

### RESULTS STILL UNDER THE COVID-19 IMPACT BUT LEASING ACTIVITY COMES BACK IN BOTH RETAIL AND OFFICE SECTORS

GROSS MARGIN FROM RENTAL ACTIVITY	PROFIT BEFORE TAX AND FAIR VALUE ADJUSTMENTS	FFO I	EPRA NAV
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€27M

€15M

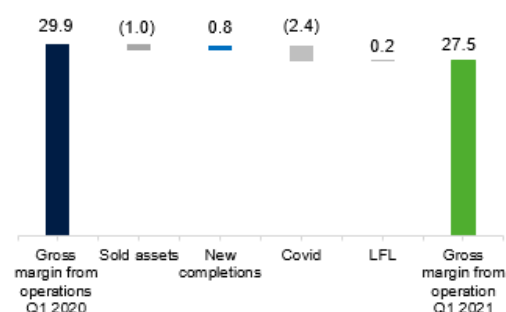
€14M

€1,123M

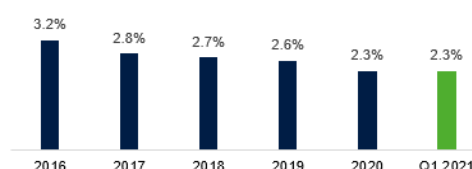
#### Q1 2021 FINANCIAL HIGHLIGHTS

- **Gross margin from rental activity** at €27m (€30m in Q1 2020), despite €2.4m impact of COVID-19 in Q1 2021 (€4.5m impact to pre-COVID levels of Q1 2019)
- **Operating profit:** profit before tax and fair value adjustments at €15m (€13m in Q1 2020)
- **FFO** strong at €14m (€18m in Q1 2020), FFO per share at €0.03
- **EPRA NAV** at €1,123m as of 31 March 2021, EPRA NAV per share at €2.31 (PLN 10.77)
- **Solid financial metrics:**
  - LTV at 45.5% (45% as of 31 December 2020)
  - WAIR at historical low of 2.3% (2.3% as of 31 December 2020)
- **Strong liquidity position** with cash and cash equivalents at €254m as of 31 March 2021
- **Green bonds** issued in the amount of €54m in March 2021 (25% oversubscription)

#### BREAK DOWN OF OPERATING MARGIN (BRIDGE)



#### AVERAGE INTEREST RATE



#### Q1 2021 PORTFOLIO HIGHLIGHTS

- **OFFICE: ACTIVITY STRONGER THAN IN 2020**
  - Leasing activity focused mostly on prolongations reached close to 40,000 sq m
  - Occupancy remained strong at 90%<sup>3</sup> as of 31 March 2021 (90% in December 2020)
  - €212m invested in Q2 2020 into fully leased offices in Budapest with long WAULT and blue chip tenants will contribute €11.8m p.a. to our in-place rent
- **RETAIL: COVID-19 STILL VISIBLE IN Q1 2021 RESULTS HOWEVER CURRENTLY 100% OF SPACE OPERATIONAL**
  - Lockdowns in Poland, Bulgaria and Serbia lead to an impact on gross margin of €2.4m in Q1 2021

#### Vaci Greens D



#### Siemens Evosoft Headquarters



- Currently, 100% of our retail GLA is allowed to trade
- Retailers continue to expand
- Occupancy improved to 96% as at 31 March 2021

### Ericsson Headquarters



“First quarter was extremely busy. As all the businesses around the world we were focus on mitigating the COVID-19 impact. But we already saw a more positive sentiment compared to 2020. Our office leasing activity improved significantly from 70,000 sq m in the whole 2020 to almost 40,000 in the first quarter 2021 itself. Also retail saw some significant lease agreements and openings. Additionally, we proceeded with our acquisition plans and invested EUR 212m in the prime offices in Budapest acquiring Vaci Green D, Ericsson Headquarter and Siemens Evosoft Headquarter, which are fully leased to blue chip tenants and will contribute significantly to our annual NOI. Those acquisitions further complement and boost our green office portfolio in CEE and are a part of our strategy of refocusing more on Poland and Budapest. We financed the acquisitions with our own funds combined with bank financing and green bonds issued in late 2020 and early 2021.” – **commented Yovav Carmi, GTC’s President of the Management Board.**

