

RESILIENT OPERATING PERFORMANCE IN CHALLENGING ENVIRONMENT

RENTAL REVENUES	FFO I	NET LTV	OCCUPANCY	CASH
€90M	€35M	46.8%¹	87%	€120m

H1 2023 FINANCIAL HIGHLIGHTS

- **Rental and service revenues at €90m** in H1 2023 (€85m in H1 2022); Like-for-like rental revenue growth of 8%
- **Gross margin from rental activity at €63m** in H1 2023 (€62m in H1 2022)
- **FFO I improved by 4% to €35m** in H1 2023 (€34m in H1 2022), **FFO per share at €0.06**
- **EPRA NTA at €1,205m** as of 30 June 2023 (€1,273m as of 31 December 2022) reflecting changes in the valuation of real properties and derivative instruments **EPRA NTA per share at €2.10 (PLN 9.34)**
- **Net LTV at 46.8%¹** (44.5%² as of 31 December 2022)
- Strong balance sheet with €120m of cash and €94m undrawn credit facility

H1 2023 PORTFOLIO HIGHLIGHTS

- **Occupancy at 87%** as of 30 June 2023 (87% as of 31 December 2022)
- **Office leasing activity** reached 55,500 sq m in H1 2023 (49,400 sq m in H1 2022) and 34,800 sq m in Q2 2023 (23,800 sq m in Q2 2022)
- **Retail leasing activity** reached 13,000 sq m in H1 2023 (20,700 sq m in H1 2022) and 9,500 sq m in Q2 2023 (11,900 sq m in Q2 2022)
- Average weighted lease term at 3.6 yrs.
- **89% of assets green certified** or under recertification process
- **Proceeds from successful disposal of Forest Offices Debrecen** reinvested into real estate

“8% like-for-like rental income growth and 4% FFO I growth fueled by rent indexation was tempered by inflated service costs restraining gross margin. With reduced demand for office across our core markets and yield expansion putting pressure on value, we will continue to pursue uncorrelated opportunities across Europe to further diversify our business. In this way we can leverage our strong foundations to deliver sustainable and stable returns” – commented Zoltán Fekete, GTC’s President of the Management Board.

¹ Includes non-current financial assets;

² Includes non-current financial assets and adjusted for disposal of Forest Offices Debrecen, concluded on 30 January 2023

OPERATING ACHIEVEMENTS IN H1 2023

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

- **Occupancy at 84% as of 30 June 2023** (84%³ in December 2022)
- Average weighted lease term of 3.5 yrs. (3.2 yrs in June 2022)
- **Leasing activity** reached 55,500 sq m in H1 2023 (49,400 sq m in H1 2022) and 34,800 sq m in Q2 2023 (23,800 sq m in Q2 2022)
 - Prolongation of MBH Bank in GTC Metro, Budapest (c. 15,700 sq m)
 - Raw chose Rose Hill Business Campus, Budapest (c. 4,600 sq m)
 - Prolongation of Ford lease in Vaci Greens D, Budapest (c. 2,400 sq m)
 - Prolongation of Innio lease in Vaci Greens D, Budapest (c. 2,400 sq m)
 - Spitalul de Oncologie Monza SRL (Memorial) signed a lease in City Gate, Bucharest (c. 2,100 sq m)
 - In addition we leased or prolonged leases with KPMG, Strabag, AON during Q1 2023
- **Disposal** of Forest Offices Debrecen, building in Hungary in January 2023. Proceeds from the disposal in the amount of €49m to be reinvested in real estate
- **Completion** of 2 buildings in Rose Hill Business Campus, Budapest
- **Sustainability in offices**
 - Upgrade of LEED certification level to GOLD for Sofia Tower 1
 - LEED GOLD certification for Sofia Tower 2
 - BREEAM recertification for 4 buildings in Budapest
 - Access4you® certification for 8 office buildings in Budapest and 1 office building in Zagreb
 - Building without barrier certification for 2 office buildings in Lodz

Retail: pre-Covid levels reached and overpassed

- **Occupancy at 95% as of 30 June 2023** (96% as of 31 December 2022)
- Average weighted lease term of 3.8 yrs. (4.1 yrs in June 2022)
- **Leasing activity** reached 13,000 sq m in H1 2023 (20,700 sq m in H1 2022) and 9,500 sq m in Q2 2023 (11,900 sq m in Q2 2022):
 - Prolongation of CCC in Ada Mall, Belgrade (c. 1,300 sq m)
 - Prolongation of Terranova in Ada Mall, Belgrade (c. 1,300 sq m)
 - Bershka chose Galeria Jurajska, Częstochowa (c. 900 sq m)
 - Prolongation of Calliope in in Ada Mall, Belgrade (c. 800 sq m)
 - Prolongation of Deichmann in Galeria Północna, Warsaw (c. 700 sq m)
 - Stradivarius signed a lease in Galeria Jurajska, Częstochowa (c. 600 sq m)
 - Prolongation of Helvetia d.o.o. (brand Lotus bar) in Avenue Mall, Zagreb (c. 500 sq m)
- Positive trends in retail continue, footfall is up 12% in H1 2023 vs H1 2022) and turnover exceeded pre-Covid levels increasing 11% in H1 2023 vs H1 2022
- **Sustainability in retail**
 - Upgrade of LEED certification level to GOLD for Mall of Sofia

³ Includes asset held for sale.

