	18	9,556	-	-	1,141	1,141
Non allocated	-	71,857	220	72,077	78,370	14,200	6,468	99,038
Total	2,143,336	310,409	27,012	2,480,757	1,311,184	133,230	62,195	1,506,609

6. Administration expenses

Administration expenses for the period of nine-months ended 30 September 2021 and 30 September 2020 comprises the following amounts:

	Nine-month period ended 30 September 2021 (unaudited)	Nine-month period ended 30 September 2020 (unaudited)	Three-month period ended 30 September 2021 (unaudited)	Three-month period ended 30 September 2020 (unaudited)
Administration expenses	8,845	8,242	2,878	2,627
Share based payment	478	(1,059)	186	2
Total	9,323	7,183	3,064	2,629

Globe Trade Centre S.A.
Notes to the Interim Condensed Consolidated Financial Statements
for the nine-month period ended 30 September 2021
(in thousands of Euro)

7. Finance costs

Finance costs for the nine-month period ended 30 September 2021 and 30 September 2020 comprises the following amounts:

	Nine-month period ended 30 September 2021 (unaudited)	Nine-month period ended 30 September 2020 (unaudited)	Three-month period ended 30 September 2021 (unaudited)	Three-month period ended 30 September 2020 (unaudited)
Interest expenses (on financial liabilities that are not fair valued through profit or loss) and other charges	23,502	22,498	7,844	7,282
Early prepayment costs	5,102	-	2,566	-
Finance costs related to lease liability	1,459	1,513	484	539
Amortization of long-term borrowings raising costs	3,859	1,320	1,414	459
Total	33,922	25,331	12,308	8,280

The average interest rate (including hedges) on the Group's loans as of 30 September 2021 was 2.14% p.a. (2.3% p.a. as of 31 December 2020).

8. Investment Property

Investment properties that are owned by the Group are office and commercial space, including property under construction:

Investment property can be split up as follows:

	30 September 2021	31 December 2020
Completed investment property	1,933,677	1,879,173
Investment property under construction	110,340	62,909
Investment property landbank at cost	138,337	140,367
Right of use of lands under perpetual usufruct	38,036	42,679
Total	2,220,390	2,125,128

Globe Trade Centre S.A.
Notes to the Interim Condensed Consolidated Financial Statements
for the nine-month period ended 30 September 2021
(in thousands of Euro)

8. Investment Property (continued)

The movement in investment property for the periods ended 30 September 2021 and 31 December 2020 was as follows:

	Right of Use of land	Level 2	Level 3 at fair value	Level 3 at Cost	Total
Carrying amount as of 1 January 2020	44,485	1,346,097	741,172	115,276	2,247,030
Reclassification	-	(7,799)	-	7,799	-
Capitalised expenditure	-	11,446	48,184	8,065	67,695
Purchase of completed assets and land	-	5,600	-	16,502	22,102
Adjustment to fair value / (impairment)	-	(84,904)	(52,844)	(3,165)	(140,913)
Amortization of right of use of lands under perpetual usufruct	(440)	-	-	-	(440)
Increase	96	-	-	-	96
Reclassified to assets held for sale	-	-	-	(900)	(900)
Disposals	-	(62,649)	-	(500)	(63,149)
Foreign exchange differences	(1,462)	(4,830)	-	(101)	(6,393)
Carrying amount as of 31 December 2020	42,679	1,202,961	736,512	142,976	2,125,128
Capitalised expenditure	-	8,763	29,958	10,406	49,127
Purchase of completed assets and land	-	310,627	-	15,457	326,084
Adjustment to fair value / (impairment)	-	(2,039)	2,558	(2,367)	(1,848)
Prepaid right of use of lands under perpetual usufruct	(279)	-	-	-	(279)
Amortization of right of use of lands under perpetual usufruct	(254)	-	-	-	(254)
Reclassified to assets held for sale	(3,724)	-	(266,763)	-	(270,487)
Reclassified to residential landbank	-	-	-	(5,500)	(5,500)
Classified to assets for own use, net	-	(600)	-	-	(600)
Disposal of land	-	-	-	(595)	(595)
Decrease	(745)	-	-	-	(745)
Foreign exchange differences	359	-	-	-	359
Carrying amount as of 30 September 2021	38,036	1,519,712	502,265	160,377	2,220,390

Globe Trade Centre S.A.
Notes to the Interim Condensed Consolidated Financial Statements
for the nine-month period ended 30 September 2021
(in thousands of Euro)

8. Investment Property (continued)

Fair value and impairment adjustment consists of the following:

