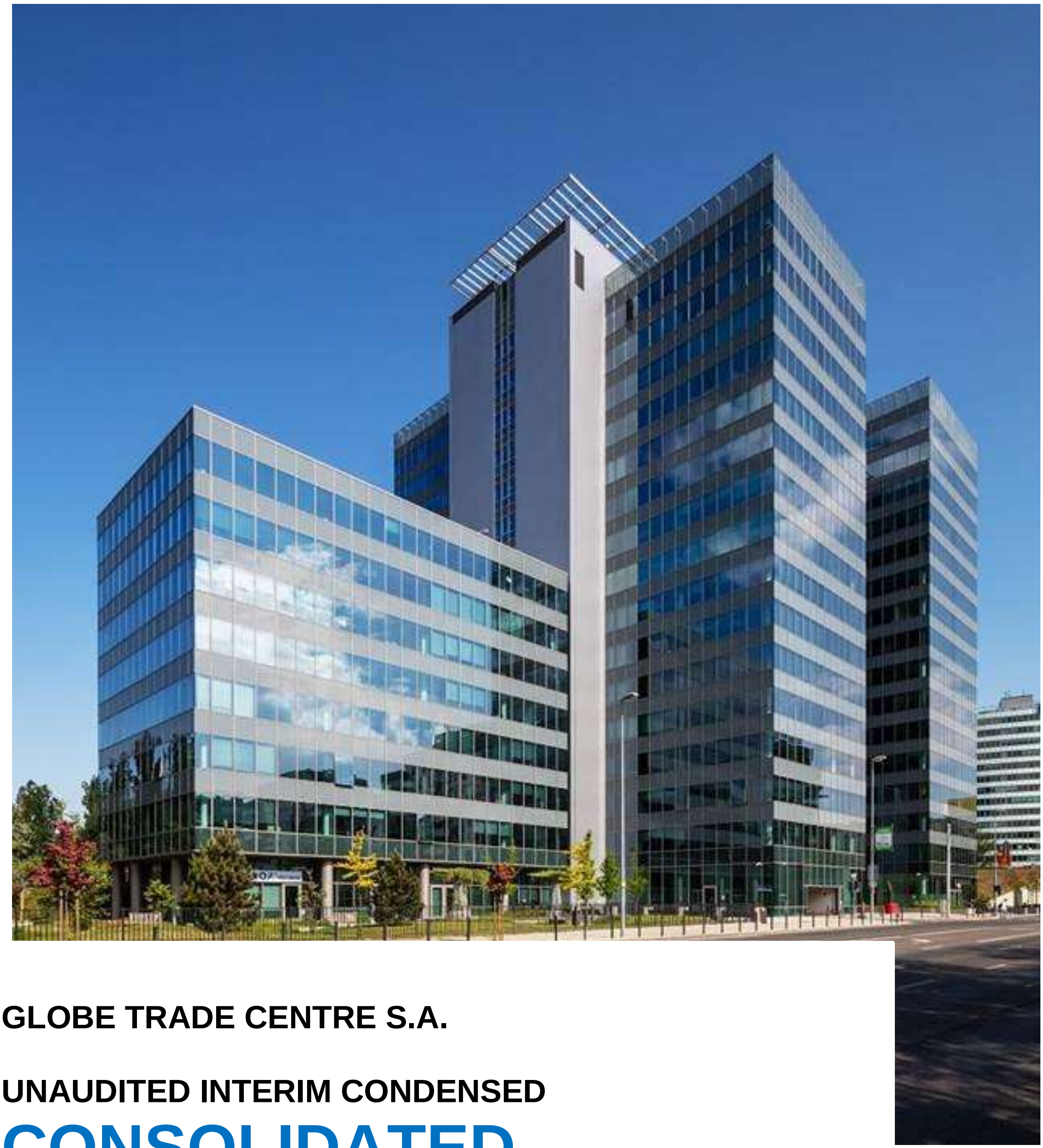

GLOBE TRADE CENTRE S.A.

