Final Results

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Globalworth Real Estate Inv Ltd
12 February 2014

12 FEBRUARY, 2014

Globalworth Real Estate Investments Limited (**"Globalworth"** or the **"Company"**)
2013 year-end EPRA Net Asset Value
Consolidated Audited Financial Results for the year ended December 31, 2013

The Board of Globalworth is pleased to release the following:

- 2013 year-end EPRA Net Asset Value
- Condensed Consolidated Audited Financial Results for the year ended December 31, 2013

Key highlights are as follows:

- Portfolio Open Market Value ("OMV") of € 121.3 million
- Debt financing of € 20.5 million
- Loan to Value of 16.9 per cent
- EPRA NAV of € 126.2 million
- EPRA NAV/share of € 6.03
- Revenues of € 8.1 million
- Profit before tax of € 13.7 million
- Profit after tax of € 12.7 million
- Basic and diluted weighted average earnings per share € (cents) 173.93

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About Globalworth:

Globalworth Real Estate Investments Ltd is a real estate investment company founded by real estate investor and developer Ioannis Papalekas to take advantage of investment opportunities in Romania and the broader SEE and CEE regions. The Company is Guernsey incorporated and registered as a closed-ended collective investment scheme by the Guernsey Financial Services Commission. The Company's shares were admitted to trading on AIM in July 2013.

The Romanian market offers an attractive real estate investment proposition in the medium-to-long term. Globalworth believes that global investor capital flows will gradually move from markets considered as "safe havens" to more peripheral markets such as Romania and the broader SEE and CEE regions in search of higher yielding investments. As a result, Romania and the broader SEE and CEE regions should, in due course, become more attractive destinations for a wide investor audience. Globalworth anticipates holding an early mover advantage in these markets and benefitting from this gradual shift in investor sentiment.

NET ASSET VALUE (NAV) PER SHARE

Basic NAV per share amounts are calculated by dividing net assets in the statement of financial position attributable to ordinary equity holders of the parent by the number of ordinary shares outstanding at period end. As there are no dilutive instruments outstanding, basic and diluted NAV per share are identical.

The following reflects the net asset and share data used in the basic and diluted NAV per share computations:

DESCRIPTION	Group 31 December 2013 €
Net assets as per consolidated statement of financial position	120,278,973
Less:	
Non-controlling interests	(588,231)
NAV attributable to ordinary equity holders of the parent	119,690,742
Shares in issue at period end	20,905,637
NAV per share	**5.73**

EPRA NAV PER SHARE

DESCRIPTION	Group 31 December 2013 €
NAV attributable to ordinary equity holders of the parent	119,690,742
Exclude:	
Deferred tax liability	12,432,311
Goodwill as a result of deferred tax	(5,965,217)
EPRA NAV attributable to ordinary equity holders of the parent	126,157,836
Shares in issue at period end	20,905,637
EPRA NAV per share	**6.03**

GLOBALWORTH REAL ESTATE INVESTMENTS LIMITED
CONSOLIDATED CONDENSED STATEMENT OF FINANCIAL INFORMATION
for the period from 14 February to 31 December 2013

GLOBALWORTH REAL ESTATE INVESTMENTS LIMITED
CONSOLIDATED CONDENSED STATEMENT OF COMPREHENSIVE INCOME
for the period from 14 February to 31 December 2013

	Notes	Audited 14 February to 31 December 2013 €

Rental income and property management fees/asset manager recharges		8,109,764
Property operating and asset management expenses		(2,805,450)
Net operating income		**5,304,314**
Administrative expenses		(1,856,224)
Acquisition costs		(107,980)
Change in fair value of investment property		1,362,576
Bargain purchase gain on acquisition of subsidiary	9.2	9,377,342
Share based payments		(43,807)
Foreign exchange loss		(77,704)
		8,654,203
Profit before financing cost		**13,958,517**
Finance cost		(254,997)
Finance Income		1,803
Earnings before tax		**13,705,323**
Income Tax expense		(975,651)
Total comprehensive income for the period		**12,729,672**
Attributable to:		
Equity holders of the parent		12,690,644
Non - controlling interests		39,028
		12,729,672
Basic and diluted weighted average earnings per share (cents)	11	173.93