	Nine-month period ended 30 September 2021 (unaudited)	Nine-month period ended 30 September 2020 (unaudited)	Three-month period ended 30 September 2021 (unaudited)	Three-month period ended 30 September 2020 (unaudited)
Adjustment to fair value of completed investment properties	(3,677)	(64,871)	(2,640)	(2,667)
Adjustment to the fair value of investment properties under construction	4,106	555	3,569	4,635
Reversal of impairment/(Impairment) adjustment	(2,277)	(932)	(1,903)	(17)
Total adjustment to fair value / (impairment) of investment property	(1,848)	(65,248)	(974)	1,951
Reversal of impairment/(Impairment) of assets held for sale	21	(164)	(4)	(70)
Amortization of right of use of lands under perpetual usufruct (including on residential landbank)	(284)	(346)	(53)	(114)
Impairment of residential landbank	-	(1,157)	-	(850)
Total recognised in profit or loss	(2,111)	(66,915)	(1,031)	917

Reconciliation between capitalized expenditure and paid expenditure is presented below:

	Nine-month period ended 30 September 2021 (unaudited)	Nine-month period ended 30 September 2020 (unaudited)
Capitalized expenditure	375,211	48,314
Change in trade payables and provisions	1,897	16,133
Change in trade receivables	9,580	(16)
Loan related to Winmark acquisition (note 1)	(58,000)	-
Purchase of property, plant, and equipment	376	227
Paid expenditures in line with cash flow statement	329,064	64,658

Globe Trade Centre S.A.
Notes to the Interim Condensed Consolidated Financial Statements
for the nine-month period ended 30 September 2021
(in thousands of Euro)

8. Investment Property (continued)

Assumptions used in the fair value valuations of completed assets as of 30 September 2021 are presented below:

Portfolio	Book value	GLA thousand	Average Occupancy	Actual Average rent	Average ERV*	Fair Value Hierarchy Level	Average Yield****
	'000 Euro	sqm	%	Euro/ sqm/m	Euro/ sqm/m		%
Poland retail	443,000	113	94%	20.5	20.8	2	6.0%
Poland office	381,239	196	86%	14.6	14.2	2	7.7%
Belgrade office**	-	-	-	-	-	3	-
Belgrade retail	90,700	35	97%	18.5	21.3	3	8.1%
Hungary office	501,738	192	98%	15.0	15.5	2	6.7%
Hungary retail	21,650	6	86%	17.1	19.2	2	5.6%
Bucharest office	172,085	67	81%	18.6	17.8	2	6.9%
Zagreb retail***	85,300	28	99%	21.5	21.8	3	8.3%
Zagreb office***	61,165	28	90%	14.6	14.7	3	7.3%
Sofia office***	96,100	44	84%	14.5	14.6	3	6.7%
Sofia retail***	80,700	23	95%	19.3	23.6	3	6.4%
Total	1,933,677	732	91%	16.6	16.8		7.0%

(*) ERV- Estimated Rent Value (the open market rent value that a property can be reasonably expected to attain based on characteristics such as a condition of the property, amenities, location, and local market conditions)

(**) Reclassified to assets held for sale. There are no significant changes in valuation assumptions used (please refer to note 2).

(***) As of 30 September 2021 office part of shopping malls in Croatia and Bulgaria was separated for presentation purpose.

(****) Average yield is calculated as in-place rent divided by fair value of asset.

Assumptions used in the fair value valuations of completed assets as of 31 December 2020 are presented below:

Portfolio	Book value	GLA thousand	Average Occupancy	Actual Average rent	Average ERV	Fair Value Hierarchy Level	Average Yield****
	'000 Euro	sqm	%	Euro/ sqm/m	Euro/ sqm/m		%
Poland retail	443,000	113	93%	20.9	20.8	2	5.9%
Poland office	381,738	196	88%	14.6	14.3	2	7.8%
Belgrade office	264,781	122	93%	16.7	16.2	3	8.6%
Belgrade retail	90,700	35	97%	17.9	19.6	3	7.9%
Budapest office	206,138	97	95%	14.2	13.8	2	7.5%
Bucharest office	172,085	67	93%	20.5	17.7	2	8.3%
Zagreb retail	99,512	35	97%	20.2	20.6	3	8.2%
Zagreb office	44,719	21	76%	14.3	14.6	3	6.2%
Sofia office	75,800	34	79%	14.6	14.6	3	6.2%
Sofia retail	100,700	33	98%	18.8	20.8	3	7.0%
Total	1,879,173	753	91%	17.0	16.7		7.4%

(****) Average yield is calculated as in-place rent divided by fair value of asset.