UNAUDITED INTERIM CONDENSED
CONSOLIDATED
FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021
TOGETHER WITH INDEPENDENT AUDITORS` REVIEW REPORT

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Financial Position
as of 31 March 2021
(in thousands of Euro)

	Note	31 March 2021	31 December 2020
ASSETS			
Non-current assets			
Investment property	8	2,135,127	2,125,128
Residential landbank	16	7,931	10,094
Property, plant and equipment		7,635	7,785
Blocked deposits	10	12,007	10,979
Deferred tax asset		2,283	616
Other non-current assets		209	159
		2,165,192	**2,154,761**
Loan granted to non-controlling interest partner	9	11,320	11,252
Total non-current assets		**2,176,512**	**2,166,013**
Assets held for sale	16	**3,733**	**1,580**
Current assets			
Accounts receivables		6,154	5,873
Accrued income		934	878
VAT and other tax receivable	12	1,046	2,343
Income tax receivable		1,380	1,036
Prepayments and deferred expenses	17	9,812	3,604
Short-term blocked deposits	10	27,537	27,434
Cash and cash equivalents		254,054	271,996
		300,917	**313,164**
TOTAL ASSETS		**2,481,162**	**2,480,757**

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Financial Position
as of 31 March 2021
(in thousands of Euro)

	Note	31 March 2021	31 December 2020
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	20	11,007	11,007
Share premium		550,522	550,522
Capital reserve		(49,489)	(49,489)
Hedge reserve		(20,422)	(11,930)
Foreign currency translation		(2,630)	(2,553)
Accumulated profit		468,515	460,053
		957,503	**957,610**
Non-controlling interest	9	16,782	16,538
Total Equity		**974,285**	**974,148**
Non-current liabilities			
Long-term portion of long-term borrowing	14	1,190,491	1,067,867
Deposits from tenants		12,007	10,979
Long term payable		2,571	2,524
Provision for share based payment		1,227	977
Lease liability	15	41,335	42,891
Derivatives	11	25,278	15,895
Provision for deferred tax liability		137,251	133,230
		1,410,160	**1,274,363**
Liabilities related to assets held for sale	16	**1,080**	**-**
Current liabilities			
Trade payables and provisions	13	20,065	27,299
Deposits from tenants		1,816	1,790
Current portion of long-term borrowing	14	63,874	193,425
VAT and other taxes payable		1,661	1,551
Income tax payable		4,262	4,220
Derivatives	11	2,595	3,365
Current portion of lease liabilities	15	191	163
Advances received		1,173	433
		95,637	**232,246**
TOTAL EQUITY AND LIABILITIES		**2,481,162**	**2,480,757**

Globe Trade Centre S.A.
Interim Condensed Consolidated Income Statement
for the three-month period ended 31 March 2021
(in thousands of Euro)

	Note	Three-month period ended 31 March 2021 (unaudited)	Three-month period ended 31 March 2020 (unaudited)
Rental revenue	5	27,984	30,998
Service charge revenue	5	9,243	10,027
Service charge costs	5	(9,761)	(11,158)
Gross margin from operations		**27,466**	**29,867**
Selling expenses		(364)	(323)
Administration expenses	6	(2,980)	(1,421)
Profit from revaluation / impairment of assets	8	(2,594)	(5,781)
Other income		118	14
Other expenses		(179)	(288)
Profit from continuing operations before tax and finance income / expense		**21,467**	**22,068**
Foreign exchange differences gain / (loss), net		(368)	(5,331)
Finance income		74	90
Finance cost	7	(8,564)	(8,733)
Profit before tax		**12,609**	**8,094**
Taxation	19	(3,903)	(5,308)
Profit for the period		**8,706**	**2,786**
Attributable to:			
Equity holders of the Company		8,462	2,577
Non-controlling interest	9	244	209
Basic earnings per share (in Euro)	21	0.02	0.01

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Comprehensive Income
for the three-month period ended 31 March 2021
(In thousands of Euro)

	Three-month period ended 31 March 2021 (unaudited)	Three-month period ended 31 March 2020 (unaudited)
Profit for the period	**8,706**	**2,786**
Net other comprehensive income for the period, net of tax not to be reclassified to profit or loss in subsequent periods	**-**	**-**
Gain/(loss) on hedge transactions	(9,118)	(318)
Income tax	626	(5)
Net gain/(loss) on hedge transactions	**(8,492)**	**(323)**
Foreign currency translation	(77)	(3,189)
Net other comprehensive income for the period, net of tax to be reclassified to profit or loss in subsequent periods	**(8,569)**	**(3,512)**
Total comprehensive income/(loss) for the period, net of tax	**137**	**(726)**
Attributable to:		
Equity holders of the Company	(107)	(935)
Non-controlling interest	244	209

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Changes in Equity
for the three-month period ended 31 March 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	**11,007**	**550,522**	**(49,489)**	**(11,930)**	**(2,553)**	**460,053**	**957,610**	**16,538**	**974,148**
Other comprehensive income	-	-	-	(8,492)	(77)	-	(8,569)	-	(8,569)
Profit for the period ended 31 March 2021	-	-	-	-	-	8,462	8,462	244	8,706
Total comprehensive income / (loss) for the period	**-**	**-**	**-**	**(8,492)**	**(77)**	**8,462**	**(107)**	**244**	**137**
Balance as of 31 March 2021	**11,007**	**550,522**	**(49,489)**	**(20,422)**	**(2,630)**	**468,515**	**957,503**	**16,782**	**974,285**

