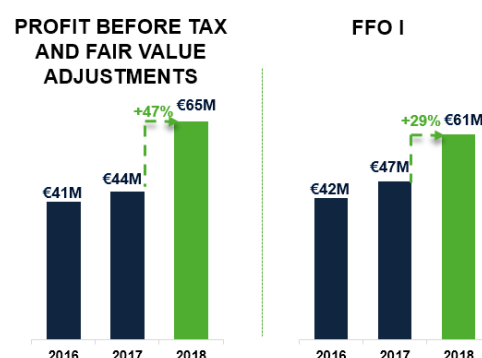


STRONG OPERATING PERFORMANCE STEMMING FROM CONTINUOUSLY GROWING INCOME GENERATING PORTFOLIO

GROSS MARGIN FROM RENTAL ACTIVITY	PROFIT BEFORE TAX AND FAIR VALUE ADJUSTMENTS	FFO I	EPRA NAV
€111M	€65M	€61M	€1,170M
+22%	+47%	+29%	+9%

2018 FINANCIAL HIGHLIGHTS

- 🌐 In-place rent increased by 18% to €130m
- 🌐 Gross margin from rental activity up by 22% to €111m
- 🌐 FFO I increased 29% to €61m, FFO per share at €0.13
- 🌐 Operating profit: 47% increase in profit before tax and fair value adjustments, to €65m
- 🌐 Profit after tax of €92m, earnings per share of €0.19
- 🌐 EPRA NAV up by 9% to €1,170m as at 31 December 2018, EPRA NAV per share at €2.42 (PLN 10.4)
- 🌐 Proposed dividend from 2018 profits increased by 12% to PLN 0.37
- 🌐 Solid financial performance
 - 13 loans were raised or refinanced, totaling approx. €400m
 - LTV at 45%
 - Weighted Average Interest Rate at historic low – 2.7%
 - Investment grade rating (A2.il) for new bonds



2018 PORTFOLIO HIGHLIGHTS

- Completion of Green Heart office buildings, Belgrade (21,600 sq m) and GTC White House office building, Budapest (21,500 sq m)
- Acquisition of Mall of Sofia (32,700 sq m)
- 188,700 sq m of newly leased or released space (43% more than in 2017)
- Occupancy kept high at 94%
- Construction of 8 office and retail properties (113,000 sq m) commenced in 2018 and will be completed in 2019-2020. Upon completion and stabilization they shall increase the in-place rent by almost €25m
- Another 7 properties planned to commence construction during 2019-2020



Solid development activity and more “value add” acquisitions during 2018 secures further growth of GTC’s portfolio and its value appreciation. Our asset management and leasing teams could conclude ca. 190,000 sq m lease agreements during the year, confirming the quality of GTC’s office and retail portfolio. – **commented Thomas Kurzmann, CEO.** Significantly improved FFO and other key economic parameters allow us to recommend a dividend of PLN 0.37, an increase of 12% over the dividend of 2017. We are looking forward to completing almost 80,000 sq m of office and retail space during 2019 and this will further improve our in place rent by 15%. GTC is well-prepared for 2019 and beyond, to deliver superior value appreciation to its stakeholders. – **added Thomas Kurzmann.**

OPERATING ACHIEVEMENTS

Offices: Completions and strong leasing activity:

- Completion and lease of new offices
 - Green Heart**, Belgrade (21,600 sq m) redevelopment completed in March 2018, 81% leased
 - GTC White House**, Budapest (21,500 sq m) completed in June 2018, now 100% leased
- 157,300 sq m** of lettings and renewals
 - 62% more than in 2017
 - Strong leasing activity in each country
 - Occupancy at 93% despite new completions
- Sustainability as priority
 - Platinum LEED for **GTC White House**
 - BREEAM excellent for **Francuska Office Centre**
 - 69%** offices with green certificates
 - 19%** offices under certification
- Committed **supply of high quality space** in 2019
 - Green Heart** (2 buildings), Belgrade
 - Advance Business Centre I**, Sofia
 - Matrix A**, Zagreb

Retail: Operational outperformance:

- Acquisition of **Mall of Sofia**
 - 22,400 sq m of retail and 10,300 of office space
 - In-place rent of €8m
- Leasing activity of **31,400 sq m**
 - Driven by pre-lease of **Ada Mall to 91%**
- Operational outperformance
 - **Mall of Sofia**: in only 5 months since acquisition improved turnover by 12%, investment in repositioning in combination with reinforced and focused marketing activities will increase further the turnover and open room for increased rents
 - **Avenue Mall Zagreb**: active renewal negotiations with major anchor tenants prove the sustainability of the mall
 - **Galeria Jurajska**: increased footfall despite more closed Sundays and strong increase in turnover paired with full occupancy will result in further rent increase in 2019
 - **Galeria Pólnocna**: steadily increasing loyal customer base triggers a strong average year on year turnover increase of 20% for the last 3 months to February 2019. New openings will further increase the attractiveness of the mall
- Well positioned in current markets
 - **Occupancy of 95%**
- Committed supply of high quality space in 2019
 - **Ada Mall**, Belgrade

