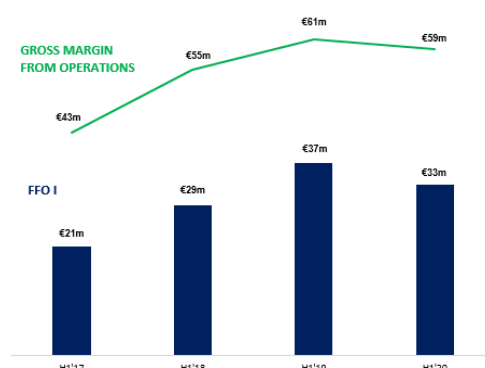


### RETAIL RESULTS IMPACTED BY COVID-19 OUTBREAK OFFICES RESILIENT SOLID COLLECTION

GROSS MARGIN FROM RENTAL ACTIVITY	PROFIT BEFORE TAX AND FAIR VALUE ADJUSTMENTS	FFO I	EPRA NAV
<b>€59M</b>	<b>€32M</b>	<b>€33M</b>	<b>€1,161M</b>

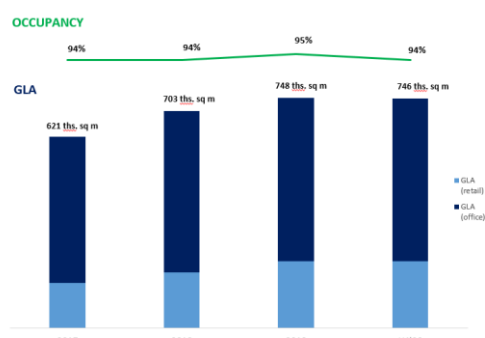
#### H1 2020 FINANCIAL HIGHLIGHTS

- Gross margin from rental activity at €59m (€61m in H1 2019)
- Occupancy at 94% (95% December 2019)
- FFO I decreased 11% to €33m (€37m in H1 2019), FFO per share at €0.07
- Operating profit: profit before tax and fair value adjustments of €32m in H1 2020 (€37m in H1 2019)
- Loss after tax of €34m, loss per share of €0.07
- EPRA NAV decreased by 3% to €1,161m as at 30 June 2020, EPRA NAV per share at €2.39 (PLN 10.67 at EUR/PLN 4.466)
- Solid financial metrics
  - LTV at 46% (44% as of 31 December 2019)
  - WAIR at 2.6% (2.6% as of 31 December 2019)
- Cash and cash equivalents amounted to €142m as of 30 June 2020



#### H1 2020 PORTFOLIO HIGHLIGHTS

- **OFFICE: SHOWS RESILIENT**
  - Occupancy remained strong at 95%
  - No collection problem
  - 57,500 sq m under construction on time and budget
  - Spiral office building under sale negotiations with the value uplift of €10m
- **RETAIL: MOMENTUM CONTINUES TOWARDS PRE-COVID-19 LEVELS**
  - Occupancy remained strong on 92%
  - Consumers gain confidence in the public health measures that have been taken
  - Footfall at 72% in the last week of July vs the same week in



2019

- July sales on average at 86% vs last year
- Sales are down less than footfall: Higher conversion and average basket
- Collection rate at 91% in H1 2020

*“As restrictive measures on our markets eased, we have greater clarity on the consequences of the pandemic on our business. We completed renegotiations with majority of our retail tenants affected by the COVID-19-crisis and granted tenant concessions which impacted our gross margin by EUR 8 million in the first half. However, the collection of the retail rent was solid and stood at 91% in that period. We see momentum continuing towards pre-covid-19 levels with footfall gradually returning and malls’ turnovers picking up. On the office side as an operator of well-connected CBD locations, we expect the losses caused by the COVID-19-pandemic to be minor and short-term. We continue our development portfolio encouraged by the strong interest in the office space in the CEE region.” – commented Yovav Carmi, GTC’s Management Board Member.*

## **FINANCIALS**

### **Rental and service revenues**

- **Decreased by €3m to €79m in H1 2020**

The decrease mainly resulted from a decrease in income of approximately €8m due to rent relief imposed by governments during lockdown of shopping malls and rent concessions and discounts provided by the Group to the retail tenants across the portfolio due to the COVID-19 outbreak combined with a decrease on rental revenues following the sale of GTC White House in the third quarter of 2019 and Neptun Office Center in the fourth quarter of 2019 of €3m. The decrease was partially offset by an increase on the rental revenues due to completion of Ada Mall, Green Heart, ABC I and Matrix A.

### **Gross margin from operations**

- **Decreased by €2m to €59m in H1 2020**

Mostly resulting from a lost on rent and service revenues in our shopping malls across the portfolio due to the COVID-19 outbreak partially offset by newly completed and acquired properties net of sale of assets.

### **Administrative expenses**

- **Administrative expenses (before provision for share based program) decreased by €1m to €6m in H1 2020**

Mark-to-market of share based program resulted in recognition of decrease in provision for share based payment to €1m in H1 2020 compared to an expenses arising from share based payment of €3m recognized in H1 2019. The combined result was that expenses decreased by €4m to €5 in H1 2020.