	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	**11,007**	**550,522**	**(43,098)**	**(4,994)**	**943**	**530,242**	**1,044,622**	**14,040**	**1,058,662**
Other comprehensive income	-	-	-	(323)	(3,189)	-	(3,512)	-	(3,512)
Profit for the period ended 31 March 2020	-	-	-	-	-	2,577	2,577	209	2,786
Total comprehensive income / (loss) for the period	**-**	**-**	**-**	**(323)**	**(3,189)**	**2,577**	**(935)**	**209**	**(726)**
Balance as of 31 March 2020	**11,007**	**550,522**	**(43,098)**	**(5,317)**	**(2,246)**	**532,819**	**1,043,687**	**14,249**	**1,057,936**

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Cash Flows
for the three-month period ended 31 March 2021
(In thousands of Euro)

	Note	Three-month period ended 31 March 2021 (unaudited)	Three-month period ended 31 March 2020 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit before tax		12,609	8,094
Adjustments for:			
Loss/(profit) from revaluation/impairment of assets and residential projects	8	2,594	5,781
Foreign exchange differences loss/(gain), net		368	5,331
Finance income		(74)	(90)
Finance cost	7	8,564	8,733
Provision for share based payment loss/(profit)		250	(1,118)
Depreciation		181	162
Operating cash before working capital changes		**24,492**	**26,893**
Decrease (increase) in accounts receivables and prepayments and other current assets		(2,072)	(2,752)
Decrease (increase) in advances received		740	1,462
Increase (decrease) in deposits from tenants		1,054	(98)
Increase (decrease) in trade and other payables		(559)	(1,785)
Cash generated from operations		**23,655**	**23,720**
Tax paid in the period		(1,403)	(1,327)
Net cash from operating activities		**22,252**	**22,393**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Expenditure on investment property and property, plant and equipment		(22,332)	(18,804)
Decrease in short term deposits designated for investment		-	3,758
Advances received for assets held for sale	16	1,080	-
VAT/tax on purchase/sale of investment property		1,297	557
Interest received		6	22
Net cash used in investing activities		**(19,949)**	**(14,467)**
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from long-term borrowings	14	103,883	138,049
Repayment of long-term borrowings	14	(111,821)	(113,399)
Interest paid		(9,194)	(7,225)
Repayment of lease liability		(516)	(90)
Loans origination payment		(780)	(945)
Decrease/(Increase) in short term deposits		(1,131)	(206)
Net cash from /(used) in financing activities		**(19,559)**	**16,184**
Net foreign exchange difference		**(686)**	**(7,200)**
Net increase/ (Decrease) in cash and cash equivalents		**(17,942)**	**16,910**
Cash and cash equivalents at the beginning of the period		**271,996**	**179,636**
Cash and cash equivalents at the end of the period		**254,054**	**196,546**

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, Budapest, Bucharest, Belgrade, Zagreb and Sofia. There is no seasonality in the business of the Group companies.

As of 31 March 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 share capital of GTC S.A. 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 share capital of the Issuer 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 GTC S.A., representing 61.49% of the share capital of the Company 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 amount of EUR 19.2 million and obtained the new loan in Santander Bank Polska in amount of EUR 19.7 million. GTC Francuska repaid the loan in ING in amount of EUR 18.9 million and obtained the new loan in Santander Bank Polska in amount of EUR 19.3 million.

On 5 March 2021 Globe Office Investments Ltd an indirect wholly-owned subsidiary of the Company signed a sale and purchase agreement with a company related to the majority shareholder of the Company for the purpose of acquisition of a Class A office building on Váci corridor, Budapest for a consideration of EUR 51 million. Subsequently on 19 March 2021 a loan agreement in the amount of EUR 25 million with Erste Group Bank AG was signed for the purpose of financing the acquisition. The transaction was closed on 30 April 2021 (please refer to subsequent events note).

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

1. Principal activities (continued)

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 cca 79,000 sqm. The transaction is expected to be finalized during Q2 2021 upon certain conditions precedents are fulfilled.

On 17 March 2021, GTC Real Estate Development Hungary Zrt., a wholly-owned subsidiary of the Company issued 10-year green bonds with the 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 the 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 Niederosterreich-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 done 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 5 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 margin reduced from 3.15% to 2.9%. Following the prepayment, the outstanding loan amount shall be payable in full at maturity in 2029.

2. Basis of preparation

The Interim Condensed Consolidated Financial Statements for the three-month period ended 31 March 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).

