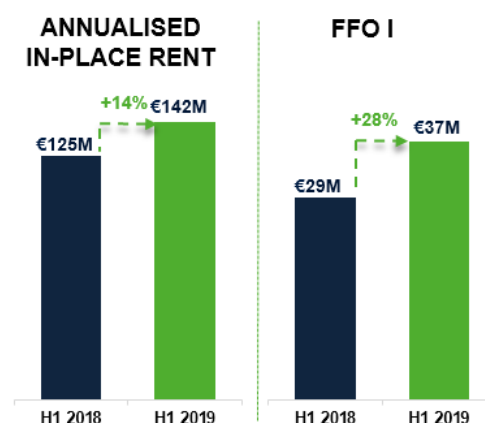


### DEVELOPMENT CONTRIBUTES TO FFO UPSWING

GROSS MARGIN FROM RENTAL ACTIVITY	PROFIT BEFORE TAX AND FAIR VALUE ADJUSTMENTS	FFO I	EPRA NAV
<b>€61M</b>	<b>€37M</b>	<b>€37M</b>	<b>€1,179M</b>
<b>+13%</b>	<b>+17%</b>	<b>+28%</b>	<b>+1%</b>

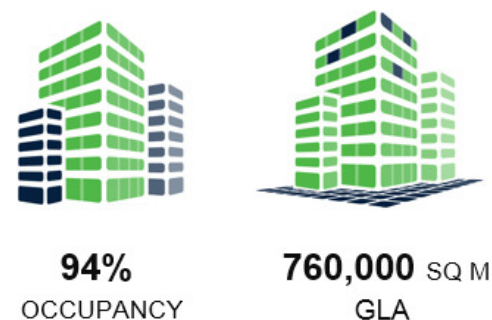
#### H1 2019 FINANCIAL HIGHLIGHTS

- In-place rent increased 14% to €142m (€125m as of 30 June 2018)
- Gross margin from rental activity up by 13% to €61m (€54 in H1 2018)
- FFO I increased 28% to €37m (€29m in H1 2018), FFO per share at €0.08
- Operating profit: 17% increase in profit before tax and fair value adjustments to €37m (€32m in H1 2018)
- Profit after tax of €43m (€46m in H1 2018), earnings per share of €0.09
- EPRA NAV up by 1% to €1,179m (after dividend) as of 30 June 2019 (€1,170 as of 31 December 2018), EPRA NAV per share at €2.44 (PLN 10.37)
- Solid financial metrics
  - LTV at 46% (45% as of 31 December 2018)
  - WAIR at historic low of 2.6% (2.7% as of 31 December 2018)
- Dividend of PLN 0.37/share paid; dividend yield of 4.3%
  - €38m distributed in the form of cash dividend
  - Issue of 2,018,126 Series N shares



#### H1 2019 PORTFOLIO HIGHLIGHTS

- High occupancy at 94% (93% as of 30 June 2018)
  - 81,100 sq m of newly leased or released space
- Completion of three properties:
  - Ada Mall, a 34,200 sq m shopping mall in Belgrade
  - Green Heart N2, a 6,100 sq m office building in Belgrade
  - ABC I, a 15,800 sq m office building in Sofia
- Commencement of construction of Pillar, a 29,000 sq m office building in Budapest
- 6 office properties under construction. Upon completion and stabilization, they shall increase the in-place rent by almost €16.7m



Robust development activity was the driving force for our growth in the first half of 2019. The delivery of Ada Mall with 34,200 sq. m GLA prime retail in Belgrade was the pinnacle of the discussed period. Completions of office buildings combined with very high occupancy contributed to 28% increase in FFO and improved operating results.” – **commented Thomas Kurzmann, GTC’s CEO.**

“With 86,600 sq. m GLA of office space under construction, and 23,800 sq. m GLA to be delivered this year, GTC’s growth is set to continue – **added GTC’s CEO.**