Globe Trade Centre S.A.
Notes to the Interim Condensed Consolidated Financial Statements
for the nine-month period ended 30 September 2021
(in thousands of Euro)

8. Investment Property (continued)

Information regarding investment properties under construction as of 30 September 2021 is presented below:

	Book value	Estimated area (GLA)
	'000 Euro	thousand sqm
Budapest (Pillar)	88,300	29
Sofia (Sofia Tower 2)	15,221	8
Belgrade (GTC X)	6,819	17
Total	110,340	54

Information regarding investment properties under construction as of 31 December 2020 is presented below:

	Book value	Estimated area (GLA)
	'000 Euro	thousand sqm
Budapest (Pillar)	60,300	29
Sofia (Sofia Tower 2)	2,609	8
Total	62,909	37

Information regarding book value of investment property landbank for construction as of 30 September 2021 and 31 December 2020 is presented below:

	30 September 2021	31 December 2020
Poland	38,207	37,961
Serbia	-	10,164
Hungary	61,173	49,895
Romania	7,000	15,500
Croatia	14,792	14,638
Bulgaria	4,657	-
Total	125,829	128,158

Globe Trade Centre S.A.
Notes to the Interim Condensed Consolidated Financial Statements
for the nine-month period ended 30 September 2021
(in thousands of Euro)

8. Investment Property (continued)

Information regarding book value of investment property landbank (long term pipeline – with no current plan for construction) as of 30 September 2021 and 31 December 2020 is presented below:

	30 September 2021	31 December 2020
Poland	9,158	8,859
Hungary	3,350	3,350
Total	12,508	12,209
GRAND TOTAL	138,337	140,367

9. Non-controlling interest

The Company's subsidiary that holds Avenue Mall (Euro Structor d.o.o.) has granted in 2018 its shareholders a loan, pro-rata to their stake in the subsidiary. The loan principal and interest shall be repaid by 30 November 2022. In the event that Euro Structor renders a resolution for the 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 2021 (unaudited) is presented below:

	Avenue Mall	Non-core projects	Total
NCI share in equity	23,882	(7,439)	16,443
Loans received from NCI	-	8,702	8,702
Loans granted to NCI	(10,559)	-	(10,559)
Total as of 30 September 2021	13,323	1,263	14,586
NCI share in profit / (loss)	978	(173)	805

Dividend paid to non-controlling interest in amount of EUR 900 for 9 months 2021 was set-off against loan granted to NCI.

10. Blocked deposits

Blocked deposits include deposits related to loan agreements and other contractual commitments and can be used only for certain operating activities as determined by underlying agreements.

Blocked deposits related to contractual commitments include mostly tenants' deposit account, security account, capex accounts and deposits in order to settle contractual commitments related to the construction of this project.

11. Derivatives

The Group holds instruments (IRS, CAP, currency SWAP and cross-currency interest rate SWAP) that hedge the risk involved in fluctuations of interest rate and currencies rates. The instruments hedge interest on loans for a period of 2-5 years.

The movement in derivatives for the periods ended 30 September 2021 and 31 December 2020 was as follows:

	30 September 2021	31 December 2020
Fair value as of the beginning of the period	(19,260)	(6,085)
Charged to other comprehensive income (*)	(8,069)	(7,748)
Charged to income statements (**)	2,545	(5,427)
Reclassified to assets held for sale	1,182	-
Fair value as of the end of the period	(23,602)	(19,260)

(*) Increase is mainly attributable to the new cross-currency swap for bonds in HUF.

(**) This gain mainly offset a foreign exchange differences loss on bonds nominated in PLN and HUF.

Derivatives are measured at fair value at each reporting date. Valuations of hedges are considered as level 2 fair value measurements.

12. VAT and other tax receivable

VAT and other tax receivable represent VAT receivable on the purchase of assets and due to development activity.

13. Trade payables and provisions

The balance of trade payables and provisions decreased from EUR 27,299 to EUR 23,613 in the period ended 30 September 2021. The majority of the payables relates to development activity.

Globe Trade Centre S.A.
Notes to the Interim Condensed Consolidated Financial Statements
for the nine-month period ended 30 September 2021
(in thousands of Euro)

