

ACQUISITIONS DRIVEN GROWTH

GROSS MARGIN FROM RENTAL ACTIVITY	ADJUSTED EBITDA	FFO I	OCCUPANCY
€93M	€83M	€51M	91%

9M 2021 FINANCIAL HIGHLIGHTS

- **Gross margin** from rental activity at €93m in 9M 2021 (€91m in 9M 2020)
- **Adjusted EBITDA** at €83m in 9M 2021 (€82m in 9M 2020)
- **FFO** at €52¹m in 9M 2021 (€54m in 9M 2020), FFO per share at €0.11
- **EPRA NAV** at €1,149m as of 30 September 2021, EPRA NAV per share at €2.37 (PLN 10.96)
- **Investment** of €339m into acquisition of income generating assets and landbank for future development
- **Occupancy** at 91% as of 30 September 2021 (91% as of 31 December 2020)

TRANSITIONING FROM SECURED TO PREDOMINANTLY UNSECURED DEBT

- **Repayment of 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)
- **WAIR** at historical low of 2.14%² (2.3% as of 31 December 2020)
- 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

*“The acquisitions that we conducted over the 2021 allowed to recognize approx. €7 million of additional gross margin, which more than compensated the negative impact from COVID-19 and sale of Spiral. The results after the three quarters of 2021 are showing an upward trend with all the main parameters above the comparable for 2020. Leasing activity is not as strong as in pre-COVID times however we have been able to keep our occupancy at the 91% level. We see retail tenants expanding in all our markets and shopping malls. Our malls, especially in Poland and Serbia, are reviving after each lockdown and showing the turnover results better than even in 2019. In terms of office tenants, they tend to stay in their current locations and not looking for new office space, which works in our favor. Towards the end of the year, we still have a capital increase in front of us. We have identified income generating assets that we want to invest in. We would like to deploy the new funds coming into the Company to grow the business further” – **commented Yovav Carmi, GTC’s President of the Management Board.***

*“We completed the repayment of loans from the green Eurobonds we issued in June 2021. We refinanced 9 loans for a total of €452 million. As we said earlier this year our goal is to be predominantly funded with unsecured debt and to be able to meet this goal we will tap the bonds market again at latest at the beginning of 2022” - **commented Ariel Ferstman, GTC’s CFO and Member of the Management Board.***

¹ The 9M 2021 FFO calculation includes the accrued interest under bonds (€5.3m).

² Excludes loans related to assets held for sale.

OPERATING ACHIEVEMENTS

Offices: A mix of acquisitions and disposals combined with stronger leasing activity

- **€310m invested in 5 office buildings and one mix-use project in Hungary will contribute €19.2m p.a. to our in-place rent**
 - Vaci Green D (Budapest)
 - Ericsson Headquarters and evosoft Hungary Headquarters (Budapest)
 - V188 (Budapest)
 - Hegyvidék Retail and Office Centre (Budapest)
 - Forest Offices (Debrecen)
- **Acquisition of a land plot in Sofia and Budapest**
- **Disposal of Serbian office buildings for €268m (above the book value) to be closed in Q4 2021**
 - 122,200 sq m A class office space
 - 11 office buildings
- **Commencement of construction of GTC X**
 - 16,800 sq m A class office space to be completed in Q3 2022
 - €3.5m expected in-place rent after stabilization
- **Leasing activity reached over 71,000 sq m in 9M 2021 (66,700 sq m in 9M 2020)**
 - Prolongation of Metlife in Duna Tower, Budapest (c. 1,700 sq m)
 - Prolongation of Feilo in Duna Tower, Budapest (c. 850 sq m)
 - New lease with BAM in Duna Tower, Budapest (c. 500 sq m)
 - Prolongation of Fincores Business in Francuska Office Centre, Katowice (c. 600 sq m)
 - New lease with X-coding IT Studio in Globis Wrocław (c. 400 sq m)
- **Occupancy at 90% as of 30 September 2021 (90% in December 2020)**
- **83% of office assets green certified**

Retail: Currently 100% of space operational, however COVID-19 related restrictions in the region are in place

- **Currently, 100% of our retail GLA is allowed to trade, however certain restrictions are introduced through the region**
- **Occupancy at 95% as of 30 September 2021 (95% as of 31 December 2020)**
- **Retailers continue to expand:**
 - 2,152 sq m HalfPrice in Galeria Jurajska
 - 324 sq m Barbell Gym in Ada Mall
 - 253 sq m Home&Cook in Avenue Mall
 - 158 sq m Jeordie's in Ada Mall
 - 155 New Balance in Galeria Jurajska
 - 126 sq m Teleperformance contact store in Avenue Mall
- **Avenue Mall and Ada Mall showed an increase in gross margin from operations of €1.1m while Polish and Bulgarian assets were negatively impacted by €2.1m**
- **Polish and Serbian assets continued to show improvement in the malls' turnover in Q3 2021**
- **85% of retail assets green certified**