- BREEAM recertification for Galeria Jurajska in Poland under new v6 standard
- Access4you® certification for Hegyvidék Shopping Center in Budapest and Avenue Mall in Zagreb

FINANCIALS

Rental and service revenues	<ul style="list-style-type: none"> • Up 6% to €90m in H1 2023 as compared to €85m in H1 2022 <p>The increase in rental revenues is mainly due to rent indexation combined with completion of Pillar in Budapest, GTC X in Belgrade and Rose Hill Business Campus in Budapest. 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 A&B office buildings in the third and fourth quarter of 2022.</p>
Gross margin from operations	<ul style="list-style-type: none"> • At €63m in H1 2023 as compared to €62m in H1 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, decline in an average occupancy rate in Poland combined with a loss in rental and service revenues due to the sale of office buildings in Hungary, Romania and Croatia.</p>
Administrative expenses	<ul style="list-style-type: none"> • Administrative expenses at €9m as compared to €6m in H1 2022 mainly due to an increase in wages and salaries comprising mainly one off severance payments and specialist advisory expenses
Profit /(loss) from revaluation of investment property	<ul style="list-style-type: none"> • Amounted to loss of €51m as compared to €16m profit in H1 2022 <p>Loss in fair value of completed assets results mainly from a slight increase in equivalent yield combined with higher vacancy rates in offices in Poland and Hungary</p>
Financial expenses, net	<ul style="list-style-type: none"> • Financial expenses, net at €16m as compared to €17m in H1 2022. Average interest rate at 2.38%, slightly up from the YE 2022 as a result of two new loans and change in the interest loans that were not hedged.
Tax	<ul style="list-style-type: none"> • Tax benefit amounted to €2m as compared to €11m tax in H1 2022 <p>Taxation consists mainly of €3m of current tax expenses and €5m of deferred tax income, coming from the changes in valuation.</p>
Adjusted EBITDA and net profit /(loss)	<ul style="list-style-type: none"> • Adjusted EBITDA was at €52m (€53m in H1 2022). Net loss amounted to €12m in H1 2023 (€41m profit in H1 2022). The decrease mainly resulted from loss from revaluation.
Funds From Operations (FFO I)	<ul style="list-style-type: none"> • Improved by 4% to €35m as compared to €34m in H1 2022, FFO I per share at €0.06.
Total investments and GAV	<ul style="list-style-type: none"> • Total investments, including non current financial assets, at €2,377m as of 30 June 2023 (€2,418m as of 31 December 2022) and GAV at €2,245m as of 30 June 2023 (€2,288m as of 31 December 2022), mainly due to sale of Forest Offices Debrecen of €49m, partially offset by investment of €44m mostly into assets under construction and €13m into acquisition of new projects. This increase was offset by loss from revaluation related to investment property of €53m.

EPRA NTA / share	<ul style="list-style-type: none"> • At €2.10 compared to €2.22 on 31 December 2022 Corresponding to EPRA NTA of €1,205m compared to €1,273m as of 31 December 2022.
Debt and debt related indicators	<ul style="list-style-type: none"> • Debt at €1,253m compared to €1,238m as of 31 December 2022 Mainly due to proceeds from long-term borrowings in the amount of €34m combined with foreign exchange differences on bonds denominated in PLN and HUF of €13m, compensated by repayments during the period in the amount of €25m. • Weighted average debt maturity of 3.8 years and average interest rate of 2.38% p.a. • Net LTV 46.8% (44.5%⁴ on 31 December 2022) • Annualized consolidated coverage ratio (based on EBITDA) at 3.5x (unchanged from 31 December 2022) • Unsecured debt at 54% (56% as at 31 December 2022) and unencumbered properties at 49% (52% as of 31 December 2022)
Cash	<ul style="list-style-type: none"> • Cash balance of €120m as of 30 June 2023 (€115m as of 31 December 2022). • Available revolving credit facility of €94m

⁴ Includes non-current financial assets and adjusted for disposal of Forest Offices Debrecen, concluded on 30 January 2023

Annex 1 Consolidated Statement of Financial Position as of 30 June 2023
(in millions of euro)