14. Long-term loans and bonds

	30 September 2021	31 December 2020
Bonds mature in 2022-2023 (Poland) (PLGTC0000318)	48,381	48,117
Green bonds mature in 2027-2030 (HU0000360102)	110,726	108,614
Green bonds mature in 2028-2031 (HU0000360284)	55,191	-
Green bonds mature in 2026 (XS2356039268)	500,320	-
Bonds 0321 (PLGTC0000276)	-	20,737
Bonds 0422 (PLGTC0000292)	9,609	9,515
Loan from Santander (Globis Poznan)	16,479	16,951
Loan from Santander (Korona Business Park)	-	41,966
Loan from Santander (Pixel)	19,183	-
Loan from PKO BP (Pixel)	-	19,224
Loan from Santander (Globis Wroclaw)	20,848	21,368
Loan from Berlin Hyp (Corius)	9,500	10,036
Loan from Pekao (Sterlinga)	14,744	15,138
Loan from Pekao (Galeria Polnocna)	-	175,404
Loan from PKO BP (Artico)	13,466	13,848
Loan from Erste and Raiffeisen (Galeria Jurajska)	116,469	125,125
Loan from Berlin Hyp (UBP)	41,760	42,413
Loan from Santander (Francuska)	18,794	-
Loan from ING (Francuska)	-	18,929
Loan from OTP (Centre Point)	48,314	49,669
Loan from CIB (Metro)	-	13,277
Loan from UniCredit Bank (Pillar)	44,053	13,718
Loan from OTP (Duna)	37,466	38,518
Loan from Erste (HBK)	10,775	-
Loan from Erste (Váci Greens D)	24,625	-
Loan from OTP (Ericsson/evosoft Hungary)	80,000	-
Loan from Erste (V188)	16,225	-
Loan from Erste (GTC House)*	-	14,820
Loan from Erste (19 Avenue) *	-	21,510
Loan from OTP (BBC)*	-	20,985
Loan from Intesa Bank (Green Heart)*	-	55,907
Loan from Raiffeisen Bank (Forty one)*	-	36,295
Loan from Intesa Bank (Ada)	-	58,256
Loan from Erste (City Gate)	-	71,951
Loan from Banca Transilvania (Cascade)	-	3,797
Loan from Alpha Bank (Premium)	-	14,486
Loan from OTP (Mall of Sofia)	-	54,668
Loan from UniCredit (ABC I)	-	18,816
Loan from UniCredit (ABC II)	-	19,622
Loan from Erste (Matrix)	-	21,921
Loan from Zagrebečka Banka (Avenue Mall Zagreb)	42,500	44,000
Loans from NCI	8,702	8,529
Deferred issuance debt expenses	(10,420)	(6,838)
Total	1,297,710	1,261,292

*Reclassified to liabilities related to assets held for sale.

Globe Trade Centre S.A.
Notes to the Interim Condensed Consolidated Financial Statements
for the nine-month period ended 30 September 2021
(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 2021	31 December 2020
Current portion of long term loans and bonds:		
Bonds mature in 2022-2023 (Poland) (PLGTC0000318)	894	442
Green bonds mature in 2027-2030 (HU0000360102)	885	-
Green bonds mature in 2028-2031 (HU0000360284)	270	-
Green bonds mature in 2026 (XS2356039268)	3,035	-
Bonds 0321 (PLGTC0000276)	-	20,737
Bonds 0422 (PLGTC0000292)	9,609	75
Loan from Santander (Globis Poznan)	629	629
Loan from Santander (Korona Business Park)	-	1,395
Loan from Santander (Pixel)	690	-
Loan from PKO BP (Pixel)	-	19,224
Loan from Berlin Hyp (UBP)	870	870
Loan from Erste and Raiffeisen (Galeria Jurajska)	4,875	4,875
Loan from Santander (Globis Wroclaw)	693	693
Loan from Berlin Hyp (Corius)	-	10,036
Loan from Pekao (Sterlinga)	525	15,138
Loan from PKO BP (Artico)	510	510
Loan from Pekao (Galeria Polnocna)	-	5,000
Loan from Santander (Francuska)	676	-
Loan from ING (Francuska)	-	18,929
Loan from OTP (Centre Point)	1,807	1,807
Loan from OTP (Duna)	1,401	1,401
Loan from Erste (Váci Greens D)	750	-
Loan from CIB (Metro)	-	1,172
Loan from Erste (GTC House)*	-	624
Loan from Erste (19 Avenue)*	-	994
Loan from Intesa Bank (Green Heart)*	-	2,873
Loan from OTP (BBC)*	-	805
Loan from Raiffeisen Bank (Forty one)*	-	1,853
Loan from Intesa Bank (Ada)	-	3,473
Loan from OTP (Mall of Sofia)	-	2,457
Loan from UniCredit (ABC I)	-	816
Loan from UniCredit (ABC II)	-	801
Loan from Zagrebacka Banka (Avenue Mall Zagreb)	2,000	2,000
Loan from Erste (Matrix)	-	580
Loan from Alpha Bank (Premium)	-	1,025
Loan from Banca Transilvania (Cascade)	-	240
Loan from Erste (City Gate)	-	71,951
Deferred issuance debt expenses	(1,293)	-
Total	28,826	193,425

*Reclassified to liabilities related to assets held for sale.