“On the top of acquisitions we were also preparing GTC to the change of our financing structure and move from individual bank loans for particular projects to unsecured bond funding. We would like to tap the liquid bonds market for more flexible and hassle free instruments, similarly to our regional peers who successfully approached the bond markets recently. We aim to issue the Eurobonds still prior to the summer.” - **commented Ariel Ferstman, GTC’s CFO and Member of the Management Board.**

## OPERATING ACHIEVEMENTS

### Offices: Activity stronger than in 2020

- **Leasing activity focused mostly on prolongations reached close to 40,000 sq m :**
  - Prolongation of IT blue chip company in Korona Office Complex, Kraków, (c.11,300 sq m)
  - Prolongation of KMG Rompetrol in City Gate, Bucharest, (c. 9,400 sq m)
  - Prolongation of UNIT 4 in Aeropark Business Centre, Warsaw,(c. 4,200 sq m)
- **Occupancy remained strong at 90%<sup>3</sup> as of 31 March 2021 (90% in December 2020)**
- **€212m invested in Q2 2020 into fully leased offices in Budapest with long WAULT and blue chip tenants will contribute €11.8m p.a. to our in-place rent**
  - **Vaci Green D**
    - 15,650 sq m A class office space
    - €2.9m in-place rent
    - €51m acquisition cost
  - **Ericsson Headquarters**
    - 21,100 sq m A class office space
    - €4.2m in-place rent
  - **Siemens Evosoft Headquarters**
    - 20,700 sq m A class office space
    - €4.7m in-place rent

Retail: COVID-19 still visible in Q1 2021 results however currently 100% of space operational

- €160m acquisition cost for 2 buildings: Ericsson and Siemens HQ
- **Lockdowns in Poland, Bulgaria and Serbia lead to an impact on gross margin of €2.4m in Q1 2021**
- **Currently, 100% of our retail GLA is allowed to trade**
- **Retailers continue to expand:**
  - 1,500 sq m Half Price in Galeria Północna
  - 810 sq m CCC in Galeria Północna
  - 680 sq m Mango in Galeria Jurajska
  - 490 sq m MASS Shoes in Avenue Mall
- **Occupancy improved to 96% as at 31 March 2021**

## FINANCIALS

### Rental and service revenues

- **Decreased by €3.8m to €37m** from €41m in Q1 2020  
The decrease mainly resulted from a decrease in rental revenues (€3.4m) due to rent relief imposed by governments during lockdown of shopping malls and rent concessions and discounts provided by the Group to the retail tenants across the portfolio due to the COVID-19 outbreak combined with a decrease in rental revenues following the sale of Spiral in the fourth quarter of 2020 (€1.2m). The decrease was partially offset by an increase in the rental revenues due to the completion of Green Heart, Advance Business Center and Matrix (€0.9m).

### Gross margin from operations

- **Decreased by €2.4m to €27m** from €30m in Q1 2020  
Mostly resulting from a loss in rent and service revenues in our shopping malls across the portfolio due to the COVID-19.

### Administrative expenses

- **Administrative expenses (before provision for share based program) increased to €2.7m** from €2.5m in Q1 2020  
Mark-to-market of share based program resulted in provision of €0.3m in Q1 2021 compared to a reversal of the provision of €1m recognized in Q1 2020. The above factors resulted in increase of total administration expenses of €1.6m to €3.0m in Q1 2021 from €1.4m in Q1 2020.

### Net loss from revaluation and impairment

- **Amounted to €2.6m** as compared to 5.8m loss in Q1 2020  
Net loss from the revaluation of the investment properties reflects mainly capital expenditure invested on the existing investment properties

### Financial expenses

- **Average interest rate at 2.3%** thanks to refinancing activity, bonds issued and hedging strategy. **Financial expenses** stable at **€9m**.

### Tax

- **Tax amounted to €3.9m** as compared to €5.3m tax in Q1 2020  
Taxation consist mainly of €0.9m of current tax expenses and €3m of deferred tax.