	30 June 2023 <i>unaudited</i>	31 December 2022 <i>audited</i>
ASSETS		
Non-current assets		
Investment property	2,245	2,244
Residential landbank	27	27
Property, plant and equipment	15	11
Blocked deposits	13	12
Deferred tax asset	2	3
Derivatives	11	17
Non-current financial assets measured at fair value through profit or loss	133	130
Loan granted to non-controlling interest partner	11	11
	2,457	2,455
Current assets		
Accounts receivables	14	12
VAT and other tax receivables	4	5
Income tax receivables	2	2
Prepayments and other receivables	10	8
Derivatives	11	8
Short-term blocked deposits	15	13
Cash and cash equivalents	120	115
Assets held for sale	3	52
	179	215
TOTAL ASSETS	2,636	2,670

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

	30 June 2023 <i>unaudited</i>	31 December 2022 <i>audited</i>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	13	13
Share premium	669	669
Unregistered share capital increase	-	-
Capital reserve	(49)	(49)
Hedge reserve	3	(8)
Foreign currency translation reserve	(3)	(3)
Accumulated profit	449	491
	1,082	1,113
Non-controlling interest	24	23
Total Equity	1,106	1,136
Non-current liabilities		
Long-term portion of long-term borrowings	1,211	1,189
Lease liabilities	42	42
Deposits from tenants	13	12
Long term payables	3	3
Derivatives	20	47
Deferred tax liabilities	135	141
	1,424	1,434
Current liabilities		
Current portion of long-term borrowings	42	49
Trade payables and other payables	29	41
Dividend payable	30	-
Deposits from tenants	2	2
VAT and other taxes payables	2	2
Income tax payables	1	4
Derivatives	-	2
	106	100
TOTAL EQUITY AND LIABILITIES	2,636	2,670

Annex 2 Consolidated Income Statement for the 3 and 6-month periods ended 30 June 2023
(in millions of euro)

	Six-month period ended		Three-month period ended	
	30 June		30 June	
<i>Unaudited</i>	2023	2022	2023	2022
Rental revenue	66	64	35	32
Service charge revenue	24	21	12	10
Service charge costs	(27)	(23)	(14)	(11)
Gross margin from operations	63	62	33	31
Selling expenses	(1)	(1)	-	-
Administration expenses	(9)	(6)	(5)	(3)
Profit/(loss) from revaluation	(51)	16	(48)	13
Other income	-	1	-	1
Other expenses	(1)	(2)	(1)	(1)
Net operating result	1	70	(21)	41
Foreign exchange differences	1	(1)	1	(1)
Finance cost, net	(16)	(17)	(8)	(8)
Result before tax	(14)	52	(28)	32
Taxation	2	(11)	5	(7)
Result for the period	(12)	41	(23)	25
Attributable to:				
Equity holders of the Company	(12)	40	(23)	25
Non-controlling interest	-	1	-	-
Basic earnings per share (in Euro)	(0.02)	0.07	(0.04)	0.04

Annex 3 Consolidated Statement of Cash Flow for the 6-month period ended 30 June 2023
(in millions of euro)

<i>Unaudited</i>	Six-month period ended 30 June 2023	Six-month period ended 30 June 2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Result before tax	(14)	52
Adjustments for:		
Loss/(profit) from revaluation/impairment of assets	51	(16)
Foreign exchange differences	(1)	1
Finance cost, net	16	17
Share based payment provision revaluation	-	(1)
Operating cash before working capital changes	52	53
Increase in accounts receivables and other current assets	(5)	(2)
Increase in deposits from tenants	2	1
Increase / (decrease) in trade and other payables	(2)	(2)
Cash generated from operations	47	50
Tax paid in the period	(6)	(9)
Net cash from operating activities	41	41
CASH FLOWS FROM INVESTING ACTIVITIES:		
Expenditure on investment property	(56)	(43)
Purchase of completed assets and land	(14)	(51)
Sale of landbank and residential landbank	-	5
Sale of subsidiary, net of cash in disposed assets	-	125
Sale of completed assets	49	-
Expenditure on non-current financial assets	(2)	-
VAT/tax on purchase/sale of investment property	3	(1)
Net cash from/(used in) investing activities	(20)	35
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from long-term borrowings	34	1
Repayment of long-term borrowings	(25)	(22)
Interest paid and other financing breaking fees	(20)	(20)
Proceeds from issue of share capital, net of issuance costs	-	120
Repayment of lease liability	(1)	(1)
Loan origination costs	(1)	-
Decrease/(Increase) in short term deposits	(3)	1
Dividend paid to non-controlling interest	(1)	(1)
Net cash from/(used in) financing activities	(17)	78
Net foreign exchange difference, related to cash and cash equivalents	1	(1)
Net increase/ (Decrease) in cash and cash equivalents	5	153
Cash and cash equivalents at the beginning of the period	115	97
Cash and cash equivalents at the end of the period	120	250

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 45 commercial buildings providing ca. 740 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, 62 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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