

ACQUISITIONS DRIVEN GROWTH

GROSS MARGIN FROM RENTAL ACTIVITY	ADJUSTED EBITDA	FFO I	OCCUPANCY	ADJUSTED LTV ¹
€128M	€113M	€74M	90%	42%
+8%	+8%	+11%	-1 pp.	-3.2pp

2021 FINANCIAL HIGHLIGHTS

- **Gross margin** from rental activity at €128m in 2021 (€119m in 2020)
- **Adjusted EBITDA** at €113m in 2021 (€105m in 2020)
- **FFO** at €74m in 2021 (€66m in 2020), FFO per share at €0.15
- **EPRA NTA** at €1,272m as of 31 December 2021, EPRA NTA per share at €2.21 (PLN 10.18)
- **LTV adjusted for capital increase and disposal of assets in Serbia** at 42.0% (45.2% as of 31 December 2020)
- **WAIR** at historical low of 2.16²% (2.3% as of 31 December 2020)
- Capital increase completed in December 2021
 - 88,700,00 issued at PLN 6.40

TRANSITIONING FROM SECURED TO PREDOMINANTLY UNSECURED DEBT

- We achieved ratings during 2021
 - Scope Ratings: investment grade at BBB- with a stable outlook
 - Fitch Ratings: investment grade at BBB- with a stable outlook
 - Moody's Investors Service: at Ba1 with a positive outlook
- Green bonds issued in 2021:
 - €54m of unsecured bonds issued on the Hungarian market in March 2021
 - €500m of unsecured Eurobonds issued in June 2021
- **Repayment of 9 loans** from €500m green bonds completed (9 loans repaid with a total of €452m)
- **Unsecured debt** at 50% and **unencumbered properties** up to 45% (9% as of 31 December 2020)

2021 PORTFOLIO HIGHLIGHTS

- **Investment** of €339m into acquisition of income generating assets and landbank for future development
- **Investment in assets under development** of €51.5m in 2021 (€39.4m in 2020)
- Long standing relationships combined with high quality of assets allowed us to **leased and prolong 180,000 sq m** of office and retail space
- **Occupancy** at 90% as of 31 December 2021 (91% as of 31 December 2020)
- **Retail assets:** footfall still below pre-Covid 19 levels (74% in Q4 2021 v 2019), but turnovers picking up quickly (95% in Q4 2021 v 2019)
- Commencement of construction of **GTC X** in April 2021
- **Disposal of Serbian office portfolio** completed in January 2022
- Today, **88% of assets with green certificates**
- We have been recognized for our **ESG affords:**
 - 2021 EPRA Sustainability Best Practices Recommendations Silver Award
 - Sustainable Development Competition: GTC's ESG report received a distinction for the best debut

¹ Adjusted for capital increase and disposal of assets in Serbia

² Excludes loans related to assets held for sale

“2021 was an extremely important year for GTC. It was the one of the most dynamic years in the Group’s history. We traded assets on a big scale shifting our portfolio to higher rated countries, developed new assets, leased both retail and office space, issued debut Eurobonds and increased capital. And all of that still in Covid-19 impacted environment. On the top of that we achieved very good financial results with FFO reaching 74 million euro and EPRA NTA increasing to 1.3 billion euro. We started new investments and acquired land plots to secure further dynamic growth of the Company.” – commented Zoltán Fekete, GTC’s President of the Management Board.

“The decision to change our financing structure which was taken in late 2020 resulted in a very thorough analysis of our Group by the world’s most reputable rating agencies Fitch and Moody’s which rated us at BBB- (Fitch) with a stable outlook and Ba1 with a positive outlook (Moody’s). This allowed us to tap the international bonds market and approach the largest investors in the unsecured debt universe. We debuted with the issuance of 500 million euro bond which allowed us to repay roughly 50% of our secured debt. Very fast growth of 2021 resulted in the short term LTV hike, which was brought down to 42% with the disposal of Serbian assets and very successful capital increase conducted in late 2021. In addition, we have secured our first revolving credit facility in the amount of 75 million euro to support our liquidity. We achieved very low average interest rate of 2.16% and extended debt maturity profile to over 5 years creating a much safer investment for our shareholders”. - commented Ariel Ferstman, GTC’s CFO and Member of the Management Board.

