

WELL DELIVERED OPERATING PERFORMANCE AND CASH ACCUMULATION SECURES FURTHER GROWTH

GROSS MARGIN FROM RENTAL ACTIVITY	PROFIT BEFORE TAX AND FAIR VALUE ADJUSTMENTS	FFO I	EPRA NAV
€30M	€18M	€18M	€1,192M
+10%	+12%	+16%	+2%

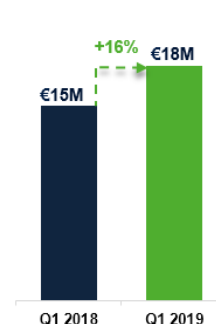
Q1 2019 FINANCIAL HIGHLIGHTS

- In-place rent increased by 15% to €131m (114m as of 31 March 2018)
- Gross margin from rental activity up by 10% to €30m (€27 in Q1 2018)
- FFO I increased 16% to €18m (€15m in Q1 2018), FFO per share at €0.04
- Operating profit: 12% increase in profit before tax and fair value adjustments to €18m (€16m in Q1 2018)
- Profit after tax of €20m (€24m in Q1 2018), earnings per share of €0.04
- EPRA NAV up by 2% to €1,192m as of 31 March 2019 (€1,170 as of 31 December 2018), EPRA NAV per share at €2.47 (PLN 10.62)
- Solid financial metrics
 - LTV at 45% (45% as of 31 December 2018)
 - WAIR at historic low of 2.6% (2.7% as of 31 December 2018)

ANNUALISED IN-PLACE RENT



FFO I



Q1 2019 PORTFOLIO HIGHLIGHTS

- Occupancy up to 95% (94% as of 31 December 2018, 93% as of 31 March 2018)
 - The highest since end of 2009
 - 45,600 sq m of newly leased or released space (34% more than in Q1 2018)
- Construction of 7 office and one retail properties (113,200 sq m) commenced in 2018 and will be completed in 2019-2020. One more project to commence in Q2 2019. Upon completion and stabilization they shall increase the in-place rent by almost €31m
- Another 6 properties may commence construction during 2019-2020



While delivering operational and financial results according to plan, the most exciting events with significant impact on GTC's performance are about to happen in the following quarters: opening of Ada Mall in Belgrade still this month and completion of four additional class A office buildings during summer and autumn will further boost our results. – **commented Thomas Kurzmann, CEO.** Strong demand for modern high class office space is the key driver for moving ahead with our new developments and preparing them for the start of construction process to secure further growth of the Company. – **added Thomas Kurzmann.**

OPERATING ACHIEVEMENTS

Offices: Strong leasing activity:

- **32,700 sq m of lettings and renewals**
 - 17% more than in Q1 2018
 - Occupancy up to 95% (from 93% as of 31 December 2018);
 - Strong leasing activity in each country, with the strongest activity in Poland where occupancy rate increased to 93% (89% in December 2018)
- **Completion of 45,200 sq m of high quality space in 2019**
 - Green Heart (2 buildings), Belgrade
 - Advance Business Centre I, Sofia
 - Matrix A, Zagreb
- **Completion of 33,600 of high quality space in 2020**
 - Green Heart (1 building), Belgrade
 - Advance Business Centre II, Sofia
 - Matrix B, Zagreb
- **Sustainability as important value**
 - BREEAM excellent for Korona Office Complex
 - BREEAM excellent for University Business Park
 - 77% offices with green certificates
 - 12% offices under certification

Retail: Operational outperformance:

- **Leasing activity of 12,900 sq m**
 - Driven by pre-lease of Ada Mall to 93% as of 31 March 2019 (current pre-lease at 97%)
- **Operational outperformance**
 - **Galeria Jurajska:** Q1 2019 footfall 2.7% higher than in Q1 2018 despite increased number of non trading days (Sunday trading ban introduced in March 2018)
 - **Galeria Pólnocna:** Q1 2019 turnover was 31% higher than in Q1 2018
 - **Mall of Sofia:** increased rent income via renegotiations and change of tenant mix
 - **Avenue Mall Zagreb:** stable well performing shopping mall
- **Well positioned in current markets**
 - Occupancy at 95%
- **Completion of 34,400 sq m of high quality space in 2019**
 - Ada Mall, Belgrade, opening on 24 May 2019