GLOBALWORTH REAL ESTATE INVESTMENTS LIMITED
CONSOLIDATED CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	Notes	**Audited 31 December 2013** €
ASSETS		
Investment property	7.3	121,334,700
Goodwill	9.1	12,616,452
Advance for investment property	7.2	8,750,000
Other long term assets		172,445
Trade and other receivables		11,293,802
Cash and cash equivalents		9,505,852
Investment property held for sale	7.3	1,875,800
Total assets		**165,549,051**
EQUITY AND LIABILITIES		
Total equity		
Issued share capital		106,956,291
Share based payment reserve	10	43,807
Retained earnings		12,690,644
Equity attributable to ordinary equity holders of the parent		119,690,742
Non-controlling interests (NCI)		588,231
		120,278,973
Total liabilities		
Interest bearing loans and borrowings	8	20,461,630
Deferred tax liability		12,432,311
Trade and other payables		12,376,137
		45,270,078

Total equity and liabilities	**165,549,051**

GLOBALWORTH REAL ESTATE INVESTMENTS LIMITED
CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN EQUITY
For the period from 14 February to 31 December 2013

	Attributable to equity holders of the parent				**Non-Controlling Interests**	**Total Equity**
	Issued share capital	**Share based payment reserve**	**Retained earnings**	**Total**		
	€	€	€	€	€	€
As at 14 February 2013	**-**	**-**	**-**	**-**	**-**	**-**
Issue of shares on incorporation by founder	1	-	-	1	-	1
Shares of the founder redeemed	(1)	-	-	(1)	-	(1)
Shares issued for cash	53,593,515	--	-	53,593,515	-	53,593,515
Issue cost recognised to equity	(4,941,622)	--	-	(4,941,622)	-	(4,941,622)
Shares issued for acquisition of subsidiary (Note 9.1)	36,456,000	-	-	36,456,000	-	36,456,000
Acquisition of subsidiary	-	-	-	-	549,203	549,203
Fair value of option warrants issued for executive share scheme	-	43,807	-	43,807	-	43,807
Shares issued for acquisition of subsidiary Note (9.2)	21,848,398	-	-	21,848,398	-	21,848,398
Profit of the period	-	-	12,690,644	12,690,644	39,028	12,729,672
As at 31 December 2013	**106,956,291**	**43,807**	**12,690,644**	**119,690,742**	**588,231**	**120,278,973**

GLOBALWORTH REAL ESTATE INVESTMENTS LIMITED
CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS
For the period from 14 February to 31 December 2013

	Audited 31 December 2013
	€
Operating activities	
Profit before tax	**13,705,323**
Adjustments to reconcile profit before tax to net cash flows	
Change in fair value of investment property	(1,362,576)
Bargain purchase gain on acquisition of subsidiary (Note 9.2)	(9,377,342)
Share based payments	43,807
Foreign exchange loss	77,704
Net financing costs	253,194
Operating profit before changes in working capital	**3,340,110**
(Increase) in trade and other receivables	(4,591,958)
Increase in trade and other payables	1,519,259
Interest paid	(253,194)
Income tax paid	(10,142)
Cash flows from operating activities	**4,075**

Investing activities	
Expenditure on investment property under refurbishment and development	(1,768,894)
Advances paid for acquisition of subsidiary and investment property	(8,000,000)
Payment for acquisition of subsidiaries less cash acquired (Note 9)	(26,548,449)
Cash flows from investing activities	**(36,317,343)**
Financing activities	
Proceeds from share issuance	53,093,515
Repayment of share capital issue cost recognised to equity	(4,441,622)
Proceeds from interest bearing loans and borrowings	4,576,380
Repayment of interest bearing loans and borrowings	(7,409,153)
Cash flows from financing activities	**45,819,120**
Net increase in cash and cash equivalents	9,505,852
Cash and cash equivalents as of 14 February 2013	-
Cash and cash equivalents as of 31 December 2013	**9,505,852**

1. CORPORATE INFORMATION

The audited consolidated financial statements of Globalworth Real Estate Investments Limited (the Parent) and its subsidiaries (together the Group) are prepared for the period from 14 February 2013 (date of incorporation) to 31 December 2013. The consolidated audited condensed financial information of the Group is prepared and published before the issuance of the annual report of the Group.

This consolidated condensed financial information has been authorised by the board of directors on 11 February 2014.

Globalworth Real Estate Investments Limited (the Company) was incorporated in Guernsey as a non-cellular company with liability limited by shares on 14 February 2013, with registered number 56250.