### Net profit

- **Profit before tax and fair value adjustments was €15m, the net profit amounted to €9m in 2020.** This mostly resulted from recognition of higher profit before tax combined with lower taxation.

<b>Funds From Operations (FFO I)</b>	<ul style="list-style-type: none"> <li>• <b>At €14m</b> compared to €18m in Q1 2021, FFO I per share at €0.03</li> </ul>
<b>GAV</b>	<ul style="list-style-type: none"> <li>• <b>At €2,110m as of 31 December 2020</b> (€2,100m as of 31 December 2020) due to an investment mostly into assets under construction: Pillar and Sofia Tower 2 (€13m) partially offset by adjustment to fair value (€2.4m).</li> </ul>
<b>EPRA NAV / share</b>	<ul style="list-style-type: none"> <li>• <b>At €2.31</b> compared to €2.29 on 31 December 2020 Corresponding to <b>EPRA NAV of €1,123m</b> compared to €1,112m as of 31 December 2020.</li> </ul>
<b>Bank loans and bonds</b>	<ul style="list-style-type: none"> <li>• <b>At €1,254m</b> compared to €1,259m as of 31 December 2020</li> <li>• <b>Weighted average debt maturity of 4.7 years</b> and <b>average interest rate of 2.3% p.a.</b></li> <li>• <b>LTV at 45.5%</b> (45% on 31 December 2020)</li> <li>• <b>Annualized interest coverage ratio (based on EBITDA) at 3.0</b> (3.3x on 31 December 2020)</li> <li>• <b>Annualized interest coverage ratio (based on gross margin) at 3.4</b> (3.7x on 31 December 2020)</li> </ul>
<b>Cash</b>	<ul style="list-style-type: none"> <li>• <b>Cash balance of €254m</b> as of 31 March 2021</li> </ul>

Annex 1 Consolidated Statement of Financial Position as at 31 March 2021  
(in thousands of euro)

	31 March 2021	31 December 2020
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investment property	2,135,127	2,125,128
Residential landbank	7,931	10,094
Property, plant and equipment	7,635	7,785
Blocked deposits	12,007	10,979
Deferred tax asset	2,283	616
Other non-current assets	209	159
	<b>2,165,192</b>	<b>2,154,761</b>
Loan granted to non-controlling interest partner	11,320	11,252
<b>Total non-current assets</b>	<b>2,176,512</b>	<b>2,166,013</b>
<b>Assets held for sale</b>	<b>3,733</b>	<b>1,580</b>
<b>Current assets</b>		
Accounts receivables	6,154	5,873
Accrued income	934	878
VAT and other tax receivable	1,046	2,343
Income tax receivable	1,380	1,036
Prepayments and deferred expenses	9,812	3,604
Short-term blocked deposits	27,537	27,434
Cash and cash equivalents	254,054	271,996
	<b>300,917</b>	<b>313,164</b>
<b>TOTAL ASSETS</b>	<b>2,481,162</b>	<b>2,480,757</b>

	31 March 2021	31 December 2020
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	11,007	11,007
Share premium	550,522	550,522
Capital reserve	(49,489)	(49,489)
Hedge reserve	(20,422)	(11,930)
Foreign currency translation	(2,630)	(2,553)
Accumulated profit	468,515	460,053
	<b>957,503</b>	<b>957,610</b>
Non-controlling interest	16,782	16,538
<b>Total Equity</b>	<b>974,285</b>	<b>974,148</b>
<b>Non-current liabilities</b>		
Long-term portion of long-term borrowing	1,190,491	1,067,867
Deposits from tenants	12,007	10,979
Long term payable	2,571	2,524
Provision for share based payment	1,227	977
Lease liability	41,335	42,891
Derivatives	25,278	15,895
Provision for deferred tax liability	137,251	133,230
	<b>1,410,160</b>	<b>1,274,363</b>
<b>Liabilities related to assets held for sale</b>	<b>1,080</b>	-
<b>Current liabilities</b>		
Trade payables and provisions	20,065	27,299
Deposits from tenants	1,816	1,790
Current portion of long-term borrowing	63,874	193,425
VAT and other taxes payable	1,661	1,551
Income tax payable	4,262	4,220
Derivatives	2,595	3,365
Current portion of lease liabilities	191	163
Advances received	1,173	433
	<b>95,637</b>	<b>232,246</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,481,162</b>	<b>2,480,757</b>

