

STEADY CASH FLOW FROM UNDERLYING BUSINESS AND HIGH CASH POSITION ALLOWS STRATEGY EXPANSION AND NEW INVESTMENTS

GROSS MARGIN FROM RENTAL ACTIVITY	ADJUSTED EBITDA	FFO I	OCCUPANCY	NET LTV
€62M	€53M	€34M	89.4%¹	42%
+5%	+2%	+7%		

H1 2022 FINANCIAL HIGHLIGHTS

- **Rental revenues** up to €84m in H1 2022 (€79m in H1 2021)
- **Gross margin from rental activity** up to €62m in H1 2022 (€59m in H1 2021)
- **Adjusted EBITDA** up to €53m in H1 2022 (€52m in H1 2021)
- **FFO I** at €34m in H1 2022 (€31m in H1 2021), FFO per share at €0.06
- **EPRA NTA** at €1,326m as of 30 June 2022, EPRA NTA per share at €2.31 (PLN 10.81)
- **Net LTV** at 42%
- **Strong cash position** of €250m² and available credit facilities in the amount of €94m

H1 2022 PORTFOLIO HIGHLIGHTS

- **Disposal of Cascade** office building in July 2022
- **SPA signed** for sale of **Forest Offices Debrecen** at book value
- **SPA signed** for sale of **Matrix A and B**, 7% above book value
- **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)
- **Occupancy** at 89.4%³ as of 30 June 2022 (90% as of 31 December 2021)
- **88% of assets green certified**, 11% under certification process

“We are a company with almost 30 years of experience in real estate. Our underlying business is strong and generates steady cash flow which allows for strategy expansion and new investments. As part of our strategy expansion, we are primarily considering investment in technology parks, renewable energy facilities, and development of PRS assets. We expect returns from such investments at a similar or higher level than the returns on the core business. We want the new investments to involve sectors with sustainable growth and come from the market segments that should be resilient to turbulent market conditions and will improve GTC’s ESG profile.” – **commented Zoltán Fekete, GTC’s President of the Management Board.**

“The H1 2022 results are very strong. Our retail sector is on its best, with significant improvements on both last quarter but also 2019 operating results, with a strong increase, on both revenue side but what is more important on the performance side. Our balance sheet and cash position are very strong. Net debt stays virtually unchanged, LTV at 42% 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 new investments and opportunities.” – **commented Ariel Ferstman, GTC’s CFO and Member of the Management Board.**

¹ Includes assets held for sale, excludes Center Point I and II which is currently under re-development

² Includes cash related to assets held for sale

³ Includes assets held for sale, excludes Center Point I and II which is currently under re-development

OPERATING ACHIEVEMENTS

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

- **Disposal of Cascade office building in July 2022**
 - 4,200 sq m A class office space
 - The selling price of the property was €10.1m
 - Profit of close to 20% on the transaction since its acquisition in 2017
- **SPA signed for sale of Forest Offices Debrecen**
 - Selling price slightly above book value - HUF 19bn (€48.1m)
 - The closing of the transaction is expected to take place by the end of Q3 2022
- **SPA signed for sale of Matrix A and B**
 - Selling price, based on a property value of €52m. Transaction will mark a return on cost exceeding 22% and is about 7% above the book value
 - The closing of the transaction is expected to take place by the end of Q3 2022
- **Disposal of Serbian office portfolio for €268m (above the book value) completed in January 2022**
 - 122,200 sq m A class office space in 11 office buildings
- **Completion of Pillar, Class A office building in Budapest**
 - 29,100 sq m A class office space with €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 52,400 sq m in H1 2022 from 24,400 sq m in H1 2021 (16,300 sq m in Q2 2022)**
 - Tenderly signed a pre-lease in GTC X, Belgrade (c. 3,500 sq m), bringing the pre-lease to 72%
 - Prolongation and expansion of DFDS Polska lease in Globis Poznań, Poland (c. 3,100 sq m)
 - Prolongation of DHL lease in Aeropark Business Centre, Poland (c. 2,500 sq m)
 - GTM Hub chose Advance Business Center I, Sofia (c. 1,700 sq m)
 - Prolongation of Warm Up lease in Vaci 175, Budapest (c. 1,200 sq m)
- **Occupancy at 87%⁴ as of 30 June 2022 (88%⁵ in December 2021)**