The Company is domiciled in Guernsey. The registered office and principal place of business of the Company is PO Box 156, Frances House, Sir William Place, St Peter Port, GY1 4EU, Guernsey. The Company has been formed to take advantage of investment opportunities in real estate assets situated in the SEE and CEE region, with primary focus on properties located in Romania.

The Company raised EUR 53,593,515 (gross) through the issue of Ordinary Shares in the context of an Initial Public offering in the AIM market of the United Kingdom.

Upon completion of initial public offering, the Group set up the following subsidiaries to deal with the investments, financing and holding of the Group activities:

- Globalworth Real Estate Investments Limited, Parent of the Group
- Globalworth Investment Advisers Limited (the ″Investment Adviser″), incorporated on 14 February 2013 in Guernsey (Channel Islands) (100% owned by the Parent)
- Globalworth Finance Guernsey Limited, incorporated in Guernsey on 6 September 2013 (100% owned by the Parent)
- GWI Finance BV, incorporated in Netherlands on 23 September 2013 (100% owned by the Parent)
- Globalworth Holdings Cyprus Limited, (″GHCL″) incorporated in Cyprus on 14 August 2013; (100% owned by the Parent)
- Zaggatti Holdings Limited, incorporated in Cyprus on 04 December 2013 (100% owned by GHCL)
- Tisarra Holdings Limited, incorporated in Cyprus on 11 November 2013 (100% owned by GHCL)
- Ramoro Limited, incorporated in Cyprus on 11 November 2013. (100% owned by GHCL).

2. SHARE SALE AND PURCHASE AGREEMENTS FOR ACQUISITION OF SUBSIDIARIES

Prior to the completion of the initial public offering, the Company signed Share Sale and Purchase Agreements for the acquisition of 100% of the shares of the following entities incorporated in Romania:

Globalworth Asset Managers S.R.L ("Asset Manager", owner of City Offices and Herastrau One properties, 31 Upground Towers apartments, and 60% shareholder of Victoria Ventures S.A);
Corinthian Five S.R.L (owner of Bucharest One property);
Upground Estates S.R.L (owner of Upground Towers property);
Tower Center International S.R.L (owner of TCI property).

On 13 December 2013, the Company signed Share Sale and Purchase Agreements (together with the aforementioned Share Sale and Purchase Agreements, the "Acquisition Agreements") for the acquisition of 100% of the shares of Oystermouth Holding Limited and Dunvant Holding Limited, holding companies of BOB Development S.R.L (owner of BOB property) and BOC Real Property S.R.L (owner of BOC property).

2. SHARE SALE AND PURCHASE AGREEMENTS FOR ACQUISITION OF SUBSIDIARIES *(continued)*

The Acquisition Agreements are subject to the satisfaction of, among others, the conditions below:
i) the occurrence of Admission (other than in the case of the BOB and BOC Acquisition Agreement);
ii) the Romanian Official Gazette Condition (other than in the case of the Asset Manager Acquisition Agreement and the BOB and BOC Acquisition Agreement);
iii) there being no breach of any of the warranties in the relevant Acquisition Agreement;
iv) getting waivers from existing lenders or obtaining new debt financing (other than in the case of the Coritinthian Five S.R.L Acquisition Agreement and the Asset Manager Acquisition Agreement).

3. ACQUISITION OF SUBSIDIARIES

On 27 September 2013, the Group acquired Pieranu Enterprises Limited, the holding company for Globalworth Asset Managers S.R.L (99.991%), which further is parent of Victoria Ventures S.A with ownership of 60%.

On 24 December 2013, the Group acquired Corinthian Five S.R.L (the owner of Bucharest One property and holding company of Floreasca Office Building S.A).

On 29 January 2014, the Group obtained the approval from the Romanian Competition Council for the acquisition of BOB development S.R.L and BOC Real Property S.R.L and the Group is at an advanced stage of receiving necessary waivers from existing lenders and renegotiating the existing bank loan terms in relation to the acquisition of Oystermouth Holding Limited and Dunvant Holding Limited (holding companies of BOB Development S.R.L and BOC Real Property S.R.L) and Upground Estates S.R.L.

The Group is in process of obtaining new debt financing for the acquisition Tower Center International S.R.L (owner of TCI property).