OPERATING ACHIEVEMENTS

<p>Offices: A mix of acquisitions and disposals combined with stronger leasing activity</p>	<ul style="list-style-type: none"> • €310m invested in 5 office buildings and one mix-use project in Hungary will contribute €19m p.a. to our in-place rent <ul style="list-style-type: none"> ▪ Vaci Greens D (Budapest) ▪ Ericsson Headquarters and evosoft Hungary Headquarters (Budapest) ▪ V188 (Budapest) ▪ Hegyvidék Retail and Office Centre (Budapest) ▪ Forest Offices (Debrecen) • Acquisition of a land plots in Sofia and Budapest • Acquisition of land plot in Belgrade finalized in Q1 2022 • Disposal of Serbian office portfolio for €268m (above the book value) finalised in Q1 2022 <ul style="list-style-type: none"> ▪ 122,200 sq m A class office space ▪ 11 office buildings • Commencement of construction of GTC X <ul style="list-style-type: none"> ▪ 16,800 sq m A class office space to be completed in Q4 2022 ▪ €3.7m expected in-place rent after stabilization • Leasing activity reached over 117,000 sq m in 2021 (78,450 sq m in 2020) <ul style="list-style-type: none"> ▪ Prolongation of anchor tenant in Centerpoint 1&2, Budapest (c. 17,600 sq m) ▪ Prolongation of IT blue chip company in Korona Office, Kraków (11,300 sq m) ▪ Prolongation of KMG Rompetrol in City Gate, Bucharest (9,400 sq m) ▪ Prolongation of Webhelp Romania SRL lease in Premium Plaza, Bucharest (4,900 sq m) ▪ CommerzBank chose Advance Business Centre, Sofia (3,500 sq m) ▪ Generali signed a lease in Matrix B, Zagreb (2,500 sq m) • Occupancy at 89% as of 31 December 2021 (90% in December 2020) • Today 88% of office assets green certified
<p>Retail: Currently 100% of space operational, however COVID-19</p>	<ul style="list-style-type: none"> • Currently, 100% of our retail GLA is allowed to trade <ul style="list-style-type: none"> • Retail assets: Footfall still below pre-Covid 19 levels (74% in Q4 2021 v 2019),

related restrictions in the region are in place	<p>but turnovers picking up quickly (95% in Q4 2021 v 2019).</p> <ul style="list-style-type: none"> • Retailers continue to expand with 63,000 sqm signed during 2021 (65,600 sqm signed in 2020) <ul style="list-style-type: none"> ▪ 4,100 sq m Cinema City in Mall of Sofia (prolongation) ▪ 2,152 sq m Half Price in Galeria Jurajska ▪ 1,500 sq m Half Price in Galeria Pólnocna ▪ 680 sq m Mango in Galeria Jurajska ▪ 608 sq m Comsed in Mall of Sofia ▪ 490 sq m MASS Shoes in Avenue Mall • Occupancy at 95% as of 31 December 2021 (95% as of 31 December 2020) • Today 88% of retail assets green certified
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FINANCIALS

Rental and service revenues	<ul style="list-style-type: none"> • Up to €172m in 2021 as compared to €160m in 2020 The Group recognized an increase in rental revenues following acquisition of income generating properties and the completion of Green Heart, Advance Business Center and Matrix in the amount of €15m. The increase was partially offset by a decrease in rental revenues following the sale of Spiral in the fourth quarter of 2020 of €3m.
Gross margin from operations	<ul style="list-style-type: none"> • Increased to €128m in 2021 as compared to €119m in 2020 Mainly resulting from an increase in the rental revenues due to acquisitions and completion of properties, partially offset by a loss in rental and service revenues due to the sale of Spiral.
Administrative expenses	<ul style="list-style-type: none"> • Administrative expenses (before provision for share based program) increased to €14m from €12m in 2020 mainly due to an increase in the remuneration expenses in the amount of €0.6m and an increase in legal, tax, IT services and other advisory expenses in the amount of €0.4m. Mark-to-market of the share-based program resulted in the share-based provision of €0.4m in the year ended 31 December 2021 compared to a reversal of the provision of €0.5m recognized in the year ended 31 December 2020.
Net loss from revaluation and impairment	<ul style="list-style-type: none"> • Amounted to €13m as compared to €143m loss in 2020 Net loss from the revaluation of the investment properties reflects mainly capital expenditure invested on the existing investment properties, partially offset by profit from the revaluation of assets acquired in Hungary.
Financial expenses, net	<ul style="list-style-type: none"> • Average interest rate at 2.16% resulting from refinancing activity, bonds issued and hedging strategy. Financial expenses, net at €43m mainly due to mainly the one-off costs related to early repayments of loans of €5m (cash payments) and release of corresponding deferred issuance debt expenses of €2.5m (non-cash).
Tax	<ul style="list-style-type: none"> • Tax amounted to €14m as compared to €5m tax benefit in 2020 Taxation consists mainly of €8m of current tax expenses and €6m of deferred tax.
Adjusted EBITDA and net profit	<ul style="list-style-type: none"> • Adjusted EBITDA was at €113m (€105m in 2020), the net profit amounted to €43m in 2021 (€71m loss in 2020). This mainly resulted from a strong operating performance combined with lower loss from revaluation/impairment of assets by €130m, partially offset by an increase in finance cost by €8m and recognition of tax expenses of €14m.