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.

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 31 March 2021, the Group’s net working capital (defined as current assets less current liabilities) amounted to EUR 205.3 million.

2. Basis of preparation (continued)

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.

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. While the exact effect of the coronavirus is still to be determined, it is clear that it poses substantial risks (for further information please see note 18).

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 IFRS19 (issued on 25 June 2020)

Those amendments to the standards have no significant effect the Group's 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.

(in thousands of Euro)

4. Investment in Subsidiaries, Associates, and Joint Ventures

The 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	31 March 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 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%

(1) Under liquidation

(in thousands of Euro)

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

Name	Holding Company	Country of incorporation	31 March 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 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	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. (1)	GTC S.A.	Romania	100%	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

(in thousands of Euro)

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

Name	Holding Company	Country of incorporation	31 March 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%
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%
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 LLC	Europort Investment (Cyprus) 1 Limited	Ukraine	100%	100%
Europort Project Ukraine 1 LLC	Europort Investment (Cyprus) 1 Limited	Ukraine	100%	100%

(5) GTC S.A. hold 100 % through Office Planet Kft,, a fully owned by GTC S.A. and holding 70%.

(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. GTC operates in six core markets: Poland, Budapest, Bucharest, Belgrade, Sofia, and Zagreb.

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 three months period ended 31 March 2021 and 31 March 2020 is presented below:

	2021			2020		
Portfolio	**Revenues**	**Costs**	**Gross margin**	**Revenues**	**Costs**	**Gross margin**
Poland	14,358	(4,091)	10,267	16,794	(5,293)	11,501
Belgrade	8,069	(2,092)	5,977	8,521	(2,259)	6,262
Budapest	4,954	(1,210)	3,744	5,600	(1,353)	4,247
Bucharest	4,343	(685)	3,658	4,261	(767)	3,494
Zagreb	3,029	(1,026)	2,003	2,844	(956)	1,888
Sofia	2,474	(657)	1,817	3,005	(530)	2,475
Total	**37,227**	**(9,761)**	**27,466**	**41,025**	**(11,158)**	**29,867**

(in thousands of Euro)

5. Segmental analysis (continued)

Segment analysis of assets and liabilities as of 31 March 2021 is presented below:

	Real estate	Cash and deposits	Other	Total assets	Loans, bonds and leases	Deferred tax liability	Other	Total liabilities
Poland	905,821	38,520	4,256	**948,597**	522,584	60,711	12,267	**595,562**
Belgrade	370,199	14,563	4,538	**389,300**	180,711	10,508	8,611	**199,830**
Budapest	329,935	154,670	9,309	**493,914**	288,510	13,039	25,171	**326,720**
Bucharest	195,014	14,643	2,026	**211,683**	94,246	12,537	4,081	**110,864**
Zagreb	160,529	7,092	12,334	**179,955**	66,871	16,824	5,258	**88,953**
Sofia	180,091	8,218	1,622	**189,931**	92,178	8,428	3,491	**104,097**
Other	11,664	62	30	**11,756**	-	-	1,213	**1,213**
Non allocated	-	55,830	196	**56,026**	57,944	15,204	6,490	**79,638**
Total	**2,153,253**	**293,598**	**34,311**	**2,481,162**	**1,303,044**	**137,251**	**66,582**	**1,506,877**

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**
Budapest	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**

(in thousands of Euro)

6. Administration expenses

Administration expenses for the period of three-months ended 31 March 2021 and 31 March 2020 comprises the following amounts:

	Three-month period ended 31 March 2021 (unaudited)	Three-month period ended 31 March 2020 (unaudited)
Administration expenses	2,730	2,539
Share based payment	250	(1,118)
Total	**2,980**	**1,421**

7. Finance costs

Finance costs for the period of three-months ended 31 March 2021 and 31 March 2020 comprises the following amounts:

	Three-month period ended 31 March 2021 (unaudited)	Three-month period ended 31 March 2020 (unaudited)
Interest expenses (on financial liabilities that are not fair valued through profit or loss) and other charges	8,099	8,217
Amortization of loan raising costs	465	516
Total	**8,564**	**8,733**

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

(in thousands of Euro)

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:

	31 March 2021	31 December 2020
Completed investment property	1,880,355	1,879,173
Investment property under construction	71,991	62,909
Investment property landbank at cost	140,687	140,367
Right of use of lands under perpetual usufruct	42,094	42,679
Total	**2,135,127**	**2,125,128**

(in thousands of Euro)