## **OPERATING ACHIEVEMENTS**

### **Offices: Growing portfolio and improved operations**

- 🌐 **64,700 sq m of lettings and renewals**
  - Occupancy up to 94% (from 93% as of 31 December 2018)
  - Strong leasing activity in each country: very good take-up in capitals outside Poland
- 🌐 **21,900 sq m of high-quality space completed in 1H 2019**
  - Green Heart (N2), Belgrade
  - Advance Business Centre I, Sofia
- 🌐 **Commencement of Pillar**
  - 29,000 sq m office building in Budapest
  - Completion scheduled for Q1 2021
- 🌐 **86,600 sq m of high-quality office space under construction**
  - Completions scheduled for Q3 2019 – Q1 2021
  - Diversified through capitals of CEE region with high demand
  - Additional expected in-place rent of €16.7m
- 🌐 **Sustainability as important value**
  - Korona Office Complex, University Business Park and Globis Poznań BREEAM certified
  - 76% offices with green certificates
  - 13% offices under certification

### **Retail: Operational outperformance**

- 🌐 **Completion of 34,200 sq m of high-quality space**
  - Ada Mall, Belgrade, opened on 24 May 2019
  - Estimated rent upon stabilization of €10.5m
- 🌐 **Operational outperformance**
  - **Galeria Jurajska:** 1H 2019 turnover improved 7% over H1 2018, footfall 2.8% higher than in 1H 2018
  - **Galeria Północna:** Q2 2019 turnover was 24% higher than in Q2 2018
  - **Mall of Sofia:** increased rent income via renegotiations and change of tenant mix
  - **Avenue Mall Zagreb:** stable well performing shopping mall
  - **Ada Mall:** current occupancy at 97%
- 🌐 **Well located in the capital cities within good catchment areas**
- 🌐 **Occupancy at 95%**
- 🌐 **High FFO contribution to the portfolio**

## FINANCIALS

### Rental and service revenues

- **Increased to €81m** from €73m in H1 2018  
Reflects improvement in rental revenue through completion and leasing of GTC White House, acquisition of Mall of Sofia, completion of modernization and leasing of the two buildings of Green Heart project and completion of one new building in Green Heart complex as well as opening of Ada Mall.

### Gross margin from operations

- **Increased to €61m** from €55m in H1 2018  
Reflects mostly newly completed and acquired properties.

### Net profit from revaluation and impairment

- **Amounted to €16m** as compared to €23m in H1 2018  
Main contributors to the revaluation gain on Neptun Office Center, Duna Tower, Galeria Jurajska, GTC Metro and assets under construction: Ada Mall, Green Heart as well as Matrix A following development and leasing progress. This was partially offset by devaluation of Galeria Północna due to delay in rent stabilization.

### Financial expenses

**Average interest rate down to 2.6%** thanks to refinancing activity and hedging strategy. **Financial expenses** increased to **€16m** following adoption of IFRS 16 and an increase in the average debt balance.

### Tax

- **Tax expenses amounted to €8m** as compared to €11m in H1 2018  
Taxation consist of €3m of current tax expenses and €5m of deferred tax expenses.

### Net profit

- **Profit before tax and fair value adjustments improved by 17% to €37m** reflecting strong operating performance and operational excellence. The **net profit amounted to €43m**.

### Funds From Operations (FFO I)

- **At €37m** compared to €29m in H1 2018, FFO I per share at €0.08

### GAV

- **At €2,297m as of 30 June 2019** (€2,208m as of 31 December 2018) thanks to investment in assets under construction and revaluation gains

### EPRA NAV / share

- **Up by 1% to €2.44** from €2.42 on 31 December 2018  
Corresponding to **EPRA NAV of €1,179m** compared to €1,170m as of 31 December 2018.