4. BASIS OF PREPARATION

The audited consolidated condensed financial information of the Group has been prepared in accordance with the International Financial Reporting Standards, as adopted by the European Union ("IFRS").

The audited consolidated condensed financial information have been prepared on a historical cost basis, except for Investment Property, which has been measured at fair value. The financial information is presented in EUR.
The financial year of the Group ends at 31 December. This financial information is prepared for a period less than a full year starting from the date incorporation of Globalworth Real Estate Investments Limited ("the Company") i.e. 14 February 2013. The financial information of the subsidiaries is prepared for the period from the date of obtaining control to 31 December (same reporting period) as the Parent, using consistent accounting policies.

Going concern basis
The audited consolidated condensed financial information has been prepared assuming that the Group will continue as a going concern.

Consolidation principles
Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial information of the subsidiaries is prepared for the same reporting period as the Parent company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

4. BASIS OF PREPARATION (continued)

Total comprehensive income of a subsidiary is attributed to the non-controlling interest even if it results in a deficit balance.A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Derecognises the cumulative translation differences, recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

5. SELECTED CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial information in conformity with IFRS requires the management to make certain critical accounting estimates, judgement and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, if any, at the date of the Group financial information, and the reported amounts of revenues and expenses during the reporting period. It also requires management to exercise its judgments in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual results could differ from management's estimates. Revisions to accounting estimates are reviewed periodically and, as adjustments become necessary, they are recognised in the period in which the estimate is revised and in any future periods affected.

Judgements

In the process of applying the Group's accounting policies, the management makes the following judgements and estimates which have a significant effect on the classification and measurement of the financial information elements:

Selection of functional currency

The Group used its judgment, based on the criteria outlined in IAS 21, and determined that the functional currency of the Group is the EUR. The EUR is also the presentation currency of the financial information.

Classification of investment property

The Group is required to determine whether a property qualifies as investment property or inventory property.

Investment property comprises land and buildings (principally offices, residential property and retail property) which are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. The Group considers that when the property is in a condition which will allow the generation of cash flows from its rental that the property is no longer a property under development but an investment property.

5 SELECTED CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

Operating lease contracts - the Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, particularly the duration of the lease terms and minimum lease payments, that it retains all the significant risks and rewards of ownership of these properties and so accounts for the leases as operating leases.

Business combinations

The Group acquires subsidiaries that own real estate. At the time of acquisition, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property. More specifically, consideration is made of the extent to which significant processes are acquired.

When the acquisition of subsidiaries does not represent a business, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognized

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated condensed financial information was prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Valuation of property

The fair value of investment property as of 31 December 2013 has been determined by Coldwell Banker, independent real estate valuation expert, using recognized valuation techniques and the principles of IFRS 13. These techniques comprise the sales comparison approach and the income approach.

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective company's domicile.

6. SUMMARY OFSELECTED SIGNIFICANT ACCOUNTING POLICIES

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.
When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised either in income statement or as a change to other comprehensive income. If the contingent consideration is not within the scope of IAS 39, it is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Functional currency and presentation currency

The financial information is presented in Euro, which is the Group's functional and presentation currency. This financial information is based on the statutory accounting records, with adjustments and reclassifications recorded for the purpose of fair presentation in accordance with IFRS principles, as applicable to this financial information.

6 SUMMARY OF SELECTED SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment property

Property that is held for long term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property and accounted for under International Accounting Standard 40 "Investment Property".

Investment properties are initially measured at cost, including transaction costs. Such costs include the cost of replacing part of the investment property, if the recognition criteria are met. When a major inspection is performed, its cost is recognised in the carrying amount of the investment property as a replacement, if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Investment property is subsequently remeasured at fair value, which is the amount for which the property could be exchanged in an orderly transaction between market participants at the measurement date. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the year in which they arise. For the purposes of this financial information, in order to avoid double accounting, the assessed fair value is:

- Reduced by the carrying amount of any accrued income resulting from the spreading of lease incentives and/or minimum lease payments
- Increased by the carrying amount of any liability to the superior leaseholder or freeholder that has been recognised in the balance sheet as a finance lease obligation

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset would result in either in gains or losses at the retirement or disposal of investment property.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use.

Fair value measurement

The Group measures financial instruments, such as, derivatives, and non-financial assets such as investment properties, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

6. SUMMARY OF SELECTED SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs significant to the fair value measurement as a whole.