Funds From Operations (FFO I)

- **Up to €74m** as compared to €66m in 2020, FFO I per share at €0.15

GAV

- **At €2,507m as of 31 December 2021** (€2,100m as of 31 December 2020) mainly due to an investment of €407m mostly into the acquisition of new properties in Hungary (5 office buildings and one mixed-use retail and office asset), assets under construction and the acquisition of landbank in Bulgaria and Sofia partially offset by net loss from revaluation and impairment of assets.

EPRA NTA / share

- **At €2.21** compared to €2.29 on 31 December 2020
Corresponding to **EPRA NTA of €1,272m** compared to €1,112m as of 31 December 2020.

Debt and debt related indicators

- **At €1,443m** compared to €1,259m as of 31 December 2020
This increase comes mainly from the bonds issued with the value of €552m, new loans related to acquisitions in Hungary of €132m, refinancing of existing loans of €39m, and drawdown of loans for projects under construction of €37m partially offset by repayment of existing loans of €565m combined with repayment of bonds of €20m and the reclassification of loans related to the disposal of office properties in Serbia to liabilities related to assets held for sale of €142m.
- **Weighted average debt maturity of 5.23 years** and **average interest rate of 2.16%**¹ p.a. (excluding debt related to assets held for sale)
- **LTV adjusted for capital increase and disposal of Serbian office portfolio at 42.0%** (45.2% on 31 December 2020)
- **Annualized consolidated coverage ratio (based on EBITDA) at 3.6x** (3.3x on 31 December 2020)
- **Unsecured debt** at 50% and **unencumbered properties** up to 45% (9% as of 31 December 2020)

Cash

- **Cash balance of €97m** as of 31 December 2021
Cash at banks and on hand of €87.5 m and cash at banks related to assets held for sale of €9m. Capital increase (€120m net of issuance cost) and proceeds from disposal of assets in Serbia (€134.3m before tax) will improve the cash position significantly as of March 2022

¹ Excludes loans related to assets held for sale.

		31 December 2021	31 December 2020
ASSETS			
Non-current assets			
Investment property		2,240,660	2,125,128
Residential landbank		27,002	10,094
Property, plant and equipment		7,834	7,785
Blocked deposits		11,078	10,979
Deferred tax asset		3,786	616
Derivatives		826	-
Other non-current assets		163	159
		2,291,349	2,154,761
Loan granted to non-controlling interest partner		10,628	11,252
Total non-current assets		2,301,977	2,166,013
Current assets			
Accounts receivables		6,161	5,873
Accrued income		3,448	878
Receivables from shareholders		123,425	-
VAT and other tax receivable		2,957	2,343
Income tax receivable		456	1,036
Prepayments and deferred expenses		11,515	3,604
Short-term blocked deposits		14,341	27,434
Cash and cash equivalents		87,468	271,996
		249,771	313,164
Assets held for sale	32	292,001	1,580
TOTAL ASSETS		2,843,749	2,480,757

		31 December 2021	31 December 2020
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital		11,007	11,007
Share premium		550,522	550,522
Unregistered share capital increase		120,295	-
Capital reserve		(49,489)	(49,489)
Hedge reserve		(30,903)	(11,930)
Foreign currency translation reserve		(2,570)	(2,553)
Accumulated profit		501,704	460,053
		1,100,566	957,610
Non-controlling interest		16,423	16,538
Total Equity		1,116,989	974,148
Non-current liabilities			
Long-term portion of long-term borrowing		1,255,114	1,067,867
Lease liability		38,767	42,891
Deposits from tenants		11,078	10,979
Long term payable		2,426	2,524
Provision for share based payment		1,410	977
Derivatives		38,743	15,895
Provision for deferred tax liability		140,145	133,230
		1,487,683	1,274,363
Current liabilities			
Current portion of long-term borrowing		44,337	193,425
Current portion of lease liabilities		198	163
Trade payables and provisions		31,092	27,299
Deposits from tenants		1,932	1,790
VAT and other taxes payables		2,222	1,551
Income tax payables		1,000	4,220
Derivatives	19	2,681	3,365
Advances received		784	433
		84,246	232,246
Liabilities related to assets held for sale	32	154,831	-
TOTAL EQUITY AND LIABILITIES		2,843,749	2,480,757

