

STABLE OCCUPANCY AND INCREASE IN REVENUES IN CHALLENGING MARKET CONDITIONS

RENTAL REVENUES	Adjusted FFO I ¹	NET LTV	OCCUPANCY	CASH
€135M	€56M	47.3%²	87%	€91m

9M 2023 FINANCIAL HIGHLIGHTS

- **Revenues from rental activity** up 7% to €135m in 9M 2023 (€126m in 9M 2022); Like-for-like rental revenue growth of 6%
- **Gross margin from rental activity** up to €95m in 9M 2023 (€92m in 9M 2022)
- **FFO I** at €52m in 9M 2023 (€54m in 9M 2022), FFO per share at €0.09; **FFO adjusted for one-off administrative expenses of €56m**
- **EPRA NTA** at €1,223m as of 30 September 2023 (€1,273m as of 31 December 2022) EPRA NTA per share at €2.13 (PLN 9.87)
- **Net LTV** at 47.3%¹ (44.5%³ as of 31 December 2022)
- **Strong cash position of €91m**

9M 2023 PORTFOLIO HIGHLIGHTS

- **Occupancy** at 87% as of 30 September 2023 (87% as of 31 December 2022)
- **Leasing** activity reached 98,300 sq m in 9M 2023 (106,600 sq m in 9M 2022) and 29,800 sq m in Q3 2023 (36,500 sq m in Q3 2022)
- Average weighted lease term at 3.4 yrs.
- 89% of real estate portfolio is recurring income-producing
- 65% of recurring income-producing portfolio is office
- **91% of assets green certified**
- **Proceeds from successful disposal of Forest Offices Debrecen** reinvested into real estate

“Our results are reflecting current market situation in our markets. Increasing interest rate lead to drop in the property valuation which resulted in increased LTV and a decrease in EPRA NTA. Dividend payment, development activity and capex needs resulted in higher than in previous quarters cash outflows, however the Company’s cash remains at satisfactory levels. FFO was impacted by one-off administrative expenses of EUR 4 million, excluding this one-off cost item FFO would show a positive development. Leasing activity remains high and through our pipeline we strongly believe that will remain strong in next quarters.” **commented Gyula Nagy, GTC’s President of the Management Board.**

We started our post as the Management Board members from a thorough review of the current GTC’s financial position and the real estate portfolio. We evaluated GTC’s prospects and were able to formulate a strategy for coming years. After in-depth analysis we decided to withdraw from negotiations to acquire Ultima Capital and focus our efforts and resources on GTC’s existing portfolio and development pipeline. We would like GTC to focus on its core real estate sectors: office and retail in its core markets and improve operations of the existing portfolio. We would selectively develop properties from our landbank based on their merits. We would like to invest in renewables in our core markets. We would like to check the possibility in the broad living sector in GTC’s core markets but also look at the other more advanced markets where market opportunities may arise. Last, but not least, we will be consolidating funds, switching slowly to secured financing, for the bonds repayment in 2026.” – **added Gyula Nagy.**

¹ Adjusted for one-off administrative expenses;

² Includes non-current financial assets;

³ Includes non-current financial assets and adjusted for disposal of Forest Offices Debrecen, concluded on 30 January 2023

OPERATING ACHIEVEMENTS IN 9M 2023

Office sector

- **Occupancy** at 83% as of 30 September 2023 (84%⁴ in December 2022)
- **Average weighted lease** term of 3.4 yrs. (3.5 yrs. in September 2022)
- **Leasing activity** reached 71,100 sq m in 9M 2023 (77,900 sq m in 9M 2022) and 15,600 sq m in Q3 2023 (28,500 sq m in Q3 2022):
 - Kraft chose CenterPoint, Budapest (c. 1,400 sq m)
 - Prolongation of Accenture in University Business Park, Łódź (c. 1,300 sq m)
 - Prolongation of Dais Software lease in Sofia Tower 1, Sofia (c. 1,100 sq m)
 - Prolongation of Gastszolg lease in Ericsson HQ building, Budapest (c. 1,000 sq m)
 - In addition, we leased or prolonged leases with MBH Bank, Raw, Ford, Innio, KPMG, Strabag, AON during H1 2023
- **Disposal** of Forest Offices Debrecen, Hungary (January 2023) generated €49m which was reinvested into real estate
- **Completion** of office properties:
 - Rose Hill Business Campus, Budapest (2 buildings)
 - 4,600 sq m
 - Occupancy of 100%
 - Matrix C in Zagreb
 - 10,500 sq m of A-Class office space
 - Occupancy of 92%