All assets and liabilities for which fair value is measured or disclosed in the financial information are categorised within the fair value hierarchy.

Transaction costs of equity transactions

The costs of issuing or acquiring equity are recognized in equity (net of any related income tax benefit), as a reduction of equity on the condition that these are incremental costs directly attributable to the equity transaction that otherwise would have been avoided. The costs of an equity transaction that is abandoned are recognised as an expense. Those costs might include registration and other regulatory fees, amounts paid to legal, accounting and other professional advisers, printing costs and stamp duties.

7. INVESTMENT PROPERTY AND ADVANCES FOR INVESTMENT PROPERTY

7.1 INVESTMENT PROPERTY

DESCRIPTION	31 December 2013 €
Completed investment property	7,724,700
Investment property under refurbishment	55,900,000
Investment property under development	57,710,000
Carrying value at end of period	**121,334,700**

The fair value of investment properties and investment properties under development as of 31 December 2013 has been determined by CBAR Research & Valuation Advisors S.R.L (Coldwell Banker Valuation), an independent valuation expert, using recognized valuation techniques. The fair value of investment properties as of 31 December 2013 is based on the year end appraisal reports. As requireed by IAS 40 ″Investment Properties″, fair values are reassessed on an annual basis

The completed investment property includes residential apartments for an amount of EUR 7,724,700. The Group considers that this property is in a condition which will allow the generation of cash flows from its rental.

7.2 ADVANCES FOR INVESTMENT PROPERTY

Apart from the completed acquisition of Pieranu Enterprises Limited and Corinthian Five S.R.L until 31 December 2013 the Group also paid advances for the acquisition of Tower Center International S.R.L for an amount of EUR 6 million, for TAP property for an amount of EUR 750,000 and a land plot in Bucharest for an amount of EUR 2,000,000.

7. INVESTMENT PROPERTY AND ADVANCES FOR INVESTMENT PROPERTY (continued)

7.3 Movement in fair value of investment property

Company Name	**Globalworth Asset Managers S.R.L**			**Victoria Ventures S.A**	**Corinthian Five S.R.L**	**TOTAL**	**Investment property classified as held for sale**
Property Asset	**Upground apartments**	**City Office**	**Herastrau One**	**Floreasca One**	**Bucharest One**		
	€	€	€	€	€	€	€
Carrying value at beginning of the period	-	-	-	-	-		-
Additions from business acquisitions (Note 9,10)	7,830,700	52,400,000	6,237,096	3,460,000	48,070,000	117,997,796	1,875,800
Capital costs	-	1,817,986	-	156,341	-	1,974,327	-
Disposals	-	-	-	-		-	-
Fair value adjustment	(106,000)	1,682,014	(137,096)	(76,341)	-	1,362,577	
Carrying value at end of period	7,724,700	55,900,000	6,100,000	3,540,000	48,070,000	121,334,700	1,875,800

Expected value on finalization	7,724,700	62,400,000	28,800,000	8,660,000	141,300,000	248,884,700	1,875,800

Investment properties classified as held for sale are land plots and buildings Victor Brauner, Voluntari and Chesarie that were acquired under the Asset Manager portfolio as held for sale. The properties are valued at price contracted for sale. The notarial deeds for these properties have been signed and the agreed sales price also received by Globalworth Asset Managers S.R.L. The transfer of legal title is pending the approval of the lender bank.

8. INTEREST BEARING LOANS AND BORROWINGS

		31 December 2013 €
Bank loans		19,693,754
Other short term loans		767,876
Total		**20,461,630**

The table below summarises the key features of the Group's bank debt facilities

Asset/Company Name	**Lender**	**Outstanding amount (31 December 2013)** €	**Undrawn amount** €	**Maturity Date**
Globalworth Asset Managers S.R.L	Marfin Bank	2,963,000	-	May 2014
	Unicredit	3,205,000	-	November 2014
	Bancpost (Eurobank) A	13,139,664	2,676,315	March 2019
	Bancpost (Eurobank) B	-	8,000,000	March 2019
	Bancpost (Eurobank) C	220,661	779,339	November 2014
Floreasca One	Piraeus Bank	133,756	2,866,244	December 2015
	Piraeus Bank	31,673	368,327	June 2015
Total		**19,693,754**	**14,690,225**	

Bancpost facilities A and C were used to finance the City Office refurbishment cost and related VAT receivable balance. The Banpost facility B will be used for the acquisition of investment property ″TAP″ once the seller has received the consent of existing tenants. Piraeus Bank loan has been used to finance the Floreasca One development cost and related VAT receivable balance.