FINANCIALS

Rental and service revenues

- **Increased strongly to €149m** from €123m in 2017
Reflects improvement in rental revenue through completion and leasing of FortyOne III, Galeria Pólnocna, Artico, which were completed in the second half of 2017 as well as GTC White House which was completed in Q2 2018. These buildings contributed €16m to the recurring rental income. Additionally, the acquired in Q3 2017, Cascade Office Building, Belgrade Business Center and Mall of Sofia, which was acquired in Q2 2018, contributed €9m to the recurring rental income.

Gross margin from operations

- **Increased €112m** from €92m in 2017
Reflects mostly newly completed and acquired properties partially offset by sale of non-core assets.

Net profit from revaluation and impairment

- **Amounted to €40m** as compared to €149m in 2017
Main contributors to the revaluation gain were assets under construction: Ada Mall, White House, Green Heart and Advance Business Center as well as Galeria Jurajska.

Financial expenses

Average interest rate down to 2.7% thanks to refinancing activity and hedging strategy. **Financial expenses** remain stable **at €30m** despite an increase in loan portfolio

Provision for Tax

- **Provision for tax amounted to €14m** as compared to €32m of tax benefit in 2017
Taxation consist of €6m of current tax expenses and €7m of deferred tax expenses.

Net profit	<ul style="list-style-type: none"> Profit before tax and fair value adjustments improved significantly by 47% to €65m reflecting strong operating performance and operational excellence The net profit amounted to €92m.
Funds From Operations (FFO I)	<ul style="list-style-type: none"> At €61m compared to €47m in 2017, supporting proposed dividend of PLN 0.37 per share which is ca. 67% of the FFO I.
GAV	<ul style="list-style-type: none"> At €2,201m as of 31 December 2018 (€1,955m as of 31 December 2017) thanks to acquisition of assets, investment in assets under construction and revaluation gains
EPRA NAV / share	<ul style="list-style-type: none"> Up by 6% to €2.42 from €2.28 on 31 December 2017 Corresponding to EPRA NAV of €1,170m compared to €1,073m as of 31 December 2017.
Total bank debt and financial liabilities	<ul style="list-style-type: none"> At €1,112m compared to €1,031m as of 31 December 2017 Weighted average debt maturity of 3.9 years and average cost of debt of 2.7% p.a. LTV at 45% (42% on 31 December 2017) Interest coverage ratio at 4.0x (3.5x on 31 December 2017)
Cash	<ul style="list-style-type: none"> Cash balance of €80m as of 31 December 2018

Annex 1 Consolidated Statement of Financial Position as at 31 December 2018
(in thousands of euro)

	31 December 2018	31 December 2017
ASSETS		
Non-current assets		
Investment property	1,981,961	1,797,583
Investment property landbank	131,107	139,258
Residential landbank	12,698	12,698
Investment in associates and joint ventures	-	1,303
Property, plant and equipment	6,712	6,847
Deferred tax asset	52	-
Other non-current assets	129	86
	<u>2,132,659</u>	<u>1,957,775</u>
Loan granted to non-controlling interest partner	10,282	-
Total non-current assets	2,142,941	1,957,775
Assets held for sale	76,196	4,336
Current assets		
Residential inventory	-	3,755
Accounts receivables	4,449	4,367
Receivables related to expropriation of land	4,917	-
Accrued income	1,066	1,093
VAT receivable	5,156	6,618
Income tax receivable	1,233	619
Prepayments and deferred expenses	1,401	1,767
Escrow account	-	777
Short-term deposits	39,109	52,756
Cash and cash equivalents	80,456	148,746
	<u>137,787</u>	<u>220,498</u>
TOTAL ASSETS	<u>2,356,924</u>	<u>2,182,609</u>

Annex 1 Consolidated Statement of Financial Position as at 31 December 2018 (cont.)
(in thousands of euro)

	31 December 2018	31 December 2017
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	10,960	10,651
Share premium	546,711	520,504
Capital reserve	(36,054)	(36,054)
Hedge reserve	(4,542)	(2,365)
Foreign currency translation	1,680	2,323
Accumulated profit	496,996	441,977
	1,015,751	937,036
Non-controlling interest	5,044	4,226
Total Equity	1,020,795	941,262
Non-current liabilities		
Long-term portion of long-term borrowing	993,453	907,704
Deposits from tenants	10,375	8,960
Long term payable	3,045	2,621
Provision for share based payment	4,533	5,744
Derivatives	3,736	1,360
Provision for deferred tax liability	139,120	125,827
	1,154,262	1,052,216
Current liabilities		
Investment and trade payables and provisions	50,499	50,505
Current portion of long-term borrowing	121,894	126,381
VAT and other taxes payable	1,636	1,516
Income tax payable	1,114	1,843
Derivatives	1,887	2,035
Advances received	4,837	6,851
	181,867	189,131
TOTAL EQUITY AND LIABILITIES	2,356,924	2,182,609