### Bank loans and bonds

- **At €1,177m** compared to €1,112m as of 31 December 2018
- **Weighted average debt maturity of 3.9 years** and **average interest rate of 2.6% p.a.**
- **LTV at 46%** (45% on 31 December 2018)
- **Interest coverage ratio at 4.4x** (4.0x on 31 December 2018)

### Cash

- **Cash balance of €69m** as of 30 June 2019

Annex 1 Consolidated Statement of Financial Position as at 30 June 2019  
(in thousands of euro)

	30 June 2019 (unaudited)	31 December 2018 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investment property	2,201,839	2,113,068
Residential landbank	13,365	12,698
Property, plant and equipment	7,991	6,712
Deferred tax asset	380	52
Other non-current assets	120	129
	<b>2,223,695</b>	<b>2,132,659</b>
Loan granted to non-controlling interest partner	10,414	10,282
<b>Total non-current assets</b>	<b>2,234,109</b>	<b>2,142,941</b>
<b>Assets held for sale</b>	<b>121,152</b>	<b>76,196</b>
<b>Current assets</b>		
Accounts receivables	6,590	4,449
Receivables related to expropriation of land		4,917
Accrued income	731	1,066
VAT receivable	5,816	5,156
Income tax receivable	776	1,233
Prepayments and deferred expenses	5,583	1,401
Short-term deposits	48,540	39,109
Cash and cash equivalents	69,080	80,456
	<b>137,116</b>	<b>137,787</b>
<b>TOTAL ASSETS</b>	<b>2,492,377</b>	<b>2,356,924</b>

	30 June 2019 (unaudited)	31 December 2018 (audited)
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	11,007	10,960
Share premium	550,522	546,711
Capital reserve	(36,054)	(36,054)
Hedge reserve	(7,140)	(4,542)
Foreign currency translation	1,440	1,680
Accumulated profit	498,099	496,996
	<b>1,017,874</b>	<b>1,015,751</b>
Non-controlling interest	4,780	5,044
<b>Total Equity</b>	<b>1,022,654</b>	<b>1,020,795</b>
<b>Non-current liabilities</b>		
Long-term portion of long-term borrowing	925,477	993,453
Lease liability	45,929	-
Deposits from tenants	12,360	10,375
Long term payable	2,523	3,045
Provision for share based payment	7,152	4,533
Derivatives	6,653	3,736
Provision for deferred tax liability	144,552	139,120
	<b>1,144,646</b>	<b>1,154,262</b>
<b>Liabilities directly associated with asset held for sale</b>	<b>20,800</b>	
<b>Current liabilities</b>		
Investment and trade payables and provisions	63,953	50,499
Current portion of long-term borrowing	235,564	121,894
Current portion of lease liability	106	-
VAT and other taxes payable	2,332	1,636
Income tax payable	422	1,114
Derivatives	1,969	1,887
Advances received	651	4,837
	<b>304,997</b>	<b>181,867</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,492,377</b>	<b>2,356,924</b>

Annex 2 Consolidated Income Statement for the 6 months period ended 30 June 2019  
(in thousands of euro)

	Six-month period ended 30 June 2019	Six-month period ended 30 June 2018	Three-month period ended 30 June 2019	Three-month period ended 30 June 2018
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Rental revenue	60,963	53,360	31,689	27,380
Service revenue	20,319	19,202	10,133	9,327
Residential revenue	-	4,578		963
Service costs	(20,171)	(18,521)	(10,262)	(9,514)
Residential costs	-	(3,868)		(889)
<b>Gross margin from operations</b>	<b>61,111</b>	<b>54,751</b>	<b>31,560</b>	<b>27,267</b>
Selling expenses	(735)	(1,195)	(367)	(720)
Administration expenses	(8,767)	(4,099)	(4,244)	(2,701)
Profit from revaluation/impairment of assets	16,482	23,368	9,763	10,834
Other income	287	407	4	244
Other expenses	(585)	(2,757)	(194)	(1,377)
<b>Profit (loss) from continuing operations before tax and finance income / (expense)</b>	<b>67,793</b>	<b>70,475</b>	<b>36,522</b>	<b>33,547</b>
Foreign exchange differences gain/ (loss), net	(429)	294	(350)	188
Finance income	181	158	99	85
Finance cost	(16,236)	(14,311)	(8,250)	(7,150)
<b>Profit before tax</b>	<b>51,309</b>	<b>56,616</b>	<b>28,021</b>	<b>26,670</b>
Taxation	(8,462)	(10,544)	(4,923)	(4,907)
<b>Profit (loss) for the period</b>	<b>42,847</b>	<b>46,072</b>	<b>23,098</b>	<b>21,763</b>
<b>Attributable to:</b>				
Equity holders of the Company	42,682	45,591	23,099	21,533
Non-controlling interest	165	481	(1)	230
Basic earnings per share (in Euro)	0.09	0.10	0.05	0.05