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 (112% in July 2022 vs 2019; 107% in June 2022 vs 2019; 113%⁶ in Q2 2022 vs 2019 and 140% in Q2 2022 vs 2021)
- **Retailers continue to expand and prolong their leases in Q2 2022:**
 - c. 2,850 sq m TK Maxx in Galeria Jurajska (prolongation)
 - c. 900 sq m Smyk in Galeria Jurajska (prolongation)
 - c. 530 sq m Slot Club Macao Gold in Ada Mall (prolongation)
 - c. 460 sq m Beosport in Ada Mall (prolongation)
 - c. 150 sq m Alpine Pro in Galeria Jurajska

⁴ Includes assets held for sale, excludes Center Point I and II which is currently under re-development

⁵ Excludes Serbian assets sold in January

⁶ Data excludes shopping mall in Hungary; Period between January and May excludes Ada Mall which was open in end of May 2019

FINANCIALS

Rental and service revenues	<ul style="list-style-type: none"> • Up to €84m in H1 2022 as compared to €79m in H1 2021 The Group recognized an increase in rental revenues following acquisition of income generating properties and the completion of Pillar (€12m) and an increase in rental revenues as from shopping centers (€9m) 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 (€11m) and due to the temporary occupancy decrease.
Gross margin from operations	<ul style="list-style-type: none"> • Increased to €62m in H1 2022 as compared to €59m in H1 2021 Mainly resulting from an increase in the rental revenues due to acquisitions of properties, partially offset by a loss in rental and service revenues due to the sale of Serbian office portfolio.
Administrative expenses	<ul style="list-style-type: none"> • Administrative expenses (before provision for share based program) increased to €7m from €6m in H1 2021 mainly due to an increase in the remuneration expenses and an increase in tax, IT services and other advisory. Mark-to-market of the share-based program resulted in the a reversal of share-based provision of €0.5m in H1 2022 compared to a provision of €0.3m recognized in the H1 2021.
Profit from revaluation of investment property	<ul style="list-style-type: none"> • Amounted to €16m as compared to €1m loss in H1 2021 Net profit from the revaluation of the investment properties is driven mainly by progress on the leasing and development of GTC X (project under construction, Belgrade, Serbia) and completion of Pillar (Budapest, Hungary) as well as the planned disposal of our assets held for sale in Croatia.
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 €16m as compared to €21m in H1 2021
Tax	<ul style="list-style-type: none"> • Tax amounted to €11m as compared to €8m tax in H1 2021 Taxation consists mainly of €12m of current tax expenses and €1m of deferred tax benefit.
Adjusted EBITDA and net profit	<ul style="list-style-type: none"> • Adjusted EBITDA was at €53m (€52m in H1 2021), the net profit amounted to €41m in H1 2022 (€21m in H1 2021). This mainly resulted from a strong operating performance combined with profit from revaluation/impairment of assets (€16m) and lower finance cost (by €5m), 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 €34m as compared to €31m in H1 2021, FFO I per share at €0.06
GAV	<ul style="list-style-type: none"> • At €2,344m as of 30 June 2022 (€2,507m as of 31 December 2021) mainly due to the completion of the sale of Serbian entities partially offset by an investment mostly into the acquisition of a new landbank in Serbia and two assets in Hungary (€94m).

EPRA NTA / share	<ul style="list-style-type: none"> • At €2.31 compared to €2.21 on 31 December 2021 Corresponding to EPRA NTA of €1,326m compared to €1,272m as of 31 December 2021.
Debt and debt related indicators	<ul style="list-style-type: none"> • Debt at €1,262m compared to €1,443m as of 31 December 2021 This decrease comes mainly from the disposal of office properties in Serbia and related liabilities of €142m and repayment of bonds and loans (€23m) and foreign exchange differences on bonds in PLN and HUF (€12m) • Weighted average debt maturity of 4.5 years and average interest rate of 2.16% p.a. • Net LTV 42% (42% on 31 December 2021, adjusted for capital increase and disposal of Serbian office portfolio) • Annualized consolidated coverage ratio (based on EBITDA) at 3.7x (3.6x on 31 December 2021) • Unsecured debt at 55% and unencumbered properties up to 52% (45% as of 31 December 2021)
Cash	<ul style="list-style-type: none"> • Cash balance of €250m as of 30 June 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 (€51m) and expenditure on investment property (€43m).