### **Net loss from revaluation and impairment**

- **Amounted to €68m** as compared to 16m profit in H1 2019

Net loss from the revaluation of the investment properties reflects mainly devaluation of our shopping malls across the portfolio which resulted from **the impact of the COVID-19 outbreak on retail activity of the Group**. The loss was offset by an increase in value in the amount of €10m on Spiral office building due to a signed letter of intent to sell the building.

### **Financial expenses**

**Average interest rate at 2.6%** thanks to refinancing activity and hedging strategy. **Financial expenses** increased to **€17m** following an increase in the average debt balance and completion of new projects.

### **Tax**

- **Tax benefit amounted to €1m** as compared to €8m tax in H1 2019

Taxation consist mainly of €3m of current tax expenses and €4m of deferred tax benefit.

<b>Net loss</b>	<ul style="list-style-type: none"> <li>• <b>Profit before tax and fair value adjustments was €32m. The net loss amounted to €34m.</b> This mostly resulted from recognition of loss from revaluation/impairment of assets in the amount of €68m combined with higher foreign exchange differences loss by €3 m and a decrease in gross margin from operations resulting from COVID-19 outbreak, partially offset by recognition of tax benefit of €1m.</li> </ul>
<b>Funds From Operations (FFO I)</b>	<ul style="list-style-type: none"> <li>• <b>At €33m</b> compared to €37m in H1 2019, FFO I per share at €0.07</li> </ul>
<b>GAV</b>	<ul style="list-style-type: none"> <li>• <b>At €2,183m as of 30 June 2020</b> (€2,222m as of 31 December 2019) due to the impact of the COVID-19 outbreak on retail activity of the Company which lead to decrease in value of the properties partially offset by an investment of €33m mostly into assets under construction: Green Heart, Advance Business Center II, Matrix B and Pillar.</li> </ul>
<b>EPRA NAV / share</b>	<ul style="list-style-type: none"> <li>• <b>At €2.39</b> compared to €2.47 on 31 December 2019 Corresponding to <b>EPRA NAV of €1,161m</b> compared to €1,200m as of 31 December 2019.</li> </ul>
<b>Bank loans and bonds</b>	<ul style="list-style-type: none"> <li>• <b>At €1,182m</b> compared to €1,205m as of 31 December 2019</li> <li>• <b>Weighted average debt maturity of 3.6 years</b> and <b>average interest rate of 2.6% p.a.</b></li> <li>• <b>LTV at 46%</b> (44% on 31 December 2019)</li> <li>• <b>Interest coverage ratio at 3.7x</b> (4.2x on 31 December 2019)</li> </ul>
<b>Cash</b>	<ul style="list-style-type: none"> <li>• <b>Cash balance of €142m</b> as of 30 June 2020</li> </ul>

Annex 1 Consolidated Statement of Financial Position as at 30 June 2020  
(in thousands of euro)

	30 June 2020	31 December 2019
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investment property	2,144,414	2,247,030
Residential landbank	13,060	13,388
Property, plant and equipment	7,907	8,159
Blocked deposits	11,020	11,137
Derivatives	-	265
Other non-current assets	121	109
	<b>2,176,522</b>	<b>2,280,088</b>
Loan granted to non-controlling interest partner	11,113	10,976
<b>Total non-current assets</b>	<b>2,187,635</b>	<b>2,291,064</b>
<b>Assets held for sale</b>	<b>63,281</b>	<b>-</b>
<b>Current assets</b>		
Accounts receivables	12,004	10,269
Accrued income	1,557	2,180
VAT receivable	2,164	3,296
Income tax receivable	846	1,079
Prepayments and deferred expenses	4,298	2,187
Short-term blocked deposits	28,775	33,031
Cash and cash equivalents	141,781	179,636
	<b>191,425</b>	<b>231,678</b>
<b>TOTAL ASSETS</b>	<b>2,442,341</b>	<b>2,522,742</b>

Annex 1 Consolidated Statement of Financial Position as at 30 June 2020 (cont.)  
(in thousands of euro)

	30 June 2020	31 December 2019
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	11,007	11,007
Share premium	550,522	550,522
Capital reserve	(43,098)	(43,098)
Hedge reserve	(6,924)	(4,994)
Foreign currency translation	(2,064)	943
Accumulated profit	496,623	530,242
	<b>1,006,066</b>	<b>1,044,622</b>
Non-controlling interest	13,835	14,040
<b>Total Equity</b>	<b>1,019,901</b>	<b>1,058,662</b>
<b>Non-current liabilities</b>		
Long-term portion of long-term borrowing	871,083	980,872
Deposits from tenants	11,020	11,137
Long term payable	2,630	2,648
Provision for share based payment	385	1,446
Lease liability	44,225	46,222
Derivatives	7,056	2,611
Provision for deferred tax liability	142,865	147,232
	<b>1,079,264</b>	<b>1,192,168</b>
<b>Current liabilities</b>		
Investment and trade payables and provisions	20,822	37,290
Deposits from tenants	1,804	1,605
Current portion of long-term borrowing	312,174	225,350
VAT and other taxes payable	1,950	1,817
Income tax payable	1,173	1,542
Derivatives	3,658	3,739
Current portion of lease liabilities	301	208
Advances received	1,294	361
	<b>343,176</b>	<b>271,912</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,442,341</b>	<b>2,522,742</b>