FINANCIALS

Rental and service revenues	<ul style="list-style-type: none">Increased to €39m from €36m in Q1 2018 Reflects improvement in rental revenue through completion and leasing of GTC White House, acquisition of Mall of Sofia and completion of modernization and leasing of the first two buildings of Green Heart project.
Gross margin from operations	<ul style="list-style-type: none">Increased to €30m from €27m in Q1 2018 Reflects mostly newly completed and acquired properties.
Net profit from revaluation and impairment	<ul style="list-style-type: none">Amounted to €7m as compared to €13m in Q1 2018 Main contributors to the revaluation gain were assets under construction: Ada Mall, Green Heart, Advance Business Center I and II and Matrix A as well as Neptune Office Center.
Financial expenses	<ul style="list-style-type: none">Average interest rate down to 2.6% thanks to refinancing activity and hedging strategy. Financial expenses increased to €8m following adoption of IFRS 16 and an increase in the average debt balance.
Tax	<ul style="list-style-type: none">Tax expenses amounted to €4m as compared to €6m in Q1 2018 Taxation consist of €1.2m of current tax expenses and €2.3m of deferred tax expenses.
Net profit	<ul style="list-style-type: none">Profit before tax and fair value adjustments improved by 12% to €18m reflecting strong operating performance and operational excellence. The net profit amounted to €20m.
Funds From Operations (FFO I)	<ul style="list-style-type: none">At €18m compared to €15m in Q1 2018, FFO I per share at €0.04
GAV	<ul style="list-style-type: none">At €2,244m as of 31 March 2019 (€2,208m as of 31 December 2018) thanks to investment in assets under construction and revaluation gains
EPRA NAV / share	<ul style="list-style-type: none">Up by 2% to €2.47 from €2.42 on 31 December 2018 Corresponding to EPRA NAV of €1,192m compared to €1,170m as of 31 December 2018.
Bank loans and bonds	<ul style="list-style-type: none">At €1,165m compared to €1,112m as of 31 December 2018Weighted average debt maturity of 4.0 years and average interest rate of 2.6% p.a.LTV at 45% (45% on 31 December 2018)Interest coverage ratio at 4.4x (4.0x on 31 December 2018)
Cash	<ul style="list-style-type: none">Cash balance of €94m as of 31 March 2019

Annex 1 Consolidated Statement of Financial Position as at 31 March 2019
(in thousands of euro)

	31 March 2019 (unaudited)	31 December 2018 (Audited)
ASSETS		
Non-current assets		
Investment property	2,156,787	2,113,068
Residential landbank	13,907	12,698
Property, plant and equipment	7,745	6,712
Deferred tax asset	77	52
Other non-current assets	125	129
	2,178,641	2,132,659
Loan granted to non-controlling interest partner	10,348	10,282
Total non-current assets	2,188,989	2,142,941
Assets held for sale	112,862	76,196
Current assets		
Accounts receivables	5,802	4,449
Receivables related to expropriation of land	-	4,917
Accrued income	754	1,066
VAT receivable	5,016	5,156
Income tax receivable	1,148	1,233
Prepayments and deferred expenses	3,223	1,401
Short-term deposits	66,907	39,109
Cash and cash equivalents	94,216	80,456
	177,066	137,787
TOTAL ASSETS	2,478,917	2,356,924

Annex 1 Consolidated Statement of Financial Position as at 31 March 2019 (cont.)
(in thousands of euro)

	31 March 2019 (unaudited)	31 December 2018 (audited)
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	10,960	10,960
Share premium	546,711	546,711
Capital reserve	(36,054)	(36,054)
Hedge reserve	(5,516)	(4,542)
Foreign currency translation	1,791	1,680
Accumulated profit	516,579	496,996
	1,034,471	1,015,751
Non-controlling interest	4,782	5,044
Total Equity	1,039,253	1,020,795
Non-current liabilities		
Long-term portion of long-term borrowing	957,885	993,453
Lease liability	45,038	-
Deposits from tenants	11,427	10,375
Long term payable	3,034	3,045
Provision for share based payment	5,923	4,533
Derivatives	4,979	3,736
Provision for deferred tax liability	141,183	139,120
	1,169,469	1,154,262
Current liabilities		
Investment and trade payables and provisions	52,782	50,499
Current portion of long-term borrowing	210,753	121,894
Current portion of lease liability	165	-
VAT and other taxes payable	1,580	1,636
Income tax payable	718	1,114
Derivatives	1,756	1,887
Advances received	2,441	4,837
	270,195	181,867
TOTAL EQUITY AND LIABILITIES	2,478,917	2,356,924