Retail sector

- **Occupancy** at 96% as of 30 September 2023 (96% as of 31 December 2022)
- **Average weighted lease** term of 3.5 yrs. (3.8 yrs. in September 2022)
- **Leasing activity** reached 27,200 sq m in 9M 2023 (28,700 sq m in 9M 2022) and 14,200 sq m in Q3 2023 (8,000 sq m in Q3 2022):
 - Prolongation of LPP brands in Ada Mall, Belgrade (c. 5,300 sq m) (Q3 2023)
 - Prolongation of H&M in Ada Mall, Belgrade (c. 2,300 sq m) (Q3 2023)
 - Prolongation of Cinestar in in Ada Mall, Belgrade (c. 2,100 sq m) (Q3 2023)
 - Sinsay chose Avenue Mall, Zagreb (c. 700 sq m) (Q3 2023)
 - Prolongation of Sephora in Galeria Pólnocna, Warsaw (c. 300 sq m) (Q3 2023)

⁴ Includes asset held for sale.

FINANCIALS

<p>Rental and service revenues</p>	<ul style="list-style-type: none"> • Up 7% to €135m in 9M 2023 as compared to €126m in 9M 2022 <p>Mainly due to an increase in rental revenues of €7m coming from completion of Pillar in Budapest, GTC X in Belgrade, Rose Hill Business Campus in Budapest and Matrix C in Zagreb combined with an increase in an average rental rate following the indexation of its rental rates to the European CPI. The increase was partially compensated by a decrease in rental revenues following the sale of Forest Offices Debrecen in the first quarter of 2023 as well as Cascade and Matrix office buildings in the third and fourth quarter of 2022.</p>
<p>Gross margin from operations</p>	<ul style="list-style-type: none"> • At €95m in 9M 2023 as compared to €92m in 9M 2022 <p>Mainly due to an increase in rental and service revenues partially offset by an increase in the service charge cost due to inflation combined with a loss in rental and service revenues due to the sale of office buildings in Hungary, Romania and Croatia.</p>
<p>Administrative expenses</p>	<ul style="list-style-type: none"> • At €15m as compared to €9m in 9M 2022 <p>Mainly due to an increase in remuneration fees and other advisory expenses and recognition of one-off payments related to the severance payments.</p>
<p>Profit /(loss) from revaluation of investment properties</p>	<ul style="list-style-type: none"> • Loss of €57m as compared to €12m profit in 9M 2022 <p>Loss in the nine-month period ended 30 September 2023 is mainly due to a decrease in fair value of completed assets, mostly offices in Poland and Hungary due to a slight increase in equivalent yield combined with higher vacancy rates and changes in ERV.</p>
<p>Financial expenses, net</p>	<ul style="list-style-type: none"> • Financial expenses, net at €25m as compared to €24m in 9M 2022. Average interest rate at 2.43%.
<p>Tax</p>	<ul style="list-style-type: none"> • Tax amounted to €2m as compared to €16m tax in 9M 2022 <p>Taxation consists mainly of €4.8m of current tax expenses and €2.4m of deferred tax income.</p>
<p>Adjusted EBITDA and net profit /(loss)</p>	<ul style="list-style-type: none"> • Adjusted EBITDA was at €78m (€79m in 9M 2022). Net loss amounted to €6m in 9M 2023 (€49m profit in 9M 2022). The decrease mainly resulted from loss from revaluation.
<p>Funds From Operations (FFO I)</p>	<ul style="list-style-type: none"> • At €52m as compared to €54m in 9M 2022, FFO I per share at €0.09. FFO adjusted for one-ff administrative expenses of €56m.
<p>Total investments and GAV</p>	<ul style="list-style-type: none"> • Total investments, including non-current financial assets, at €2,393m as of 30 September 2023 (€2,418m as of 31 December 2022) and GAV at €2,260m as of 30 September 2023 (€2,288m as of 31 December 2022), mainly due to sale of Forest Offices Debrecen of €49m, partially offset by investment of €65m mostly into assets under construction and €13m into acquisition of new projects. This increase was offset by loss from revaluation related to investment properties of €58m.
<p>EPRA NTA / share</p>	<ul style="list-style-type: none"> • At €2.13 compared to €2.22 on 31 December 2022 <p>Corresponding to EPRA NTA of €1,223m compared to €1,273m as of 31 December 2022.</p>
<p>Debt and debt related indicators</p>	<ul style="list-style-type: none"> • Debt at €1,248m compared to €1,238m as of 31 December 2022 <p>Mainly due to proceeds from long-term borrowings in the amount of €35m combined with foreign exchange differences on bonds denominated in PLN and HUF of €5m, compensated by repayments during the period in the amount of €28m.</p> <ul style="list-style-type: none"> • Weighted average debt maturity of 3.7 years and average interest rate of 2.43%