	Six-month period ended 30 June 2020	Six-month period ended 30 June 2019	Three-month period ended 30 June 2020	Three-month period ended 30 June 2019
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Rental revenue	59,038	60,963	28,040	31,689
Service revenue	19,652	20,319	9,625	10,133
Service costs	(20,055)	(20,171)	(8,897)	(10,262)
<b>Gross margin from operations</b>	<b>58,635</b>	<b>61,111</b>	<b>28,768</b>	<b>31,560</b>
Selling expenses	(707)	(735)	(384)	(367)
Administration expenses	(4,554)	(8,767)	(3,133)	(4,244)
Profit from revaluation/impairment of assets	(67,832)	16,482	(62,051)	9,763
Other income	55	287	41	4
Other expenses	(549)	(585)	(261)	(194)
<b>Profit (loss) from continuing operations before tax and finance income / (expense)</b>	<b>(14,952)</b>	<b>67,793</b>	<b>(37,020)</b>	<b>36,522</b>
Foreign exchange differences gain/ (loss), net	(3,236)	(429)	2,095	(350)
Finance income	173	181	83	99
Finance cost	(17,051)	(16,236)	(8,318)	(8,250)
<b>Profit before tax</b>	<b>(35,066)</b>	<b>51,309</b>	<b>(43,160)</b>	<b>28,021</b>
Taxation	1,242	(8,462)	6,550	(4,923)
<b>Profit (loss) for the period</b>	<b>(33,824)</b>	<b>42,847</b>	<b>(36,610)</b>	<b>23,098</b>
<b>Attributable to:</b>				
Equity holders of the Company	(33,619)	42,682	(36,196)	23,099
Non-controlling interest	(205)	165	(414)	(1)
Basic earnings per share (in Euro)	(0.07)	0.09	(0.07)	0.05

Annex 3 Consolidated Statement of Cash Flow for the 6 month period ended 30 June 2020  
(in thousands of euro)

	Six-month period ended 30 June 2020	Six-month period ended 30 June 2019
	(unaudited)	(unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Profit before tax	(35,066)	51,309
<b>Adjustments for:</b>		
Loss/(profit) from revaluation/impairment of assets	67,832	(16,482)
Foreign exchange differences loss/(gain), net	3,235	429
Finance income	(169)	(181)
Finance cost	17,051	16,236
Share based payment (income) / expenses	(1,061)	2,619
Depreciation and amortization	328	302
<b>Operating cash before working capital changes</b>	<b>52,150</b>	<b>54,232</b>
Increase in trade receivables, prepayments and other current assets	(5,340)	(1,551)
Increase/(decrease) in advances received	933	(620)
Increase in deposits from tenants	82	1,985
Increase/(decrease) in trade and other payables	(2,420)	1,020
<b>Cash generated from operations</b>	<b>45,405</b>	<b>55,066</b>
Tax paid in the period	(3,131)	(3,162)
<b>Net cash flows from operating activities</b>	<b>42,274</b>	<b>51,904</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Expenditure on investment property	(45,305)	(71,215)
Decrease in short term deposits	6,030	2,157
Proceeds related to expropriation of land		4,917
Sale of investment property		2,630
VAT on purchase/sale of investment property	1,132	(660)
Interest received	32	49
<b>Net cash flows from/(used in) investing activities</b>	<b>(38,111)</b>	<b>(62,122)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term borrowings	144,898	125,951
Repayment of long-term borrowings	(163,680)	(60,995)
Repayment of lease liabilities	(90)	(1,660)
Dividends paid	-	(37,927)
Dividends paid to non-controlling interest	-	(429)
Interest paid	(15,955)	(13,993)
Loans origination cost	(953)	(775)
Decrease/(increase) in blocked deposits	(1,657)	(11,588)
<b>Net cash from/(used in) financing activities</b>	<b>(37,437)</b>	<b>(1,416)</b>
<b>Effect of foreign currency translation</b>	<b>(4,581)</b>	<b>258</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(37,855)</b>	<b>(11,376)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>179,636</b>	<b>80,456</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>141,781</b>	<b>69,080</b>

## About GTC

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 74 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 46 commercial buildings providing 750 ths. sq m of lettable office and retail space in Poland, Budapest, Bucharest, Belgrade, Zagreb and Sofia. In addition, GTC has a development pipeline of 340 ths. sq m retail and office properties in capital cities of Central and Eastern Europe, 60 ths. 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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