	Three-month period ended 31 March 2021 (unaudited)	Three-month period ended 31 March 2020 (unaudited)
Rental revenue	27,984	30,998
Service charge revenue	9,243	10,027
Service charge costs	(9,761)	(11,158)
<b>Gross margin from operations</b>	<b>27,466</b>	<b>29,867</b>
Selling expenses	(364)	(323)
Administration expenses	(2,980)	(1,421)
Profit from revaluation / impairment of assets	(2,594)	(5,781)
Other income	118	14
Other expenses	(179)	(288)
<b>Profit from continuing operations before tax and finance income / expense</b>	<b>21,467</b>	<b>22,068</b>
Foreign exchange differences gain / (loss), net	(368)	(5,331)
Finance income	74	90
Finance cost	(8,564)	(8,733)
<b>Profit before tax</b>	<b>12,609</b>	<b>8,094</b>
Taxation	(3,903)	(5,308)
<b>Profit for the period</b>	<b>8,706</b>	<b>2,786</b>
<b>Attributable to:</b>		
Equity holders of the Company	8,462	2,577
Non-controlling interest	244	209
Basic earnings per share (in Euro)	0.02	0.01

(in thousands of euro)

	Three-month period ended 31 March 2021 (unaudited)	Three-month period ended 31 March 2020 (unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Profit before tax	12,609	8,094
<b>Adjustments for:</b>		
Loss/(profit) from revaluation/impairment of assets and residential projects	2,594	5,781
Foreign exchange differences loss/(gain), net	368	5,331
Finance income	(74)	(90)
Finance cost	8,564	8,733
Provision for share based payment loss/(profit)	250	(1,118)
Depreciation	181	162
<b>Operating cash before working capital changes</b>	<b>24,492</b>	<b>26,893</b>
Decrease (increase) in accounts receivables and prepayments and other current assets	(2,072)	(2,752)
Decrease (increase) in advances received	740	1,462
Increase (decrease) in deposits from tenants	1,054	(98)
Increase (decrease) in trade and other payables	(559)	(1,785)
<b>Cash generated from operations</b>	<b>23,655</b>	<b>23,720</b>
Tax paid in the period	(1,403)	(1,327)
<b>Net cash from operating activities</b>	<b>22,252</b>	<b>22,393</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Expenditure on investment property and property, plant and equipment	(22,332)	(18,804)
Decrease in short term deposits designated for investment	-	3,758
Advances received for assets held for sale	1,080	-
VAT/tax on purchase/sale of investment property	1,297	557
Interest received	6	22
<b>Net cash used in investing activities</b>	<b>(19,949)</b>	<b>(14,467)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from long-term borrowings	103,883	138,049
Repayment of long-term borrowings	(111,821)	(113,399)
Interest paid	(9,194)	(7,225)
Repayment of lease liability	(516)	(90)
Loans origination payment	(780)	(945)
Decrease/(Increase) in short term deposits	(1,131)	(206)
<b>Net cash from /(used) in financing activities</b>	<b>(19,559)</b>	<b>16,184</b>
<b>Net foreign exchange difference</b>	<b>(686)</b>	<b>(7,200)</b>
<b>Net increase/ (Decrease) in cash and cash equivalents</b>	<b>(17,942)</b>	<b>16,910</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>271,996</b>	<b>179,636</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>254,054</b>	<b>196,546</b>



## About GTC

The GTC Group is a leading real estate investor and developer focusing on Poland and capital cities in Central and Eastern Europe. Since 1994 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 51 commercial buildings providing ca. 810 ths. sq m of lettable office and retail space in Poland, Budapest, Bucharest, Belgrade, Zagreb and Sofia. In addition, GTC has a development pipeline of 390 ths. sq m retail and office properties in capital cities of Central and Eastern Europe, 37 ths. 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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