8. Investment Property (continued)

The movement in investment property for the periods ended 31 March 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 subsequent 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 subsequent expenditure	-	1,699	9,954	1,312	12,965
Adjustment to fair value / (impairment)	-	(1,699)	(672)	(51)	(2,422)
Prepaid right of use of lands under perpetual usufruct	(610)	-	-	-	(610)
Amortization of right of use of lands under perpetual usufruct	(162)	-	-	-	(162)
Increase	2	-	-	-	2
Foreign exchange differences	185	-	-	41	226
Carrying amount as of 31 March 2021	**42,094**	**1,202,961**	**745,794**	**144,278**	**2,135,127**

(in thousands of Euro)

8. Investment Property (continued)

Fair value and impairment adjustment consists of the following:

	Three-month period ended 31 March 2021 (unaudited)	Three-month period ended 31 March 2020 (unaudited)
Adjustment to fair value of completed investment properties	(3,157)	(5,714)
Adjustment to the fair value of investment properties under construction	786	141
Reversal of impairment/(Impairment) adjustment	(51)	-
Total adjustment to fair value / (impairment) of investment property	**(2,422)**	**(5,573)**
Reversal of impairment/(Impairment) of assets held for sale	-	(10)
Amortization of right of use of lands under perpetual usufruct (including on residential landbank)	(172)	(114)
Impairment of residential landbank	-	(84)
Total recognised in profit or loss	**(2,594)**	**(5,781)**

Assumptions used in the fair value valuations of completed assets as of 31 March 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%	20.8	20.8	2	6.2%
Poland office	381,738	196	86%	14.6	14.3	2	8.2%
Belgrade office	264,781	122	92%	16.9	16.2	3	8.6%
Belgrade retail	90,700	35	97%	21.5	19.6	3	8.5%
Budapest office	206,138	95	97%	14.3	13.8	2	7.5%
Bucharest office	172,085	67	93%	20.1	17.7	2	7.7%
Zagreb retail	99,512	35	98%	20.3	20.7	3	7.9%
Zagreb office	45,901	21	79%	14.3	14.6	3	7.6%
Sofia office	75,800	34	81%	14.6	14.6	3	7.8%
Sofia retail	100,700	33	98%	18.8	20.8	3	7.8%
Total	**1,880,355**	**751**	**91%**	**17.2**	**16.7**		**7.8%**

(*) 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)

(in thousands of Euro)

8. Investment Property (continued)

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	6.2%
Poland office	381,738	196	88%	14.6	14.3	2	8.2%
Belgrade office	264,781	122	93%	16.7	16.2	3	8.6%
Belgrade retail	90,700	35	97%	22.0	19.6	3	8.5%
Budapest office	206,138	97	95%	14.2	13.8	2	7.5%
Bucharest office	172,085	67	93%	20.5	17.7	2	7.7%
Zagreb retail	99,512	35	97%	20.2	20.6	3	7.9%
Zagreb office	44,719	21	76%	14.3	14.6	3	7.6%
Sofia office	75,800	34	79%	14.6	14.6	3	7.8%
Sofia retail	100,700	33	98%	18.8	20.8	3	7.8%
Total	**1,879,173**	**753**	**91%**	**17.2**	**16.7**		**7.8%**

Information regarding investment properties under construction as of 31 March 2021 is presented below:

	Book value	Estimated area (GLA)
	'000 Euro	thousand sqm
Budapest (Pillar)	68,400	29
Sofia (Sofia Tower 2)	3,591	8
Total	**71,991**	**37**

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**

(in thousands of Euro)

8. Investment Property (continued)

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

	31 March 2021	31 December 2020
Poland	38,029	37,961
Serbia	10,244	10,164
Hungary	50,036	49,895
Romania	15,500	15,500
Croatia	14,669	14,638
Total	**128,478**	**128,158**

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

	31 March 2021	31 December 2020
Poland	8,859	8,859
Hungary	3,350	3,350
Total	**12,209**	**12,209**
GRAND TOTAL	**140,687**	**140,367**

(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 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 31 March 2021 (unaudited) is presented below:

	Avenue Mall	Non-core projects	Total
NCI share in equity	24,112	(7,330)	16,782
Loans received from NCI	-	8,588	8,588
Loans granted to NCI	(11,320)	-	(11,320)
Total as of 31 March 2021	**12,792**	**1,258**	**14,050**
NCI share in profit / (loss)	**308**	**(64)**	**244**

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.

(in thousands of Euro)

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 31 March 2021 and 31 December 2020 was as follows:

	31 March 2021	31 December 2020
Fair value as of the beginning of the period	**(19,260)**	**(6,085)**
Charged to other comprehensive income	(9,118)	(7,748)
Charged to income statements	505	(5,427)
Fair value as of the end of the period	**(27,873)**	**(19,260)**

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 20,065 in the period ended 31 March 2021.