Annex 2 Consolidated Income Statement for the year ended 31 March 2019
(in thousands of euro)

	Three-month period ended 31 March 2019 (unaudited)	Three-month period ended 31 March 2018 (unaudited)
Rental revenue	29,274	25,980
Service revenue	10,186	9,875
Residential revenue	-	3,615
Service costs	(9,909)	(9,007)
Residential costs	-	(2,979)
Gross margin from operations	29,551	27,484
Selling expenses	(368)	(475)
Administrative expenses	(4,523)	(1,398)
Profit from revaluation/ impairment of assets	6,719	12,534
Other income	283	163
Other expenses	(391)	(1,380)
Profit from continuing operations before tax and finance income / (expense)	31,271	36,928
Foreign exchange differences gain/(loss), net	(79)	106
Finance income	82	73
Finance costs	(7,986)	(7,161)
Profit before tax	23,288	29,946
Taxation	(3,539)	(5,637)
Profit for the period	19,749	24,309
Attributable to:		
Equity holders of the Company	19,583	24,058
Non-controlling interest	166	251
Basic earnings per share (Euro)	0.04	0.05

Annex 3 Consolidated Statement of Cash Flow for the year ended 31 March 2019
(in thousands of euro)

	Three-month period ended 31 March 2019	Three-month period ended 31 March 2018
	(unaudited)	(unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before tax	23,288	29,946
Adjustments for:		
Loss/(profit) from revaluation/impairment of assets	(6,719)	(12,534)
Foreign exchange differences loss/(gain), net	79	(106)
Finance income	(82)	(73)
Finance cost	7,986	7,161
Share based payment expenses	1,390	(1,360)
Depreciation and amortization	131	140
Operating cash before working capital changes	26,073	23,174
Increase in in account receivables and prepayments and other current assets	(2,141)	(2,746)
(Increase)/Decrease in inventory	-	2,885
Increase/(decrease) in advances received	1,170	(1,926)
Increase in deposits from tenants	1,052	34
Increase in trade and other payables	100	1,599
Cash generated from operations	26,254	23,020
Tax paid in the period	(1,646)	(1,814)
Net cash from operating activities	24,608	21,206
CASH FLOWS FROM INVESTING ACTIVITIES:		
Expenditure on investment property under construction	(31,456)	(32,717)
Decrease in short term deposits	-	10,368
Increase in escrow account	-	(578)
Sale of investment property	-	9,266
Proceeds related to expropriation of land	4,917	-
VAT/tax on purchase/sale of investment property	140	592
Interest received	16	17
Loans repayments from associates and joint ventures	-	406
Net cash from/(used in) investing activities	(26,383)	(12,646)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	103,970	81,371
Repayment of long-term borrowings	(51,360)	(37,485)
Repayment of lease liability	(1,730)	-
Interest paid	(6,740)	(6,385)
Loans origination cost	(611)	(892)
Dividend paid to non-controlling interest	(428)	-
Loan granted to non-controlling interest	-	(9,393)
Increase in short term deposits	(27,798)	(1,250)
Net cash from/(used in) financing activities	15,303	25,966
Net foreign currency translation differences	232	(137)
Net increase / (decrease) in cash and cash equivalents	13,760	34,389
Cash and cash equivalents at the beginning of the year	80,456	148,746
Cash and cash equivalents at the end of the period	94,216	183,135

The GTC Group is a leading real estate investor and developer focusing on Poland and three capital cities in Central and Eastern Europe. Since 1994 GTC has developed 69 high standard, modern office and retail properties with a total area of over 1.2 million sq. m through Central and Eastern Europe.

GTC now actively manages a commercial real estate portfolio of 44 commercial buildings providing 709,500 sq. m of lettable office and retail space in Poland, Budapest, Bucharest, Belgrade, Zagreb and Sofia. In addition, GTC has a development pipeline of 406,800 sq. m retail and office properties in capital cities of Central and Eastern Europe, over 107,300 sq. m under construction.

GTC S.A. is listed on the Warsaw Stock Exchange and included in the mWIG40 index and inward listed on the Johannesburg Stock Exchange.

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