	Year ended 31 December 2021	Year ended 31 December 2020
Rental revenue	130,289	120,652
Service charge revenue	41,662	39,469
Service charge costs	(44,356)	(41,527)
Gross margin from operations	127,595	118,594
Selling expenses	(1,652)	(1,307)
Administration expenses	(14,145)	(11,712)
Loss from revaluation / impairment of assets	(12,867)	(142,721)
Other income	1,432	776
Other expenses	(1,062)	(1,622)
Profit/(loss) from continuing operations before tax and finance income / expense	99,301	(37,992)
Foreign exchange gain / (loss), net	196	(2,951)
Finance income	304	331
Finance cost	(43,281)	(35,244)
Profit/(loss) before tax	56,520	(75,856)
Taxation	(13,784)	4,995
Profit/(loss) for the year	42,736	(70,861)
Attributable to:		
Equity holders of the Company	41,651	(70,189)
Non-controlling interest	1,085	(672)
Basic/diluted earnings (losses) per share (in Euro)	0.09	(0.14)

(in thousands of euro)

	Year ended 31 December 2021	Year ended 31 December 2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit/(loss) before tax	56,520	(75,856)
Adjustments for:		
Loss from revaluation/impairment of assets and residential projects	12,867	142,721
Foreign exchange loss/(gain), net	(196)	2,951
Finance income	(304)	(331)
Finance cost	43,281	35,244
Provision for share based payment loss/(profit)	432	(469)
Depreciation	653	654
Operating cash before working capital changes	113,253	104,914
Decrease (increase) in accounts receivables and prepayments and other current assets	(4,952)	2,469
Decrease in advances received	583	72
Increase in deposits from tenants	2,878	27
Increase (decrease) in trade and other payables	3,550	(800)
Cash generated from operations	115,312	106,682
Tax paid in the period	(8,885)	(6,357)
Net cash from operating activities	106,427	100,325
CASH FLOWS FROM INVESTING ACTIVITIES:		
Expenditure on investment property and property, plant and equipment	(92,784)	(78,528)
Purchase of completed assets and land	(262,937)	(21,468)
Purchase of residential landbank	(13,300)	-
Decrease in short term deposits designated for investment	1,150	5,923
Purchase of minority	-	(1,802)
Sale of investment property	-	64,569
Sale of subsidiary	595	-
Advances received for assets held for sale	1,210	-
VAT/tax on purchase/sale of investment property	(614)	953
Interest received	28	55
Net cash used in investing activities	(366,652)	(30,298)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	706,070	286,807
Repayment of long-term borrowings	(585,323)	(224,293)
Interest paid and other financing breaking fees	(32,786)	(32,068)
Repayment of lease liability	(516)	(162)
Loans origination payment	(8,147)	(1,983)
Dividend paid to non-controlling interest	(300)	(420)
Decrease/(Increase) in short term deposits	5,908	(168)
Net cash from financing activities	84,906	27,713
Net foreign exchange difference	(44)	(5,380)
Net increase/ (decrease) in cash and cash equivalents	(175,363)	92,360
Cash and cash equivalents at the beginning of the period	271,996	179,636
Cash and cash equivalents at the end of the period	96,633	271,996

About GTC

The GTC Group is a leading real estate investor and developer focusing on Poland and capital cities in Central and Eastern Europe. During 25 years of its activity, GTC has developed 77 high standard, modern office and retail properties with a total area of approx. 1.4 million sq. m through Central and Eastern Europe.

GTC now actively manages a commercial real estate portfolio of 44 commercial buildings providing ca. 761 ths. sq m of lettable office and retail space in Poland, Hungary, Bucharest, Belgrade, Zagreb and Sofia. In addition, GTC has a development pipeline of approx. 220 ths. sq m retail and office properties in capital cities of Central and Eastern Europe, 36 ths. sq m under construction.

GTC S.A. is listed on the Warsaw Stock Exchange and inward listed on the Johannesburg Stock Exchange.

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