Globe Trade Centre S.A.
Notes to the Interim Condensed Consolidated Financial Statements
for the nine-month period ended 30 September 2021
(in thousands of Euro)

14. Long-term loans and bonds (continued)

	30 September 2021	31 December 2020
Long term portion of long term loans and bonds:		
Bonds mature in 2022-2023 (Poland) (PLGTC0000318)	47,487	47,675
Bonds 0422 (PLGTC0000292)	-	9,440
Green bonds mature in 2027-2030 (HU0000360102)	109,841	108,614
Green bonds mature in 2028-2031 (HU0000360284)	54,921	-
Green bonds mature in 2026 (XS2356039268)	497,285	-
Loan from Santander (Globis Poznan)	15,850	16,322
Loan from Santander (Korona Business Park)	-	40,571
Loan from Santander (Pixel)	18,493	-
Loan from Santander (Globis Wroclaw)	20,155	20,675
Loan from Berlin Hyp (Corius)	9,500	-
Loan from Pekao (Sterlinga)	14,219	-
Loan from Pekao (Galeria Polnocna)	-	170,404
Loan from PKO BP (Artico)	12,956	13,338
Loan from Erste and Raiffeisen (Galeria Jurajska)	111,594	120,250
Loan from Berlin Hyp (UBP)	40,890	41,543
Loan from Santander (Francuska)	18,118	-
Loan from OTP (Centre Point)	46,507	47,862
Loan from CIB (Metro)	-	12,105
Loan from OTP (Duna)	36,065	37,117
Loan from Erste (HBK)	10,775	-
Loan from Erste (Váci Greens D)	23,875	-
Loan from OTP (Ericsson/evosoft Hungary)	80,000	-
Loan from Erste (V188)	16,225	-
Loan from UniCredit Bank (Pillar)	44,053	13,718
Loan from Erste (GTC House)*	-	14,196
Loan from Erste (19 Avenue)*	-	20,516
Loan from Intesa Bank (Green Heart)*	-	53,034
Loan from Intesa Bank (Ada)	-	54,783
Loan from OTP (BBC)*	-	20,180
Loan from Raiffeisen Bank (Forty one)*	-	34,442
Loan from Banca Transilvania (Cascade)	-	3,557
Loan from Alpha Bank (Premium)	-	13,461
Loan from OTP (Mall of Sofia)	-	52,211
Loan from UniCredit (ABC I)	-	18,000
Loan from UniCredit (ABC II)	-	18,821
Loan from Zagrebečka Banka (Avenue Mall Zagreb)	40,500	42,000
Loan from Erste (Matrix)	-	21,341
Loans from NCI	8,702	8,529
Deferred issuance debt expenses	(9,127)	(6,838)
Total	1,268,884	1,067,867

*Reclassified to liabilities related to assets held for sale.

14. Long-term loans and bonds (continued)

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

In its financing agreements with banks, the Group 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, substantially, all investment properties and IPUC that were financed by a lender have been pledged to secure the long-term loans from banks. Unless otherwise stated, fair value of the pledged assets exceeds the carrying value of the related loans.

Bonds (series maturing in 2022-2023) are denominated in PLN. Green Bonds (series maturing in 2027-2030) and green bonds (series maturing in 2028-2031) are denominated in HUF. All other bank loans and bonds are denominated in Euro.

As at 30 September 2021, the Group continues to comply with the financial covenants set out in their loan agreements and bonds terms (including new bonds mentioned in note 1).

The movement in long term loans and bonds for the periods ended 30 September 2021 and 31 December 2020 was as follows:

	30 September 2021	31 December 2020
Balance as of the beginning of the period (excluding deferred debt expenses)	1,268,130	1,212,990
Drawdowns*	699,123	286,807
Repayments	(580,179)	(224,293)
Reclassified to liabilities related to assets held for sale	(144,158)	-
Loan on acquisition of GTC Univerzum Projekt Kft. (previously Winmark Kft.) (note 1)	58,000	-
Change in accrued interest	4,865	(73)
Foreign exchange differences	2,349	(7,301)
Balance as of end of the period (excluding deferred debt expenses)	1,308,130	1,268,130

(*) Includes bonds issued by GTC Aurora Luxembourg S.A. in amount of EUR 497 million (for more detail please refer to note 1).

14. Long-term loans and bonds (continued)

Repayments of long-term debt and interest are scheduled as follows (Euro million) (the amounts are not discounted):

	30 September 2021 (unaudited)	31 December 2020 (audited)
First year	69	218
Second year	206	211
Third year	131	204
Fourth year	155	272
Fifth year	765	155
Thereafter	241	292
	1,567	1,352

15. Lease liability and Right of Use of land

Lease liabilities include mostly 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 as of 30 September 2021 was as follows:

Country	Completed investment property	Investment property landbank at cost	Residential landbank	Property, plant and equipment	Total
Poland	10,545	21,126	-	-	31,671
Romania	6,365	-	-	-	6,365
Serbia*	-	-	-	-	-
Croatia	-	-	1,112	-	1,112
Bulgaria	-	-	-	22	22
Hungary	-	-	-	26	26
Balance as of 30 September 2021	16,910	21,126	1,112	48	39,196

(*) Reclassified to assets held for sale.