FINANCIALS

Rental and service revenues	<ul style="list-style-type: none"> • Up to €124m in 9M 2021 as compared to €122m in 9M 2020 <p>We recognized an increase in rental revenues due to the acquisition of new properties and the completion of Green Heart, Advance Business Center, Matrix in the amount of €7.4m. The increase was partially offset by a decrease in rental revenues of shopping centers in Poland and Bulgaria of €2.8m due to COVID-19 related closures and a decrease in rental revenues following the sale of Spiral in the fourth quarter of 2020 of €3.0m.</p>
Gross margin from operations	<ul style="list-style-type: none"> • Increased to €93m in 9M 2021 as compared to €91m in 9M 2020 <p>Mainly resulting from an increase in the rental revenues due to acquisitions and completion of new properties, partially offset by a loss in rental and service revenues due to the sale of Spiral and COVID-19 related lockdowns in our shopping malls.</p>
Administrative expenses	<ul style="list-style-type: none"> • Administrative expenses (before provision for share based program) increased to €8.8m from €8.2m in 9M 2020 <p>Mark-to-market of the share-based program resulted in the share-based provision of €0.5m in 9M 2021 compared to a reversal of the provision of €1.1m recognized in 9M 2020. The above factors resulted in an increase of administration expenses of €2.1m to €9.3m in 9M 2021 from €7.2m in 9M 2020.</p>
Net loss from revaluation and impairment	<ul style="list-style-type: none"> • Amounted to €2m as compared to €67m loss in 9M 2020 <p>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 the acquired assets in Hungary.</p>
Financial expenses, net	<ul style="list-style-type: none"> • Average interest rate at 2.14% thanks to refinancing activity, bonds issued and hedging strategy. Financial expenses, net at €34m mainly due to the one-off costs related to early repayments of loans of €5.1m (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 €13m as compared to €3m tax in 9M 2020 <p>Taxation consists mainly of €4m of current tax expenses and €9m of deferred tax.</p>
Adjusted EBITDA and net profit	<ul style="list-style-type: none"> • Adjusted EBITDA was at €83m (€82m in 9M 2020), the net profit amounted to €33m in 9M 2021 (€17m loss in 9M 2020). This mainly resulted from a strong operating performance combined with lower loss from revaluation/impairment of assets by €65m and lower foreign exchange difference loss, partially offset by an increase in finance cost by €9m and recognition of tax expenses of €13m (€3m tax in 9M 2020).
Funds From Operations (FFO I)	<ul style="list-style-type: none"> • Up to €52³m as compared to €54m in 9M 2020, FFO I per share at €0.11
GAV	<ul style="list-style-type: none"> • At €2,484m as of 30 September 2021 (€2,100m as of 31 December 2020) mainly due to an investment of €375m mostly into the acquisition of new properties in Hungary (5 office buildings and one mixed-use retail and office asset) and landbank in Bulgaria.
EPRA NAV / share	<ul style="list-style-type: none"> • At €2.37 compared to €2.29 on 31 December 2020 <p>Corresponding to EPRA NAV of €1,149m compared to €1,112m as of 31 December 2020.</p>

³ The 9M 2021 FFO calculation includes the accrued interest under bonds (€5.3m).

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 €30m partially offset by repayment of existing loans of €560m combined with repayment of bonds of €20m.
- **Weighted average debt maturity of 5.0 years** and **average interest rate of 2.14%⁴ p.a.**
- **LTV at 52.8%** (45% on 31 December 2020)
Post the disposal of Serbian assets and planned capital increase LTV ratio will improve significantly.
- **Annualized interest coverage ratio (based on EBITDA) at 3.3x** (3.3x on 31 December 2020)
- **Cash balance of €92m** as of 30 September 2021

Cash

⁴ Excludes loans related to assets held for sale.

	30 September 2021 (unaudited)	31 December 2020 (audited)
ASSETS		
Non-current assets		
Investment property	2,220,390	2,125,128
Residential landbank	26,219	10,094
Property, plant and equipment	7,365	7,785
Blocked deposits	10,914	10,979
Deferred tax asset	2,576	616
Other non-current assets	173	159
	2,267,637	2,154,761
Loan granted to non-controlling interest partner	10,559	11,252
Total non-current assets	2,278,196	2,166,013
Current assets		
Accounts receivables	7,329	5,873
Accrued income	2,192	878
VAT and other tax receivable	2,096	2,343
Income tax receivable	394	1,036
Prepayments and deferred expenses	11,885	3,604
Short-term blocked deposits	14,336	27,434
Cash and cash equivalents	91,598	271,996
	129,830	313,164
Assets held for sale	290,556	1,580
TOTAL ASSETS	2,698,582	2,480,757

Annex 1 Consolidated Statement of Financial Position as of 30 September 2021 (cont.)
(in thousands of euro)

