

ROBUST Q1 2022 RESULTS ACROSS ALL THE FINANCIAL AND OPERATIONAL METRICS

GROSS MARGIN FROM RENTAL ACTIVITY	ADJUSTED EBITDA	FFO I	OCCUPANCY	NET LTV ¹
€30M	€26M	€16M	91%	43.1%
+10%	+5%	+14%	+1 pp.	+1.1 pp.

Q1 2022 FINANCIAL HIGHLIGHTS

- **Rental revenues** up to €42m in Q1 2022 (€37m in Q1 2021)
- **Gross margin** from rental activity up to €30m in Q1 2022 (€27m in Q1 2021)
- **Adjusted EBITDA** up to €26m in Q1 2022 (€24m in Q1 2021)
- **FFO I** at €16m in Q1 2022 (€14m in Q1 2021), FFO per share at €0.03
- **EPRA NTA** at €1,288m as of 31 March 2022, **EPRA NTA per share** at €2.24 (PLN 10.43)
- **Net LTV** at 43%
- **Proposed dividend** from 2021 profits of PLN 0.28/share
- **Strong cash position** of €278m and available credit facilities in the amount of €94m

Q1 2022 PORTFOLIO HIGHLIGHTS

- **Occupancy at 91%** as of 31 March 2022 (90% as of 31 December 2021)
- **Disposal of Serbian office buildings** for €268m (above the book value) completed in January 2022
- **Completion of Pillar**, Class A office building in Budapest (29,100 sq m GLA)
- **Commencement of Matrix C**, Class A office building in Zagreb (10,500 sq m GLA)
- **88% of assets green certified**, 11% under certification process

“2021 has brought excellent performance figures and as a result, we recommended our shareholders to pay a dividend of PLN 0.28 per share on 2021 profit, marking a return to regular dividend payments. Our Q1 2022 results show that this year is also going to be solid, despite the disposal of the Serbian office portfolio. Operating performance, particularly of the retail sector is very strong and promising, while the office sector will further require our attention. We will be also focusing on development of the office properties, launching our new project in Zagreb in Q1, followed by a launch of an office building development in Budapest in Q2. With a strong cash position, we are open to investment opportunities and actively screening the markets to boost our growth.” – commented Zoltán Fekete, GTC’s President of the Management Board.

“The Q1 2022 results on the revenue side are showing a great improvement, while new acquisitions are covering for the lost revenues due to the disposal of Serbian portfolio, our retail sector came up with a strong increase, on both revenue side but what is more important on the performance side with turnovers being 12% above 2019 results. Our balance sheet and cash position are very strong. Net debt stays virtually unchanged, LTV at 43% and cost of debt still at an all-time low of 2.16%. We are very satisfied with our results and looking forward to the remainder of the year.” – commented Ariel Ferstman, GTC’s CFO and Member of the Management Board.

OPERATING ACHIEVEMENTS

Offices: new projects in the portfolio combined with stronger leasing activity

- **Disposal of Serbian office portfolio for €268m (above the book value) completed in January 2022**
 - 122,200 sq m A class office space
 - 11 office buildings
- **Completion of Pillar, Class A office building in Budapest**
 - 29,100 sq m A class office space
 - €6.1m p.a. in-place rent
 - Uplift on the valuation of almost €30m
- **Commencement of Matrix C, Class A office building in Zagreb**
 - 10,500 sq m A class office space
 - Expected €2.1m p.a. in-place rent
- **Leasing activity improved to over 36,100 sq m in Q1 2022 (13,500 sq m in Q1 2021)**
 - Prolongation and expansion of an anchor tenant's lease in Center Point, Budapest (c. 16,000 sq m)
 - Htec signed a pre-lease in GTC X, Belgrade (c. 8,200 sq m)
 - Prolongation of IQVIA lease in Sofia Tower, Sofia (c. 2,900 sq m)
 - Prolongation of TMF lease in Duna Tower, Budapest (c. 1,550 sq m)
 - Flex Space chose Advance Business Center II, Sofia (c. 1,400 sq m)
 - Prolongation of Deloitte Audyt lease in Korona Office, Kraków (c. 900 sq m)
 - Global4Net chose Globis Wrocław, Wrocław (c. 500 sq m)
- **Occupancy at 89% as of 31 March 2022 (88%¹ in December 2021)**
- **89% of office assets green certified, 10% under certification process**

Retail: back to pre-Covid levels

- **Currently, 100% of our retail GLA is allowed to trade**
 - We are seeing a positive trend in all malls, footfall is growing and turnover reached pre-Covid levels (100% in March 2022 vs 2019; 98%² in Q1 2022 vs 2019 and 153% in Q1 2022 vs 2021)
 - April turnover on record high level at 112% of 2019 results
- **Retailers continue to expand and prolong their leases:**
 - c. 1,200 sq m LC Waikiki in Ada Mall (prolongation)
 - c. 600 sq m Hungarian Post in Hegyvidék Shopping Center (prolongation)
 - c. 600 sq m Pertini Toys in Ada Mall (prolongation)
 - c. 450 sq m Fressnapf in Hegyvidék Shopping Center
 - c. 380 sq m Benetton in Avenue Mall Zagreb (prolongation)
- **Occupancy at 96% as of 31 March 2022 (95% as of 31 December 2021)**
- **88% of retail assets green certified**