The majority of the payables relates to development activity payables in Pillar. The amount is planned to be financed mostly by long term loans.

(in thousands of Euro)

14. Long-term loans and bonds

	31 March 2021	31 December 2020
Bonds mature in 2022-2023 (Poland) (PLGTC0000318)	48,338	48,117
Green bonds mature in 2027-2030 (HU0000360102)	109,212	108,614
Green bonds mature in 2028-2031 (HU0000360284)	54,455	-
Bonds 0321 (PLGTC0000276)	-	20,737
Bonds 0422 (PLGTC0000292)	9,605	9,515
Loan from Santander (Globis Poznan)	16,793	16,951
Loan from Santander (Korona Business Park)	41,618	41,966
Loan from Santander (Pixel)	19,528	-
Loan from PKO BP (Pixel)	-	19,224
Loan from Santander (Globis Wroclaw)	21,194	21,368
Loan from Berlin Hyp (Corius)	9,951	10,036
Loan from Pekao (Sterlinga)	15,006	15,138
Loan from Pekao (Galeria Polnocna)	174,154	175,404
Loan from PKO BP (Artico)	13,721	13,848
Loan from Erste and Raiffeisen (Galeria Jurajska)	118,906	125,125
Loan from Berlin Hyp (UBP)	42,195	42,413
Loan from Santander (Francuska)	19,132	-
Loan from ING (Francuska)	-	18,929
Loan from OTP (Centre Point)	49,218	49,669
Loan from CIB (Metro)	12,984	13,277
Loan from UniCredit Bank (Kompakt)	24,455	13,718
Loan from OTP (Duna)	38,167	38,518
Loan from Erste (GTC House)	14,664	14,820
Loan from Erste (19 Avenue)	21,262	21,510
Loan from OTP (BBC)	20,784	20,985
Loan from Intesa Bank (Green Heart)	55,189	55,907
Loan from Raiffeisen Bank (Forty one)	35,832	36,295
Loan from Intesa Bank (Ada)	29,256	58,256
Loan from Erste (City Gate)	61,951	71,951
Loan from Banca Transilvania (Cascade)	3,737	3,797
Loan from Alpha Bank (Premium)	13,818	14,486
Loan from OTP (Mall of Sofia)	54,054	54,668
Loan from UniCredit (ABC I)	18,617	18,816
Loan from UniCredit (ABC II)	19,421	19,622
Loan from Erste (Matrix)	22,213	21,921
Loan from Zagrabecka Banka (Avenue Mall Zagreb)	43,500	44,000
Loans from NCI	8,588	8,529
Deferred issuance debt expenses	(7,153)	(6,838)
Total	**1,254,365**	**1,261,292**

(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:

	31 March 2021	31 December 2020
Current portion of long term loans and bonds:		
Bonds mature in 2022-2023 (Poland) (PLGTC0000318)	1,129	442
Green bonds mature in 2027-2030 (HU0000360102)	340	-
Green bonds mature in 2028-2031 (HU0000360284)	19	-
Bonds 0321 (PLGTC0000276)	-	20,737
Bonds 0422 (PLGTC0000292)	165	75
Loan from Santander (Globis Poznan)	629	629
Loan from Santander (Korona Business Park)	1,395	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)	9,951	10,036
Loan from Pekao (Sterlinga)	15,006	15,138
Loan from PKO BP (Artico)	510	510
Loan from Pekao (Galeria Polnocna)	5,000	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 CIB (Metro)	1,172	1,172
Loan from Erste (GTC House)	624	624
Loan from Erste (19 Avenue)	994	994
Loan from Intesa Bank (Green Heart)	2,873	2,873
Loan from OTP (BBC)	805	805
Loan from Raiffeisen Bank (Forty one)	1,853	1,853
Loan from Intesa Bank (Ada)	-	3,473
Loan from OTP (Mall of Sofia)	2,457	2,457
Loan from UniCredit (ABC I)	817	816
Loan from UniCredit (ABC II)	800	801
Loan from Zagrabecka Banka (Avenue Mall Zagreb)	2,000	2,000
Loan from Erste (Matrix)	580	580
Loan from Alpha Bank (Premium)	1,025	1,025
Loan from Banca Transilvania (Cascade)	240	240
Loan from Erste (City Gate)	2,478	71,951
Total	**63,874**	**193,425**

(in thousands of Euro)