Cash

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- **Net LTV 47.3%**⁵ (44.5%⁶ on 31 December 2022)
 - **Annualized consolidated coverage ratio (based on EBITDA) at 3.4x** (3.5 as at 31 December 2022)
 - **Unsecured debt** at 53% (55% as at 31 December 2022) and **unencumbered properties** at 49% (52% as of 31 December 2022)
 - **Cash balance of €91m** as of 30 September 2023 (€115m as of 31 December 2022)
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⁵ Includes non-current financial assets;

⁶ Includes non-current financial assets and adjusted for disposal of Forest Offices Debrecen, concluded on 30 January 2023

(in millions of euro)

	30 September 2023 <i>unaudited</i>	31 December 2022 <i>audited</i>
ASSETS		
Non-current assets		
Investment properties	2,259.9	2,243.7
Residential landbank	27.1	26.6
Property, plant and equipment	16.3	11.1
Blocked deposits	13.3	12.0
Deferred tax asset	1.4	3.2
Derivatives	8.1	17.1
Non-current financial assets measured at fair value through profit or loss	134.3	130.3
Other non-current assets	0.2	0.2
Loan granted to non-controlling interest partner	11.4	10.9
	2,472.0	2,455.1
Current assets		
Accounts receivables	12.2	12.3
VAT and other tax receivables	3.4	5.3
Income tax receivables	1.6	2.0
Prepayments and other receivables	10.1	7.7
Derivatives	12.8	7.8
Short-term blocked deposits	16.7	13.0
Cash and cash equivalents	91.2	115.1
Assets held for sale	3.2	51.6
	151.2	214.8
TOTAL ASSETS	2,623.2	2,669.9

Annex 1 Consolidated Statement of Financial Position as of 30 September 2023 (cont.)
(in millions of euro)

	30 September 2023 <i>unaudited</i>	31 December 2022 <i>audited</i>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	12.9	12.9
Share premium	668.9	668.9
Unregistered share capital increase	-	-
Capital reserve	(49.3)	(49.3)
Hedge reserve	5.0	(7.5)
Foreign currency translation reserve	(2.6)	(2.6)
Accumulated profit	453.4	490.5
	1,088.3	1,112.9
Non-controlling interest	25.0	22.7
Total Equity	1,113.3	1,135.6
Non-current liabilities		
Long-term portion of long-term borrowings	1,189.5	1,189.3
Lease liabilities	41.2	41.5
Deposits from tenants	13.3	11.9
Long term payables	2.8	3.2
Derivatives	24.0	46.8
Deferred tax liabilities	137.9	141.2
	1,408.7	1,433.9
Current liabilities		
Current portion of long-term borrowings	58.2	48.6
Trade payables and other payables	36.3	42.6
Deposits from tenants	2.4	1.6
VAT and other taxes payables	2.0	1.8
Income tax payables	1.3	3.6
Derivatives	0.7	2.2
Liabilities related to assets held for sale	0.3	-
	101.2	100.4
TOTAL EQUITY AND LIABILITIES	2,623.2	2,669.9