Post-acquisition of Global Asset Managers SRL, the Group withdrew EUR 4,153,223 from the Bancpost facility out of which EUR 2,500,000 was paid for founder's loan to the Company and EUR 1,323,685 for construction cost of City Office building while the remaining amount funds VAT receivable.

9. BUSINESS COMBINATION

9.1 Acquisition of Pieranu Enterprises Limited

On 27 September 2013 Globalworth Holding Cyprus Limited (fully owned by Globalworth Real Estate Investments Limited) acquired 100% of the shares of Pieranu Enterprises Limited, an unlisted holding company based in Cyprus.

As of the acquisition date, Pieranu had investments of 99.991% in Globalworth Asset Managers S.R.L, an unlisted company based in Romania, which in its turn, had an investment of 60% in Victoria Ventures S.A (also based in Romania).

Globalworth Asset Managers S.R.L and Victoria Ventures SA operate in the real estate investment, management and development business.
The effective date of acquisition was 27 September 2013 but because between 27 and 30 September only immaterial transactions took place, the assets and liabilities of Asset Manager portfolio used for goodwill calculation were those as of 30 September 2013.

Assets acquired and liabilities assumed
The fair values of the identifiable assets and liabilities of the Asset Manager portfolio formed of Pieranu Enterprises Limited, Globalworth Asset Managers S.R.L and Victoria Ventures S.A as at the date of acquisition were:

	Fair value recognized on acquisition €

Assets	78,689,249
Liabilities	33,100,588
Total identifiable net assets at fair value	**45,588,661**
Non-controlling interest	(549,204)
Goodwill arising on acquisition	12,616,452
Purchase consideration transferred	**57,655,909**

Purchase consideration

Shares issued, at fair value	36,456,000
Cash paid	4,532,632
Cash paid for assignable loans	11,719,503
Purchase price adjustment payable	4,947,774
Total consideration	**57,655,909**

At acquisition date the Group has recognized a deferred tax liability of EUR 5,965,217 which comprises the tax effect of difference between tax base and the fair value of the property at acquisition date. Under statutory framework, the investment property is carried at cost less depreciation which is also used as tax base.

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9 BUSINESSCOMBINATION *(continued)*

9.1 Acquisition of Pieranu Enterprises Limited (*continued)*

The goodwill of EUR 12,616,452 comprises, besides the effect of deferred tax liabilities of EUR 5,965,217, the value of expected synergies arising from the acquisition.

The purchase price payable adjustment includes mainly the effect of disposal fees EUR 4,950,000 that Globalworth Asset Managers S.R.L is expected to receive as commission from the shareholders of BOB Development S.R.L, BOC Real Property S.R.L, Corinthian Five S.R.L and Upground Estates S.R.L at the date of their acquisition by the Group. These disposal fees are based on the management agreement which is in place for the services provided by Globalworth Asset Managers S.R.L to these entities.

Cash flow on acquisition

	€
Cash paid for the acquisition of subsidiaries	(16,252,135)
Cash acquired under the acquisition of subsidiaries	1,622,821
Net cash flow on acquisition (included in cash flows from investing activities)	**(14,629,314)**

Fair value of shares issued

The Group issued 6,200,000 ordinary shares as consideration for the 100% interest in Pieranu Enterprises Limited. The fair value of the shares is calculated with reference to the market price of the shares of the Company at the date of acquisition, which was EUR 5.88 each. The fair value of the consideration given in shares is therefore EUR 36,456,000.

Contingent consideration

As part of the Asset Manager Acquisition Agreement, the following contingent considerations have been agreed.

There will be additional cash payments to the previous owner of Pieranu Enterprises Limited, of EUR 600,000, if the Floreasca One Property will have in place a valid building permit for offices use within six months from the transfer date. As of balance sheet date, the probability to have work permit for office building within six months from transfer date is remote therefore no consideration payable has been recognised in this respect.

9.2 Acquisition of Corinthian Five S.R.L

On 24 December Tissarra Holdings Limited and Globalworth Holding Cyprus Limited (fully owned by Globalworth Real Estate Investments Limited) acquired 100% of the shares of Corinthian Five S.R.L, an unlisted holding company based in Romania.