	30 September 2021 (unaudited)	31 December 2020 (audited)
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	11,007	11,007
Share premium	550,522	550,522
Capital reserve	(49,489)	(49,489)
Hedge reserve	(19,605)	(11,930)
Foreign currency translation	(2,656)	(2,553)
Accumulated profit	492,325	460,053
	982,104	957,610
Non-controlling interest	16,443	16,538
Total Equity	998,547	974,148
Non-current liabilities		
Long-term portion of long-term borrowing	1,268,884	1,067,867
Deposits from tenants	10,914	10,979
Long term payable	1,402	2,524
Provision for share based payment	1,455	977
Lease liability	37,952	42,891
Derivatives	22,169	15,895
Provision for deferred tax liability	132,817	133,230
	1,475,593	1,274,363
Current liabilities		
Trade payables and provisions	23,613	27,299
Deposits from tenants	1,512	1,790
Current portion of long-term borrowing	28,826	193,425
VAT and other taxes payable	2,381	1,551
Income tax payable	674	4,220
Derivatives	1,433	3,365
Current portion of lease liabilities	190	163
Advances received	786	433
	59,415	232,246
Liabilities related to assets held for sale	165,027	-
TOTAL EQUITY AND LIABILITIES	2,698,582	2,480,757

Annex 2 Consolidated Income Statement for the 3 and 9 month periods ended 30 September 2021 (in thousands of euro)

	Nine-month period ended 30 September 2021	Nine-month period ended 30 September 2020	Three-month period ended 30 September 2021	Three-month period ended 30 September 2020
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Rental revenue	94,615	91,697	34,832	32,659
Service charge revenue	29,808	29,877	10,743	10,225
Service charge costs	(31,529)	(30,591)	(11,505)	(10,536)
Gross margin from operations	92,894	90,983	34,070	32,348
Selling expenses	(1,183)	(1,002)	(422)	(295)
Administration expenses	(9,323)	(7,183)	(3,064)	(2,629)
Profit/(loss) from revaluation / impairment of assets	(2,111)	(66,915)	(1,031)	917
Other income	306	769	65	714
Other expenses	(649)	(1,101)	(305)	(552)
Profit/(loss) from continuing operations before tax and finance income / expense	79,934	15,551	29,313	30,503
Foreign exchange differences gain / (loss), net	(438)	(4,109)	(289)	(873)
Finance income	223	252	73	79
Finance cost	(33,922)	(25,331)	(12,308)	(8,280)
Profit/(loss) before tax	45,797	(13,637)	16,789	21,429
Taxation	(12,720)	(2,868)	(5,211)	(4,110)
Profit / (loss) for the period	33,077	(16,505)	11,578	17,319
Attributable to:				
Equity holders of the Company	32,272	(16,386)	11,312	17,233
Non-controlling interest	805	(119)	266	86
Basic earnings / (losses) per share (in Euro)	0.07	(0.03)	0.02	0.04

(in thousands of euro)

	Nine-month period ended 30 September 2021 (unaudited)	Nine-month period ended 30 September 2020 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit/ (loss) before tax	45,797	(13,637)
Adjustments for:		
Loss/(profit) from revaluation/impairment of assets and residential projects	2,111	66,915
Foreign exchange differences loss/(gain), net	438	4,109
Finance income	(223)	(252)
Finance cost	33,922	25,331
Provision for share based payment loss/(profit)	478	(1,059)
Depreciation	490	478
Operating cash before working capital changes	83,013	81,885
Decrease/(increase) in accounts receivables and prepayments and other current assets	(3,074)	(454)
Decrease/(increase) in advances received	775	784
Increase/(decrease) in deposits from tenants	2,286	(34)
Increase/(decrease) in trade and other payables	1,165	(1,640)
Cash generated from operations	84,165	80,541
Tax paid in the period	(7,388)	(5,021)
Net cash from operating activities	76,777	75,520
CASH FLOWS FROM INVESTING ACTIVITIES:		
Expenditure on investment property and property, plant and equipment	(68,182)	(64,658)
Purchase of completed assets and land	(260,882)	-
Purchase of residential landbank	(12,807)	-
Decrease in short term deposits designated for investment	922	5,777
Purchase of minority	-	(1,802)
Sale of investment property	-	500
Sale of subsidiary	595	-
Advances received for assets held for sale	1,080	-
VAT/tax on purchase/sale of investment property	247	1,410
Interest received	16	45
Net cash used in investing activities	(339,011)	(58,728)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from long-term borrowings	699,123	157,248
Repayment of long-term borrowings	(580,179)	(183,729)
Interest paid and other financing breaking fees	(26,350)	(22,582)
Repayment of lease liability	(516)	(156)
Loans origination payment	(7,561)	(954)
Decrease/(increase) in short term deposits	6,313	(1,375)
Net cash from/(used) in financing activities	90,830	(51,548)
Net foreign exchange difference	(626)	(5,802)
Net increase/(decrease) in cash and cash equivalents	(172,030)	(40,558)
Cash and cash equivalents at the beginning of the period	271,996	179,636
Cash and cash equivalents at the end of the period	99,966	139,078

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 76 high standard, modern office and retail properties with a total area of over 1.3 million sq. m through Central and Eastern Europe.

GTC now actively manages a commercial real estate portfolio of 54 commercial buildings providing ca. 854 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 420 ths. sq m retail and office properties in capital cities of Central and Eastern Europe, 54 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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