Globe Trade Centre S.A.
Notes to the Interim Condensed Consolidated Financial Statements
for the nine-month period ended 30 September 2021
(in thousands of Euro)

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

The balance of Right of Use as of 31 December 2020 was as follows:

Country	Completed investment property	Investment property landbank at cost	Residential landbank	Property, plant and equipment	Total
Poland	10,722	22,021	-	-	32,743
Romania	6,211	-	-	-	6,211
Serbia	3,725	-	-	-	3,725
Croatia	-	-	1,140	-	1,140
Bulgaria	-	-	-	131	131
Hungary	-	-	-	74	74
Balance as of 31 December 2020	20,658	22,021	1,140	205	44,024

The balance of lease liability as of 30 September 2021 was as follows:

Country	Completed investment property	Investment property landbank at cost	Residential landbank	Property, plant and equipment	Total	Discount rate
Poland	10,545	19,988	-	-	30,533	4.2%
Romania	6,365	-	-	-	6,365	5.7%
Serbia*	-	-	-	-	-	7.6%
Croatia	-	-	1,195	-	1,195	4.4%
Bulgaria	-	-	-	32	32	4.5%
Hungary	-	-	-	17	17	3.9%
Balance as of 30 September 2021	16,910	19,988	1,195	49	38,142	

(*) Reclassified to liabilities related to assets held for sale.

Globe Trade Centre S.A.
Notes to the Interim Condensed Consolidated Financial Statements
for the nine-month period ended 30 September 2021
(in thousands of Euro)

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

The balance of lease liability as of 31 December 2020 was as follows:

Country	Completed investment property	Investment property landbank at cost	Residential landbank	Property, plant and equipment	Total	Discount rate
Poland	10,722	21,003	-	-	31,725	4.2%
Romania	6,211	-	-	-	6,211	5.7%
Serbia	3,724	-	-	-	3,724	7.6%
Croatia	-	-	1,222	-	1,222	4.4%
Bulgaria	-	-	-	106	106	4.5%
Hungary	-	-	-	66	66	3.9%
Balance as of 31 December 2020	20,657	21,003	1,222	172	43,054	

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.

The movement in Right of Use of land for the period ended 30 September 2021 and for the financial year ended 31 December 2020 was as follows:

	2021	2020
Balance as of beginning of period	44,024	45,931
Recognition / (derecognition) of Right of Use asset for lands under perpetual usufruct	(745)	96
Amortization of right of use	(340)	(556)
Prepaid right of use of lands under perpetual usufruct	(279)	-
Reclassification to assets held for sale	(3,724)	-
Foreign exchange differences	260	(1,447)
Balance as of end of period	39,196	44,024

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

The movement in lease liability for the periods ended 30 September 2021 and 31 December 2020 was as follows:

	2021	2020
Balance as of beginning of period	43,054	46,430
Recognition / (derecognition) of lease liability for lands under perpetual usufruct	(745)	96
Payments of leases	(516)	(162)
Change in provision	970	(1,350)
Change in accrued interest	(1,066)	1,336
Reclassification to liabilities related to assets held for sale	(3,724)	-
Foreign exchange differences	169	(3,296)
Balance as of end of period	38,142	43,054

16. Assets held for sale and liabilities related to assets held for sale

The balance of assets held for sale increased significantly due to the planned disposal of Serbian entities (for details please refer to note 1) and reclassification of residential land in Romania in amount of EUR 2,153 (Advance for this land in amount of EUR 1,080 was received on 23 March 2021 and was reclassified as liabilities related to assets held for sale as of 30 September 2021).

The balance of assets held for sale (disposal group of Serbian entities) as of 30 September 2021 was as follows:

Company	Real estate	Cash and deposits	Other assets	Total
Atlas Centar	106,924	4,944	474	112,342
Demo Invest	62,048	2,894	601	65,543
GTC BBC	38,714	1,202	438	40,354
GTC Business Park	37,860	2,678	73	40,611
GTC MRN	25,682	2,222	181	28,085
CRV	-	356	432	788
Balance as of 30 September 2021	271,228	14,296	2,199	287,723

The balance of assets held for sale as of 30 September, 2021 includes Serbian assets of EUR 287,723 and residential landbank in Romania of EUR 2,833, including EUR 680, which were reclassified on 31 December 2020.

16. Assets held for sale and liabilities related to assets held for sale (continued)

The balance of liabilities related to assets held for sale (disposal group of Serbian entities) as of 30 September 2021 was as follows:

Company	Lease liability	Loans	Deferred tax liability	Other liabilities	Total
Atlas Centar	924	53,609	3,350	1,833	59,716
Demo Invest	1,126	34,742	2,241	1,354	39,463
GTC BBC	714	20,318	218	465	21,715
GTC Business Park	960	20,711	2,826	1,121	25,618
GTC MRN	-	14,296	2,257	706	17,259
CRV	-	-	-	176	176
Balance as of 30 September 2021	3,724	143,676	10,892	5,655	163,947

17. Prepayment and deferred expenses

The balance of prepayment and deferred expenses increased from EUR 3,604 to EUR 11,885 in the period ended 30 September 2021.