As of the acquisition date, Corinthian Five S.R.L had investments of 100% in Floreasca Office Building SA , an unlisted company based in Romania.

Corinthian Five S.R.L and Floreasca Office Building SA operate in the real estate development business.

9 BUSINESSCOMBINATION *(continued)*

9.2 Acquisition of Corinthian Five S.R.L *(continued)*

The effective date of acquisition was 24 December 2013 but because between 24 and 31 December 2013 only immaterial transactions took place, the assets and liabilities of Corinthian Five portfolio, formed of Corinthian Five S.R.L and Floreasca Office Building S.A, used for goodwill calculation are those as of 31 December 2013.

Assets acquired and liabilities assumed
The fair values of the identifiable assets and liabilities of Corinthian Five portfolio as at the date of acquisition were:

	Fair value recognized on acquisition €
Assets	50,490,638
Liabilities	7,331,051
Total identifiable net assets at fair value	**43,159,587**
Bargain purchase gain arising on acquisition	(9,377,342)
Purchase consideration transferred	**33,782,245**
Purchase consideration	
Shares issued, at fair value	21,848,398
Cash paid	12,070,000
Purchase price adjustment receivable	(136,153)
Total consideration	**33,782,245**

At acquisition date the Group recognized a deferred tax liability of EUR 6,255,541 which comprises the tax effect of difference between the tax base and the fair value of the property at acquisition date. Under statutory framework, the investment property is carried at cost less depreciation which is also used as tax base.

The bargain purchase gain of EUR 9,377,342 comprises the purchase price discount agreed between the Group and the seller related to both assignment of existing shareholder loans and valuation of investment property on acquisition date.

	€
Cash flows on acquisition:	
Cash paid for the acquisition of subsidiaries	(10,000,000)
Cash paid for VAT receivable balance	(2,070,000)
Cash acquired under the acquisition of subsidiaries	150,865
Net cash flow on acquisition (included in investing activities)	**(11,919,135)**

Fair value of shares issues
The Group issued 3,986,934 ordinary shares as consideration for the 100% interest in Corinthian Five S.R.L and assignable loans. The fair value of the shares is calculated with reference to the market price of the shares of the Company at the date of acquisition, which was EUR 5.48 each. The fair value of the consideration given in shares is therefore EUR 21,848,398.
Contingent consideration
There is no contingent consideration payable for acquisition of Corinthian Five S.R.L.

10. EXECUTIVE SHARE SCHEME

The Group has granted a number of warrants to the Founder and the Directors. Pursuant to the warrant agreements, the warrants confer the right to subscribe, at the Placing Price, for a specific number of ordinary shares. The warrants will vest and become exercisable when the market price of an ordinary share, on a weighted average basis over 60 consecutive days, exceeds a specific target price. The Founder warrants are not transferable prior to the earlier of the second anniversary of Admission and vesting, save that they may be transferred to any other member of the Management Team (or any company owned, directly or indirectly, by that member) after the first anniversary of Admission. Subject to vesting, the warrants are exercisable in whole or in part during the period commencing on Admission and ending on the date falling ten years from the date of Admission.

The fair value of warrants as of 31 December 2013 is EUR 258,509 out which EUR 43,807 was recorded as expense for the period with corresponding credit to equity as share based payment reserve.

11. BASIC AND DILUTED WEIGHTED AVERAGE EARNINGS PER SHARE (CENTS)

Basic earnings per share (EPS) amounts are calculated by dividing profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. As there are no dilutive instruments outstanding, basic and diluted earnings per share are identical.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	31 December 2013 €
Net profit attributable to ordinary equity holders of the parent for basic earnings	12,690,644

Weighted average number of ordinary shares	**7,296,225**

Shares in issue during the year :

Date	Event	Number of shares issued	% of the period	Weighted average
14 February 2013,	Incorporation of the Company	1	100%	1
25 July 2013	Share issued for cash at Initial Public Offer	10,718,702	50%	5,342,655
27 September 2013	Pieranu Enterprises Limited	6,200,000	30%	1,854,206
24 December 2013	Corinthian Five S.R.L	3,986,934	2.5%	99,363
31 December 2013	**Share in issue at period end**	**20,905,637**		**7,296,225**

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial information.

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