Annex 2 Consolidated Income Statement for the year ended 31 December 2018
(in thousands of euro)

	Year ended 31 December 2018	Year ended 31 December 2017
Rental revenue	110,530	91,084
Service charge revenue	38,853	31,525
Residential revenue	4,578	6,128
Service charge costs	(38,510)	(32,081)
Residential costs	(3,868)	(4,515)
Gross margin from operations	111,583	92,141
Selling expenses	(2,148)	(2,111)
Administration expenses	(10,236)	(15,242)
Profit from revaluation/ impairment of assets	40,125	148,562
Other income	1,567	1,484
Other expenses	(4,885)	(2,806)
Profit/(Loss) from continuing operations before tax and finance income / expense	136,006	222,028
Foreign exchange differences gain/(loss), net	(240)	(4,906)
Finance income	376	234
Finance cost	(30,184)	(28,848)
Share of profit/(loss) of associates and joint ventures	-	184
Profit/(loss) before tax	105,958	188,692
Taxation	(13,938)	(32,094)
Profit/(Loss) for the year	92,020	156,598
Attributable to:		
Equity holders of the Company	91,202	156,300
Non-controlling interest	818	298
Basic earnings per share (in Euro)	0.19	0.34

Annex 3 Consolidated Statement of Cash Flow for the year ended 31 December 2018
(in thousands of euro)

	Year ended 31 December 2018	Year ended 31 December 2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before tax	105,958	188,692
Adjustments for:		
Loss/(profit) from revaluation/impairment of assets and residential projects	(40,125)	(148,562)
Share of loss / (profit) of associates and joint ventures		(184)
Loss / (profit) on disposal of asset		-
Foreign exchange differences loss/(gain), net	240	4,906
Finance income	(376)	(234)
Finance cost	30,184	28,848
Provision for share based payment loss/(profit)	(1,211)	3,698
Depreciation	558	529
Operating cash before working capital changes	95,228	77,693
Decrease in accounts receivables and prepayments and other current assets	674	594
Decrease in residential inventory	3,755	1,737
Increase in advances received	(2,788)	2,578
Increase in deposits from tenants	725	1,486
Increase (decrease) in trade payables	(1,399)	505
Cash generated from operations	96,195	84,593
Tax paid in the period	(7,897)	(3,915)
Net cash from operating activities	88,298	80,678
CASH FLOWS FROM INVESTING ACTIVITIES:		
Expenditure on investment property	(112,462)	(155,204)
Purchase of completed assets and land	(16,450)	(62,108)
Decrease in short term deposits	17,944	-
Increase (decrease) in escrow accounts for purchase of assets	777	(777)
Sale (including advances) of investment property	13,613	4,499
VAT/tax on purchase/sale of investment property	1,303	10,953
Sale of subsidiary	-	37,545
Purchase of subsidiary	(37,846)	(15,896)
Purchase of non-controlling interest	-	(352)
Sale of shares in associates	1	1,250
Interest received	130	161
Loans repayments from associates	1,300	1,625
Net cash used in investing activities	(131,690)	(178,304)
CASH FLOWS FROM FINANCING ACTIVITIES		
Distribution of dividend	(9,752)	(8,061)
Proceeds from long-term borrowings	191,224	258,268
Repayment of long-term borrowings	(162,104)	(100,343)
Interest paid	(28,093)	(26,241)
Loans origination payment	(2,132)	(3,573)
Loans granted to non-controlling interest	(10,036)	-
Decrease/(Increase) in short term deposits	(2,276)	(24,831)
Net cash from /(used) in financing activities	(23,169)	95,219
Net foreign exchange difference	(1,729)	1,341
Net increase/ (Decrease) in cash and cash equivalents	(68,290)	(1,066)
Cash and cash equivalents at the beginning of the period	148,746	149,812
Cash and cash equivalents at the end of the period	80,456	148,746

The GTC Group is a leading real estate investor and developer focusing on Poland and three capital cities in Central and Eastern Europe. Since 1994 GTC has developed 68 high standard, modern office and retail properties with a total area of over 1.2 million sq. m through Central and Eastern Europe.

GTC now actively manages a commercial real estate portfolio of 43 commercial buildings providing over 703,000 sq. m of lettable office and retail space in Poland, Budapest, Bucharest, Belgrade, Zagreb and Sofia. In addition, GTC has a development pipeline of 412,600 sq. m retail and office properties in capital cities of Central and Eastern Europe, over 113,000 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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