STRATEGY EXPANSION

- Diversification to new growing real estate based sectors without deconcentrating on the core business
- Investment in sectors with higher sustainable growth potential compared to the existing real estate portfolio
- Expected returns at least the same or higher than the existing real estate portfolio
- Segments expected to be resilient to turbulent market conditions
- Establish platforms for fund raising from third party investors to achieve larger exposure to new growing segments
- Dedicated management teams with experience in relevant sectors

Potential new sectors identified by the Company's management to be considered for investment as part of the new strategy include:

- investment in innovation and technology parks;
- investment in renewable energy facilities; and
- investment in development of PRS assets (private rented sector property - residential).

TRANSACTION RATIONALE - Kildare Innovation Campus

- Ireland is one of Europe's largest data centre hubs with 70 facilities operating across the state and more earmarked. At present Dublin is home to 25.0% of all technology and innovation centers in Europe. Major tech firms including Google, Amazon, Microsoft, Tik Tok and Facebook, all have a presence in Ireland.
- Kildare Innovation Campus, located outside of Dublin, extends over 72 ha (of which 34 ha is undeveloped). There are nine buildings that form the campus (around 101,685 sqm): six are lettable buildings with designated uses including industrial, warehouse, manufacturing and office/lab space. In addition, there are three amenity buildings, comprising a gym, a plant area, a campus canteen, and an Energy centre.
- The campus currently generates around EUR 6.26 million gross rental income per annum with a significant potential to improve.
- A masterplan has been prepared whereby the site and the campus are planned to be converted into a Life

Science and Technology campus with a total of approximately 135,000 sq m.

- Under the transaction, GTC will acquire a minority stake of 25% through notes (debt instruments) issued by a Luxembourg securitisation vehicle for EUR 115m, which constitute less than 5% of total property value.
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POTENTIAL CAPITAL INCREASE

- GTC will finance its strategy expansion with its own funds, however it may also require new equity
 - With the current debt level and yield on GTC's bonds, GTC may seek to deleverage
 - The potential capital increase will be in the range of EUR 150-250 million
 - The contemplated capital increase supporting GTC strategy expansion will further improve GTC's ESG profile
 - We believe that the capital increase will enjoy the substantial investors interest, coming from existing but also new investors
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	30 June 2022 (unaudited)	31 December 2021 (audited)
ASSETS		
Non-current assets		
Investment property	2,236,917	2,240,660
Residential landbank	27,383	27,002
Property, plant and equipment	7,199	7,834
Blocked deposits	11,673	11,078
Deferred tax asset	3,809	3,786
Derivatives	13,713	826
Other non-current assets	147	163
	2,300,841	2,291,349
Loan granted to non-controlling interest partner	10,765	10,628
	2,311,606	2,301,977
Current assets		
Accounts receivables	10,140	6,161
Accrued income	3,695	3,448
Receivables from shareholders	-	123,425
VAT and other tax receivable	4,171	2,957
Income tax receivable	581	456
Prepayments, deferred expenses and other receivables	8,620	11,515
Short-term blocked deposits	12,120	14,341
Cash and cash equivalents	248,645	87,468
	287,972	249,771
Assets held for sale	118,904	292,001
	406,876	541,772
TOTAL ASSETS	2,718,482	2,843,749