Note: (1) Excludes assets held for sale; (2) Excludes Ada Mall which was open in end of May 2019

FINANCIALS

Rental and service revenues	<ul style="list-style-type: none"> • Up to €42m in Q1 2022 as compared to €37m in Q1 2021 <p>The Group recognized an increase in rental revenues following acquisition of income generating properties and the completion of Pillar in the amount of €6.5m and an increase in rental revenues as from shopping centres in the amount of €3.8m as a result of the end of the Covid-19 related discounts and measures taken to help the retail tenants, as well as an increase in average rental rate following the indexation of its rental rates to the European CPI. The increase was partially offset by a decrease in rental revenues following the sale of Serbian office portfolio in the first quarter of 2022 of €5.8m.</p>
Gross margin from operations	<ul style="list-style-type: none"> • Increased to €30m in Q1 2022 as compared to €27m in Q1 2021 <p>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 Serbian office portfolio.</p>
Administrative expenses	<ul style="list-style-type: none"> • Administrative expenses (before provision for share based program) increased to €4m from €3m in Q1 2021 mainly due to an increase in the remuneration expenses and an increase in legal, tax, IT services and other advisory. <p>Mark-to-market of the share-based program resulted in the a reversal of share-based provision of €0.4m in Q1 2022 compared to a provision of €0.3m recognized in the Q1 2021.</p>
Profit from revaluation of investment property	<ul style="list-style-type: none"> • Amounted to €3m as compared to €3m loss in Q1 2021 <p>Reflects mainly to profit from the revaluation of Pillar (Budapest, Hungary) upon its completion, partially offset by capital expenditure invested on the existing investment properties.</p>
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 €8m as compared to €8m in Q1 2021
Tax	<ul style="list-style-type: none"> • Tax amounted to €5m as compared to €4m tax benefit in Q1 2021 <p>Taxation consists mainly of €5m of current tax expenses and less than €1m of deferred tax benefit.</p>
Adjusted EBITDA and net profit	<ul style="list-style-type: none"> • Adjusted EBITDA was at €26m (€24m in Q1 2021), the net profit amounted to €15m in Q1 2022 (€9m in Q1 2021). This mainly resulted from a strong operating performance combined with profit from revaluation/impairment of assets of €3m, partially offset by an increase in foreign exchange differences loss by €1m.
Funds From Operations (FFO I)	<ul style="list-style-type: none"> • Up to €16m as compared to €14m in Q1 2021, FFO I per share at €0.03
GAV	<ul style="list-style-type: none"> • At €2,315m as of 31 March 2022 (€2,507m as of 31 December 2021) mainly due to the completion of the sale of Serbian entities partially offset by an investment of €74m mostly into the acquisition of a new landbank in Serbia and two assets in Hungary.
EPRA NTA / share	<ul style="list-style-type: none"> • At €2.24 compared to €2.21 on 31 December 2021 <p>Corresponding to EPRA NTA of €1,288m compared to €1,272m as of 31 December 2021.</p>
Debt and debt related indicators	<ul style="list-style-type: none"> • At €1,301m compared to €1,443m as of 31 December 2021 <p>This decrease comes mainly from the disposal of office properties in Serbia and related liabilities of €142m.</p>

Cash

- **Weighted average debt maturity of 5.1 years** and **average interest rate of 2.16% p.a.**
 - **Net LTV 43.1%** (adjusted for capital increase and disposal of Serbian office portfolio at 42.0% on 31 December 2021)
 - **Annualized consolidated coverage ratio (based on EBITDA) at 3.7x** (3.6x on 31 December 2021)
 - **Unsecured debt** at 56% and **unencumbered properties** up to 52% (45% as of 31 December 2021)
 - **Cash balance of €278m** as of 31 March 2022 (€97m as of 31 December 2021)
Mainly as a result of the sale of Serbian assets (net of cash in disposed entities) (€125m) combined with capital increase (€120m), partially offset by the purchase of completed assets and land (€50m).
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	31 March 2022 (unaudited)	31 December 2021 (audited)
ASSETS		
Non-current assets		
Investment property	2,319,177	2,240,660
Residential landbank	27,293	27,002
Property, plant and equipment	7,895	7,834
Blocked deposits	12,021	11,078
Deferred tax asset	3,850	3,786
Derivatives	8,433	826
Other non-current assets	158	163
	2,378,827	2,291,349
Loan granted to non-controlling interest partner	10,696	10,628
	2,389,523	2,301,977
Current assets		
Accounts receivables	7,662	6,161
Accrued income	3,602	3,448
Receivables from shareholders	-	123,425
VAT and other tax receivable	1,743	2,957
Income tax receivable	335	456
Prepayments, deferred expenses and other receivables	16,917	11,515
Short-term blocked deposits	13,235	14,341
Cash and cash equivalents	277,584	87,468
	321,078	249,771
Assets held for sale	4,504	292,001
	325,582	541,772
TOTAL ASSETS	2,715,105	2,843,749