The majority of the increase relates to development activity in Pillar project.

18. Residential landbank

The balance of residential landbank increased by EUR 16,125 to EUR 26,219 as of 30 September 2021 from EUR 10,094 as of 31 December 2020, mainly due to an investment of EUR 12,800 into acquisition of new land in Hungary and a reclassification of land in Romania in the amount of EUR 5,500 from investment property to residential landbank, partially offset by reclassification of land in Romania in the amount of EUR 2,153 to assets held for sale.

19. COVID-19

The Covid-19 pandemic has triggered a wave of substantial adverse effects on the global economy. The lockdowns brought a large part of the world's economic activity to an unparalleled standstill: consumers stayed home, companies lost revenue, and terminated employees – which, consequently, led to a rise in unemployment. Rescue packages by national governments and the EU, as well as supporting monetary policies by the European Central Bank have been implemented to moderate the economic impact of the pandemic. However, the scope and duration of the pandemic and possible future containment measures are still impossible to predict. During 2020 and in the nine-month period ended 30 September 2021, the economic disruptions caused by the Covid-19 virus and the increased market uncertainty combined with increased volatility in the financial markets led to a decrease in rental revenues, a decrease in the Company assets' values, as well as impacted on the Company's compliance with financial covenants.

CLOSING AND REOPENING OF THE GROUP'S SHOPPING CENTRES

Following the outbreak of the COVID-19 pandemic, the authorities in many of the markets the Group operates in, imposed restrictions on the opening of its shopping centres. Except for select “essential” retailers, or those able to offer curb side pickup or fulfil delivery orders from the store. The tenants in the Group's centres were unable to trade between three up to five months during 2020 subject to each country's restriction and around an average of three months during the nine months of 2021. Measures taken by the government affected and will continue to affect our business. In addition, even in those regions in which there were no mandatory shutdowns, or when shopping centres were allowed to reopen, not all retailers continued or restarted operations.

RENT DISCOUNTS AND COLLECTION

In several countries of our operations, governments adopted tenant support packages, such as a rental payments holiday in Poland for the period of lockdown or rent support through subsidizing part of any rental discounts. Upon the re-opening of its shopping centres, the Group engaged tenants in discussions about collecting rent and service charges as well as the terms of any support by the Group. The Group implemented multi-pronged measures to support tenants and encourage consumer spending, such as reducing rent, allowing rent payment in instalments, waiving late payment interest and service charges.

The financial impact on gross margin related to the COVID-19 amounted to EUR 14,700 in 2020. During the nine-month period ended 30 September 2021, certain countries such as Croatia and Serbia have relaxed their trading restrictions; therefore, shopping malls operating in those countries have recorded an increase in gross margin from operations in the amount of EUR 1,100 in comparison with the same period of 2020. Poland and Bulgaria lockdowns and tenant support packages continue to impact the operations of the malls negatively; therefore, shopping malls operating in those countries have recorded a decrease in gross margin from operations in the amount of EUR 2,100 in the nine-month period ended 30 September 2021 in comparison with the same period of 2020.

19. COVID-19 (continued)

The amendment to the Act on special solutions connected with prevention, counteraction and combating of COVID-19 and other infectious diseases and caused by them crisis situations (art. 15ze), which regulates the relations between tenants and landlords regarding settlements for the period of lockdowns (introducing a new settlement between tenants and landlords in which tenants will pay 20% of the rent in the lockdown period and 50% for the three months following the lockdown) came into force in Poland on 23 July 2021. Based on the Management's assessment the impact of the new regulation on prior periods will be immaterial. The new law provides a roadmap for any future lockdowns and as a result could significantly impact the Group's revenue derived from shopping malls located in Poland in case of any potential lockdowns are implemented.

VALUATION OF INVESTMENT PROPERTIES

The increased uncertainty and increased volatility in the financial markets had negatively affected the investment properties of the Group during 2020 and might have an effect in the future asset valuations, as well as impact on the Company's compliance with financial covenants.

Notwithstanding the above, as of 30 September 2021 the Company received letters from its external appraisers confirming that the market value of the almost all subject property portfolio as of 30 September 2021 remains the same as the market value performed and reported as at 30 June 2021. Changes in the valuation of investment property under construction result from the progress of construction work.

There is no significant uncertainty regarding the fair value of investment properties.

While the exact effect of the coronavirus is unknown and unknowable, it is clear that it poses substantial risks of reduction of income, increasing yields, increasing collection costs, and FX volatility.