14. Long-term loans and bonds (continued)

	31 March 2021	31 December 2020
Long term portion of long term loans and bonds:		
Bonds mature in 2022-2023 (Poland) (PLGTC0000318)	47,209	47,675
Bonds 0422 (PLGTC0000292)	9,440	9,440
Green bonds mature in 2027-2030 (HU0000360102)	108,872	108,614
Green bonds mature in 2028-2031 (HU0000360284)	54,436	-
Loan from Santander (Globis Poznan)	16,164	16,322
Loan from Santander (Korona Business Park)	40,223	40,571
Loan from Santander (Pixel)	18,838	-
Loan from Santander (Globis Wroclaw)	20,501	20,675
Loan from Pekao (Galeria Polnocna)	169,154	170,404
Loan from PKO BP (Artico)	13,211	13,338
Loan from Erste and Raiffeisen (Galeria Jurajska)	114,031	120,250
Loan from Berlin Hyp (UBP)	41,325	41,543
Loan from Santander (Francuska)	18,456	-
Loan from OTP (Centre Point)	47,411	47,862
Loan from CIB (Metro)	11,812	12,105
Loan from OTP (Duna)	36,766	37,117
Loan from UniCredit Bank (Kompakt)	24,455	13,718
Loan from Erste (GTC House)	14,040	14,196
Loan from Erste (19 Avenue)	20,268	20,516
Loan from Intesa Bank (Green Heart)	52,316	53,034
Loan from Intesa Bank (Ada)	29,256	54,783
Loan from OTP (BBC)	19,979	20,180
Loan from Raiffeisen Bank (Forty one)	33,979	34,442
Loan from Erste (City Gate)	59,473	-
Loan from Banca Transilvania (Cascade)	3,497	3,557
Loan from Alpha Bank (Premium)	12,793	13,461
Loan from OTP (Mall of Sofia)	51,597	52,211
Loan from UniCredit (ABC I)	17,800	18,000
Loan from UniCredit (ABC II)	18,621	18,821
Loan from Zagrabecka Banka (Avenue Mall Zagreb)	41,500	42,000
Loan from Erste (Matrix)	21,633	21,341
Loans from NCI	8,588	8,529
Deferred issuance debt expenses	(7,153)	(6,838)
Total	**1,190,491**	**1,067,867**

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

As at 31 March 2021, the Group continue to comply with the financial covenants set out in their loan agreements.

(in thousands of Euro)

14. Long-term loans and bonds (continued)

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

	31 March 2021	31 December 2020
Balance as of the beginning of the year (excluding deferred debt expenses)	**1,268,130**	**1,212,990**
Drawdowns	103,883	286,807
Repayments	(111,821)	(224,293)
Change in accrued interest	792	(73)
Foreign exchange differences	534	(7,301)
Balance as of end of the year (excluding deferred debt expenses)	**1,261,518**	**1,268,130**

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 31 March 2021 was as follows:

Country	Completed investment property	Investment property landbank at cost	Residential landbank	Property, plant and equipment	Total
Poland	10,270	21,947	-	-	32,217
Romania	6,152	-	-	-	6,152
Serbia	3,725	-	-	-	3,725
Croatia	-	-	1,131	-	1,131
Bulgaria	-	-	-	115	115
Hungary	-	-	-	30	30
Balance as of 31 March 2021	**20,147**	**21,947**	**1,131**	**145**	**43,370**

(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 31 March 2021 was as follows:

Country	Completed investment property	Investment property landbank at cost	Residential landbank	Property, plant and equipment	Total	Discount rate
Poland	10,270	20,116	-	-	30,386	4.2%
Romania	6,152	-	-	-	6,152	5.7%
Serbia	3,724	-	-	-	3,724	7.6%
Croatia	-	-	1,159	-	1,159	4.4%
Bulgaria				86	86	4.5%
Hungary	-	-	-	19	19	3.9%
Balance as of 31 March 2021	**20,146**	**20,116**	**1,159**	**105**	**41,526**	

(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 periods ended 31 March 2021 and 31 December 2020 was as follows:

	2021	2020
Balance as of beginning of period	**44,024**	**45,931**
Recognition of Right of Use asset for lands under perpetual usufruct	2	96
Amortization of right of use	(191)	(556)
Prepaid right of use of lands under perpetual usufruct	(610)	-
Foreign exchange differences	145	(1,447)
Balance as of end of period	**43,370**	**44,024**

(in thousands of Euro)

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

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

	2021	2020
Balance as of beginning of period	**43,054**	**46,430**
Recognition of lease liability for lands under perpetual usufruct	2	96
Payments of leases	(516)	(162)
Change in provision	964	(1,350)
Change in accrued interest	(1,887)	1,336
Foreign exchange differences	(91)	(3,296)
Balance as of end of period	**41,526**	**43,054**

16. Residential landbank and assets held for sale

Residential land in Romania in amount of EUR 2,153 was reclassified to assets held for sale. Advance for this land in amount of EUR 1,080 was received on 23 March 2021.