	30 June 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	(19,356)	(30,903)
Foreign currency translation	(2,846)	(2,570)
Accumulated profit	541,657	501,704
	1,151,790	1,100,566
Non-controlling interest	16,426	16,423
Total Equity	1,168,216	1,116,989
Non-current liabilities		
Long-term portion of long-term borrowing	1,210,662	1,255,114
Lease liability	38,902	38,767
Deposits from tenants	11,673	11,078
Long term payable	2,498	2,426
Provision for share based payment	913	1,410
Derivatives	48,960	38,743
Provision for deferred tax liability	139,107	140,145
	1,452,715	1,487,683
Current liabilities		
Current portion of long-term borrowing	50,280	44,337
Current portion of lease liabilities	204	198
Trade payables and provisions	26,854	31,092
Deposits from tenants	1,504	1,932
VAT and other taxes payable	3,502	2,222
Income tax payable	4,070	1,000
Derivatives	2,757	2,681
Advances received	1,888	784
	91,059	84,246
Liabilities related to assets held for sale	6,492	154,831
	97,551	239,077
TOTAL EQUITY AND LIABILITIES	2,718,482	2,843,749

	Six-month period ended	Six-month period ended	Three-month period ended	Three-month period ended
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Rental revenue	63,535	59,783	32,213	31,799
Service charge revenue	20,744	19,065	10,301	9,822
Service charge costs	(22,655)	(20,024)	(11,184)	(10,263)
Gross margin from operations	61,624	58,824	31,330	31,358
Selling expenses	(760)	(761)	(368)	(397)
Administration expenses	(6,430)	(6,259)	(3,209)	(3,279)
Profit/(loss) from revaluation / impairment of assets	16,286	(1,080)	13,223	1,514
Other income	560	241	525	123
Other expenses	(1,634)	(344)	(969)	(165)
Profit from continuing operations before tax and finance income / expense	69,646	50,621	40,532	29,154
Foreign exchange gain / (loss), net	(1,453)	(149)	(308)	219
Finance income	197	150	126	76
Finance cost	(16,590)	(21,614)	(8,473)	(13,050)
Profit before tax	51,800	29,008	31,877	16,399
Taxation	(11,091)	(7,509)	(6,392)	(3,606)
Profit for the period	40,709	21,499	25,485	12,793
Attributable to:				
Equity holders of the Company	39,953	20,960	25,039	12,498
Non-controlling interest	756	539	446	295
Basic earnings per share (in Euro)	0.07	0.04	0.04	0.03

(in thousands of euro)

	Six-month period ended 30 June 2022 (unaudited)	Six-month period ended 30 June 2021 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before tax	51,800	29,008
Adjustments for:		
Loss/(profit) from revaluation/impairment of assets and residential projects	(16,286)	1,080
Foreign exchange loss, net	1,453	149
Finance income	(197)	(150)
Finance cost	16,590	21,614
Provision for share based payment loss/(profit)	(497)	292
Depreciation	259	337
Operating cash before working capital changes	53,122	52,330
Increase in accounts receivables and prepayments and other current assets	(1,886)	(5,396)
Decrease in advances received	1,248	374
Increase in deposits from tenants	733	2,705
Increase / (decrease) in trade and other payables	(3,031)	2,015
Cash generated from operations	50,186	52,028
Tax paid in the period	(9,094)	(6,386)
Net cash from operating activities	41,092	45,642
CASH FLOWS FROM INVESTING ACTIVITIES:		
Expenditure on investment property and property, plant and equipment	(42,698)	(40,431)
Purchase of completed assets and land	(50,554)	(204,256)
Sale of landbank and residential landbank	4,650	-
Sale of subsidiary, net of cash in disposed assets	125,112	-
Decrease in short term deposits designated for investment	-	1,005
Advances received for assets held for sale	-	1,080
VAT/tax on purchase/sale of investment property	(1,214)	546
Interest received	3	13
Net cash from/(used in) investing activities	35,299	(242,043)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from long-term borrowings	1,173	689,238
Repayment of long-term borrowings	(22,980)	(487,916)
Interest paid and other financing breaking fees	(20,559)	(20,535)
Proceeds from issue of share capital, net of issuance costs	120,386	-
Repayment of lease liability	(540)	(516)
Loans origination payment	-	(6,009)
Decrease/(Increase) in short term deposits	1,061	2,856
Dividend paid to minority	(753)	-
Net cash from /(used in) financing activities	77,788	177,118
Net foreign exchange difference	(680)	58
Net increase/ (Decrease) in cash and cash equivalents	153,499	(19,225)
Cash and cash equivalents at the beginning of the period	96,633	271,996
Cash and cash equivalents at the end of the period	250,132	252,771

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. 758 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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