LIQUIDITY POSITION

During the COVID-19 pandemic, the Group took immediate steps to preserve its strong liquidity position in light of the uncertain impact of the pandemic. These steps included cost and CAPEX measures, as well as the decision to retain profit for the year ended 31 December 2019 in the Company as well as recommendation to suspend dividend for the year ended 31 December 2020. As of 30 September 2021, the Group holds cash in the amount of EUR 91,598. The Group runs stress tests, which indicated that the going concern assumption remains valid for at least 12 months from the financial statement publication date.

The Group is continuously assessing the situation and undertakes mitigating steps to reduce the impact that may be caused by the adverse market situation.

20. 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-Avoidance Rule (GAAR) provisions. The new regulation will require significantly more judgement in assessment of the tax consequences of particular transactions.

21. Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at 30 September 2021 and 30 September 2020:

	30 September 2021 (unaudited)	30 September 2020 (unaudited)
Cash at banks and on hand	91,598	139,078
Cash at banks related to assets held for sale	8,368	-
Cash and cash equivalents at the end of the period	99,966	139,078

22. Capital and Reserves

Shareholders who, as at 30 September 2021, held above 5% of the Company shares were as follows:

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

PHANTOM SHARES

Certain key management personnel of the Group is entitled to specific cash payments resulting from phantom shares in the Group (the "Phantom Shares"). The company uses binomial model to evaluate the fair value of the phantom shares. The input data includes date of valuation, strike price, and expiry date.

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

As at 30 September 2021, phantom shares issued were as follows:

Strike (PLN)	Blocked	Vested	Total
6.11	-	801,200	801,200
6.31	2,600,000	1,320,000	3,920,000
Total	2,600,000	2,121,200	4,721,200

The Phantom shares (as presented in above table) have been provided for assuming cash payments will be materialized, as the Company assesses that it is more likely to be settled in cash.

Last year of exercise date	Number of phantom shares
2021	100,000
2023	4,621,200
Total	4,721,200

23. Earnings per share

Basic earnings per share were calculated as follows:

	Nine-month period ended 30 September 2021 (unaudited)	Nine-month period ended 30 September 2020 (unaudited)	Three-month period ended 30 September 2021 (unaudited)	Three-month period ended 30 September 2020 (unaudited)
Profit / (loss) for the period attributable to equity holders (Euro)	32,272,000	(16,386,000)	11,312,000	17,233,000
Weighted average number of shares for calculating basic earnings per share	485,555,122	485,555,122	485,555,122	485,555,122
Basic earnings per share (Euro)	0.07	(0.03)	0.02	0.04

There have been no potentially dilutive instruments as at 30 September 2021 and 30 September 2020.

24. Changes in commitments, contingent assets and liabilities

There were no significant changes in commitments and contingent liabilities, except for certain contingent assets in a way of rental guarantees and warranties provided by Sellers, in connection with the purchase of new assets in Hungary.

25. Subsequent events

On 27 October 2021, the Company and Mr. Robert Snow have mutually agreed to terminate his appointment as a member to the Management Board of the Company as well as GTC Real Estate Development Hungary Zrt.. The resignation was approved by the Supervisory Board on 28 October 2021.

On 29 October 2021, the Company signed the first unsecured revolving credit facility agreement in the amount of EUR 75 million with a club of four different banks.

26. Approval of the financial statements

The interim condensed consolidated financial statements were authorised for the issue by the Management Board on 15 November 2021.

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

TO THE SHAREHOLDERS AND SUPERVISORY BOARD OF GLOBE TRADE CENTRE S.A.

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of the Globe Trade Centre S.A. Group ("the Group"), where the parent company is Globe Trade Centre S.A. with its registered office in Warsaw at Komitetu Obrony Robotników 45A ("the Company", "the Parent Company"), comprising the consolidated statement of financial position prepared as at 30 September 2021, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period from 1 January 2021 to 30 September 2021, as well as notes and explanatory information ("interim condensed consolidated financial statements").

The Parent 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*, announced in the form of European Commission regulations.

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

Scope of Review

We performed the review in accordance with National Standard on Review Engagements 2410 in the wording of International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, adopted in a resolution passed by the National Council of Certified Auditors.

A review of financial statements 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 National Standards on Auditing in the wording of International Standards on Auditing. As a result, a review is not sufficient to obtain assurance that all significant matters that might be identified in an audit, have been identified. Accordingly, we do not express an audit opinion on the accompanying interim condensed consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements have not been prepared, in all material respects, in accordance with the requirements of International Accounting Standard 34 *Interim Financial Reporting*, announced in the form of European Commission regulations.

**BDO spółka z ograniczoną odpowiedzialnością sp.k. with its registered office in Warsaw
entered on the list of audit firms in number 3355**

**on behalf of which the review
of financial statements was performed by**

Krzysztof Maksymik
Certified Auditor No. 11380

Dr. André Helin
President of the General Partner's
Management Board
Certified Auditor No. 90004

Warsaw, 15 November 2021