Annex 3 Consolidated Statement of Cash Flow for the 6 months period ended 30 June 2019  
(in thousands of euro)

	Six-month period ended 30 June 2019	Six-month period ended 30 June 2018
	(unaudited)	(unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Profit before tax	51,309	56,616
<b>Adjustments for:</b>		
Loss/(profit) from revaluation/impairment of assets	(16,482)	(23,368)
Foreign exchange differences loss/(gain), net	429	(294)
Finance income	(181)	(158)
Finance cost	16,236	14,311
Share based payment (income) / expenses	2,619	(1,373)
Depreciation and amortization	302	266
<b>Operating cash before working capital changes</b>	<b>54,232</b>	<b>46,000</b>
Increase in trade receivables, prepayments and other current assets	(1,551)	(1,158)
Decrease/ (increase) in inventory		3,755
Increase/(decrease) in advances received	(620)	(1,567)
Increase in deposits from tenants	1,985	(92)
Increase/(decrease) in trade and other payables	1,020	(693)
<b>Cash generated from operations</b>	<b>55,066</b>	<b>46,245</b>
Tax paid in the period	(3,162)	(4,623)
<b>Net cash flows from operating activities</b>	<b>51,904</b>	<b>41,622</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Expenditure on investment property	(71,215)	(59,337)
Decrease in short term deposits	2,157	15,515
Proceeds related to expropriation of land	4,917	
Purchase of subsidiary		(37,846)
Decrease/(Increase) in Escrow accounts for purchase of assets		461
Sale of investment property	2,630	13,613
VAT on purchase/sale of investment property	(660)	1,067
Interest received	49	40
Loans repayments		813
<b>Net cash flows from/(used in) investing activities</b>	<b>(62,122)</b>	<b>(65,674)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term borrowings	125,951	135,967
Repayment of long-term borrowings	(60,995)	(82,752)
Repayment of lease liabilities	(1,660)	-
Dividends paid	(37,927)	(9,752)
Dividends paid to non-controlling interest	(429)	-
Interest paid	(13,993)	(13,525)
Loans origination cost	(775)	(1,180)
Loan granted to non-controlling interest	-	(9,393)
Decrease/(increase) in blocked deposits	(11,588)	(1,967)
<b>Net cash from/(used in) financing activities</b>	<b>(1,416)</b>	<b>17,398</b>
<b>Effect of foreign currency translation</b>	<b>258</b>	<b>(1,812)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(11,376)</b>	<b>(8,466)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>80,456</b>	<b>148,746</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>69,080</b>	<b>140,280</b>

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 73 high standard, modern office and retail properties with a total area of 1.3 million sq. m through Central and Eastern Europe.

GTC now actively manages a commercial real estate portfolio of 48 commercial buildings providing 784,000 sq. m of lettable office and retail space in Poland, Budapest, Bucharest, Belgrade, Zagreb and Sofia. In addition, GTC has a development pipeline of 336,000 sq. m retail and office properties in capital cities of Central and Eastern Europe, nearly 63,000 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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