	31 March 2022 (unaudited)	31 December 2021 (audited)
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	12,920	11,007
Share premium	668,904	550,522
Unregistered share capital increase	-	120,295
Capital reserve	(49,489)	(49,489)
Hedge reserve	(24,307)	(30,903)
Foreign currency translation	(2,694)	(2,570)
Accumulated profit	516,618	501,704
	1,121,952	1,100,566
Non-controlling interest	16,733	16,423
Total Equity	1,138,685	1,116,989
Non-current liabilities		
Long-term portion of long-term borrowing	1,251,562	1,255,114
Lease liability	40,876	38,767
Deposits from tenants	12,021	11,078
Long term payable	2,494	2,426
Provision for share based payment	995	1,410
Derivatives	39,536	38,743
Provision for deferred tax liability	136,718	140,145
	1,484,202	1,487,683
Current liabilities		
Current portion of long-term borrowing	47,905	44,337
Current portion of lease liabilities	212	198
Trade payables and provisions	27,644	31,092
Deposits from tenants	2,327	1,932
VAT and other taxes payable	1,822	2,222
Income tax payable	8,796	1,000
Derivatives	1,464	2,681
Advances received	1,919	784
	92,089	84,246
Liabilities related to assets held for sale	129	154,831
	92,218	239,077
TOTAL EQUITY AND LIABILITIES	2,715,105	2,843,749

	Three-month period ended 31 March 2022 (unaudited)	Three-month period ended 31 March 2021 (unaudited)
Rental revenue	31,322	27,984
Service charge revenue	10,443	9,243
Service charge costs	(11,471)	(9,761)
Gross margin from operations	30,294	27,466
Selling expenses	(392)	(364)
Administration expenses	(3,221)	(2,980)
Profit/(loss) from revaluation / impairment of assets	3,063	(2,594)
Other income	35	118
Other expenses	(665)	(179)
Profit/(loss) from continuing operations before tax and finance income / expense	29,114	21,467
Foreign exchange differences gain / (loss), net	(1,145)	(368)
Finance income	71	74
Finance cost	(8,117)	(8,564)
Profit/(loss) before tax	19,923	12,609
Taxation	(4,699)	(3,903)
Profit /(loss) for the period	15,224	8,706
Attributable to:		
Equity holders of the Company	14,914	8,462
Non-controlling interest	310	244
Basic earnings / (losses) per share (in Euro)	0.03	0.02

(in thousands of euro)

	Three-month period ended 31 March 2022 (unaudited)	Three-month period ended 31 March 2021 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit/ (loss) before tax	19,923	12,609
Adjustments for:		
Loss/(profit) from revaluation/impairment of assets and residential projects	(3,063)	2,594
Foreign exchange differences loss, net	1,145	368
Finance income	(71)	(74)
Finance cost	8,117	8,564
Provision for share based payment loss/(profit)	(415)	250
Depreciation	121	181
Operating cash before working capital changes	25,757	24,492
Decrease / (increase) in accounts receivables and prepayments and other current assets	(2,042)	(2,072)
Decrease / (increase) in advances received	1,135	740
Increase / (decrease) in deposits from tenants	1,338	1,054
Increase / (decrease) in trade and other payables	(2,784)	(559)
Cash generated from operations	23,404	23,655
Tax paid in the period	(1,633)	(1,403)
Net cash from operating activities	21,771	22,252
CASH FLOWS FROM INVESTING ACTIVITIES:		
Expenditure on investment property and property, plant and equipment	(29,938)	(22,332)
Purchase of completed assets and land	(50,356)	-
Sale of residential landbank	1,073	-
Sale of subsidiary, net of cash in disposed assets	125,112	-
Advances received for assets held for sale	-	1,080
VAT/tax on purchase/sale of investment property	1,214	1,297
Interest received	3	6
Net cash from/(used in) investing activities	47,108	(19,949)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from long-term borrowings	432	103,883
Repayment of long-term borrowings	(3,358)	(111,821)
Interest paid and other financing breaking fees	(4,924)	(9,194)
Proceeds from issue of share capital, net of issuance costs	120,386	-
Repayment of lease liability	(525)	(516)
Loans origination payment	-	(780)
Decrease/(Increase) in short term deposits	163	(1,131)
Net cash from /(used in) financing activities	112,174	(19,559)
Net foreign exchange difference	(102)	(686)
Net increase/ (Decrease) in cash and cash equivalents	180,951	(17,942)
Cash and cash equivalents at the beginning of the period	96,633	271,996
Cash and cash equivalents at the end of the period	277,584	254,054

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 45 commercial buildings providing ca. 763 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. 460 ths. sq m retail and office properties in capital cities of Central and Eastern Europe, 51 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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