17. Prepayment and deferred expenses

The balance of prepayment and deferred expenses increased from EUR 3,604 to EUR 9,812 in the period ended 31 March 2021.

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

18. COVID-19

The Covid-19 pandemic has triggered a wave of strong negative 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. From mid-March 2020, it became apparent that the economic disruptions caused by the Covid-19 virus and the increased market uncertainty combined with increased volatility in the financial markets might lead to a potential decrease in rental revenues, a potential decrease in the Company assets'

18. COVID-19 (continued)

values, as well as impact on the Company's compliance with financial covenants. While the exact effect of the coronavirus is still to be determined, it is clear that it poses substantial risks.

CLOSING AND REOPENING OF THE GROUP'S SHOPPING CENTRES

The COVID-19 pandemic has significantly impacted the Company's business. 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 for a period beginning mid-March 2020 and ending between beginning-May and end-May 2020 depending on the country, and later in the period between beginning-November 2020 and ending end-December 2020 and end-January 2021. Additionally, the governments of Poland and Bulgaria have announced lockdowns in the period between second half of March and middle-April (Bulgaria) and beginning of May (Poland). Serbia had 5-day lockdown in second half of March 2021, as well as shorten working hours of the shops. 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. Shopping centres in Poland and Bulgaria contributed 68% of total retail rental revenue for Q1 2021.

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 of this in terms of loss of rent and service income related to the COVID-19 amounted to EUR 2,400.

VALUATION OF INVESTMENT PROPERTIES

Notwithstanding the above, as of 31 March 2021 the Company received letters from its external appraisers confirming that the market value of the almost all subject property portfolio as of 31 March 2021 remains the same as the market value performed and reported as at 31 December 2020. Changes in the valuation of investment property under construction result from the progress of construction work.

18. COVID-19 (continued)

The increased uncertainty and increased volatility in the financial markets had negatively affected the investment properties of the Group and might have an effect in the future asset valuations, as well as impact on the Company's compliance with financial covenants. 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 31 March 2021, the Group holds cash in the amount of EUR 254,054. 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.

19. 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)

20. Capital and Reserves

Shareholders who as at 31 March 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 mentioned table) have been accounted for based on future cash settlement.

As at 31 March 2021, phantom shares issued were as follows:

Strike (PLN)	Blocked	Vested	Total
6.11	100,000	751,200	851,200
6.31	3,900,000	20,000	3,920,000
Total	**4,000,000**	**771,200**	**4,771,200**

The Phantom shares (as presented in above mentioned 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	500,000
2022	220,000
2023	4,051,200
Total	**4,771,200**

(in thousands of Euro)

21. Earnings per share

Basic earnings per share were calculated as follows:

	Three-month period ended 31 March 2021 (unaudited)	Three-month period ended 31 March 2020 (unaudited)
Profit for the period attributable to equity holders (Euro)	8,462,000	2,577,000
Weighted average number of shares for calculating basic earnings per share	485,555,122	485,555,122
Basic earnings per share (Euro)	0.02	0.01

There have been no potentially dilutive instruments as at 31 March 2021 and 31 March 2020.

22. Subsequent events

On 1 April 2021 GTC Corius wholly-owned subsidiary of the Company signed a loan agreement prolongation with Berlin Hyp Bank, for additional 5 years. As part of the prolongation a prepayment of EUR 500 thousand was done and the parties agreed that the loan will be paid in full on maturity.

On 19 April 2021 Dorado 1 signed a loan agreement with DSK Bank AD and OTP Bank Plc in total amount of EUR 9.2 million for the financing of the project Sofia Tower II.

On 27 April 2021, GTC Real Estate Development Hungary Zrt., a wholly owned subsidiary of the Company, signed a sale and purchase agreement with WING Real Estate Group for 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 for the consideration of EUR 160,300 in Budapest. The closing of the transaction is expected in the second quarter of 2021 following completion of standard conditions precedent.

On 30 April 2021 the acquisition of Váci Greens D office building was completed. The office building shall consist of approx. 15,700 sq. m. and the total consideration is EUR 51 million. The acquisition financing loan was disbursed from Erste Bank in an amount of EUR 25 million.

On 7 May 2021 GTC Sterlinga Sp. z o.o. wholly-owned subsidiary of the Company signed a prolongation of the loan agreement with Pekao S.A. for additional 5 years.

23. Approval of the financial statements

The interim condensed consolidated financial statements were authorised for the issue by the Management Board on 12 May 2021.

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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 31 March 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 31 March 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, 12 May 2021