Annex 2 Consolidated Income Statement for the 3 and 9-month periods ended 30 September 2023 (in millions of euro)

	Nine-month period ended 30 September		Three-month period ended 30 September	
<i>Unaudited</i>	2023	2022	2023	2022
Rental revenue	99.5	94.5	34.1	31.0
Service charge revenue	35.8	31.6	11.7	10.9
Service charge costs	(40.1)	(34.2)	(13.2)	(11.6)
Gross margin from operations	95.2	91.9	32.6	30.3
Selling expenses	(1.8)	(1.2)	(0.6)	(0.4)
Administration expenses	(14.9)	(9.1)	(6.2)	(2.7)
Profit/(loss) from revaluation	(57.1)	11.5	(5.8)	(4.8)
Other income	0.5	0.8	-	0.3
Other expenses	(1.3)	(2.2)	(0.2)	(0.6)
Net operating result	20.6	91.7	19.8	22.1
Foreign exchange differences	0.5	(2.5)	(0.7)	(1.1)
Finance cost, net	(24.7)	(24.1)	(8.7)	(7.7)
Result before tax	(3.6)	65.1	10.4	13.3
Taxation	(2.4)	(15.7)	(4.8)	(4.6)
Result for the period	(6.0)	49.4	5.6	8.7
Attributable to:				
Equity holders of the Company	(7.4)	48.3	4.6	8.4
Non-controlling interest	1.4	1.1	1.0	0.3
Basic earnings per share (in Euro)	(0.01)	0.08	0.01	0.01

(in millions of euro)

<i>Unaudited</i>	Nine-month period ended 30 September 2023	Nine-month period ended 30 September 2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Result before tax	(3.6)	65.1
Adjustments for:		
Loss/(profit) from revaluation/impairment of assets	57.1	(11.5)
Foreign exchange differences	(0.5)	2.5
Finance cost, net	24.7	24.1
Share based payment provision revaluation	(0.8)	(1.4)
Depreciation	0.7	0.3
Operating cash before working capital changes	77.6	79.1
Increase in accounts receivables and other current assets	(3.0)	(1.6)
Increase in deposits from tenants	2.2	1.6
Increase / (decrease) in trade and other payables	1.3	(4.0)
Cash generated from operations	78.1	75.1
Tax paid in the period	(6.7)	(10.0)
Net cash from operating activities	71.4	65.1
CASH FLOWS FROM INVESTING ACTIVITIES:		
Expenditure on investment properties	(77.1)	(60.6)
Purchase of completed assets and land	(14.1)	(57.1)
Sale of landbank and residential landbank	-	11.2
Sale of subsidiary, net of cash in disposed assets	0.4	135.4
Sale of completed assets	49.2	-
Purchase of non-current financial assets	-	(129.7)
Expenditure on non-current financial assets	(2.7)	-
Advances received for assets held for sale	0.3	2.5
VAT/tax on purchase/sale of investment properties	1.9	(1.4)
Interests received	0.2	0.7
Net cash used in investing activities	(41.9)	(99.0)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from long-term borrowings	35.4	6.2
Repayment of long-term borrowings	(28.3)	(32.1)
Interest paid	(24.3)	(23.7)
Proceeds from issue of share capital, net of issuance costs	-	120.4
Dividend paid	(27.7)	-
Repayment of lease liability	(0.8)	(0.6)
Loan origination costs	(0.7)	(0.2)
Decrease/(Increase) in short term deposits	(5.1)	(0.2)
Dividend paid to non-controlling interest	(0.9)	(0.7)
Net cash from/(used in) financing activities	(52.4)	69.1
Net foreign exchange difference, related to cash and cash equivalents	(1.0)	(3.7)
Net increase/ (Decrease) in cash and cash equivalents	(23.9)	31.5
Cash and cash equivalents at the beginning of the period	115.1	96.6
Cash and cash equivalents at the end of the period	91.2	128.1

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 nearly 30 years of its activity, GTC has developed 81 high standard, modern office and retail properties with a total area of 1.4 million sq. m through Central and Eastern Europe.

GTC now actively manages a commercial real estate portfolio of 46 commercial buildings providing ca. 753 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. 500 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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