



Q3&9M 2018 RESULTS

FOR THE THREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2018

HIGHLIGHTS

GROSS MARGIN FROM RENTAL ACTIVITY	PROFIT BEFORE TAX AND FAIR VALUE ADJUSTMENTS	FFO I	EPRA NAV/SHARE
€83M	€48M	€46M	€2.37
+27%	+57%	+37%	+4%

9M 2018 FINANCIAL HIGHLIGHTS

- In-place rent went up 15% to €127m
 - 11 quarters of continuous increase, cumulative increase in excess of 60% since Q4 2015
- Gross margin from rental activity up by 27% to €83m
- Occupancy kept high at 93%
 - 117,000 sq. m of newly leased space (32,000 sq. m in Q3'18)
- FFO I increased 37% to €46m
 - 11 quarters of continuous increase, cumulative increase in excess of 60% (annualized) since Q4 2015
- Operating profit: 57% increase in profit before tax and fair value adjustments to €48m
- Profit after tax at €69m, earnings per share of €0.14
- EPRA NAV increased 7% to €1,145m as at 30 September 2018, EPRA NAV per share at €2.37m
 - 11 quarters of continuous increase, cumulative increase of 47% since Q4 2015
- Net LTV at 45%
- Securing investment loans in the amount of €316 m

Q3 2018 PORTFOLIO HIGHLIGHTS

- Acquisition in Budapest designated for development of 35,500 sq. m office building Center Point 3
- Commencement of construction of 17,900 sq. m office building Advance Business Center II in Sofia
- Gold LEED Certificate for Galeria Północna
- Additional anchor tenants in Galeria Północna: Mango and Media Expert
- Galeria Jurajska 100% leased

OPERATING PERFORMANCE

9M 2018	Reported	Variance %
Gross margin from rental activity	EUR 83m	+27%
Profit before tax	EUR 82m	-39%
Earnings per share	EUR 0.14	-42%
FFO I	EUR 46m	+37%
Net debt	EUR 979m	+18%
Net LTV	45%	+7%
EPRA NAV/share	EUR 2.37	+4%

GLOBE TRADE CENTRE SA

(Incorporated and registered in Poland with KRS No. 61500)

(Share code on the WSE: GTC)

(Share code on the JSE: GTC ISIN: PLGTC0000037)

("GTC" or "the Company")

CORPORATE OVERVIEW

NATURE OF BUSINESS

The GTC Group is a leading real estate investor and developer focusing on Poland and four capital cities in Eastern and Southern Europe - Belgrade, Budapest, Bucharest, Zagreb and Sofia. The Group was established in 1994.

The Group's portfolio comprises: (i) completed commercial properties; (ii) commercial properties under construction; (iii) a commercial landbank intended for future development and (iv) residential project and landbank.

Since its establishment and as at 30 September 2018 the Group has: (i) developed 1.1 million sq. m of gross commercial space and over 300 thousand sq. m of residential space; (ii) sold over 500 thousand sq. m of gross commercial space in completed commercial properties and approximately 300 thousand sq. m of residential space; and (iii) acquired approximately 151 thousand sq. m of commercial space in completed commercial properties. Additionally GTC Group developed and sold over 100 thousand sq. m of commercial space and approximately 76 thousand sq. m of residential space through its associates in Czech Republic.

As of 30 September 2018, the Group's property portfolio comprised the following properties:

- 43 completed commercial buildings, including 39 office buildings and four retail properties with a total combined commercial space of approximately 703 thousand sq. m of GLA, of which the Group's proportional interest amounts to approximately 693 thousand sq. m of GLA;
- seven commercial buildings under construction, including six office buildings and one shopping mall with total GLA of approximately 103 thousand sq. m, of which the Group's proportional interest amounts to 103 thousand sq. m of GLA;
- commercial landbank designated for future development; and
- residential landbank.

As of 30 September 2018, the book value of the Group's portfolio amounts to €2,164.3m with: (i) the Group's completed commercial properties account for 86% thereof; (ii) commercial properties under construction – 7%; (iii) a commercial landbank intended for future development – 6%; (iv) residential projects and landbank account for 1% and assets held for sale. Based on the Group's assessment approximately 98% of the portfolio is core and remaining 2% is non-core assets, including non-core landplots and residential projects.

Additionally, the Group manages third party assets in Warsaw and Katowice.

The Company's shares are listed on the WSE and inward listed on the Johannesburg Stock Exchange. The Company's shares are included in mWIG 40.

The Group's headquarters are located in Warsaw, at 17 Stycznia 45A.

STRATEGY AND DIVIDEND POLICY

GTC's objective is to create value from active management of a growing commercial real estate portfolio in CEE and SEE, supplemented by selected development activities; and enhancing deal flow, mitigating risks and optimising performance through its regional platform, by investing its own funds, the proceeds from share capital increases and reinvesting potential proceeds from the sale of real properties. This leads to accretive funds from operations and provides for growing dividend potential.

On 17 May 2018, the Annual General Meeting of GTC S.A. passed Resolution no 5 on the division of profits for the 2017 financial year and dividend payment. The Annual General Meeting resolved, after due consideration of the Management Board's proposal concerning allocation of GTC S.A.'s net profit for 2017, to distribute the amount of PLN 155,200,156.32 as dividends to the Company's shareholders. The General Meeting resolved to pay dividends of PLN 0.33 per share. The dividends was distributed from the Company's net profit for 2017. Under the Resolution, the dividend record date was set for 25 May 2018, and the dividend payment date was 14 June 2018. Shareholders were given a choice to elect dividend in cash or in shares. Some of the shareholders decided to choose shares and as a result in June 2018, the Company issued 13,233,492 series M Shares to some of the Company's shareholders. The dividend was paid in cash (EUR 9.7m) or in shares (EUR 26.5m) on all 470,303,504 GTC S.A. shares.

COMMENTARY

The management board presents unaudited interim condensed consolidated results for the 9 months ended 30 September 2018.

KEY OPERATING ACHIEVEMENTS IN 9M 2018

Completions, acquisitions and asset management boost in-place rent and profit:

- **Acquisition of land plot in Budapest designated for Center Point 3 office building of 35,500 sq. m GLA**
- **In-place rent of €127m annually (+15% vs. Dec. 2017)**
 - 11 quarters of continuous increase, cumulative increase in excess of 60% since Q4 2015
- **Gross margin from rental activity up by 27% to €83m**
- **Occupancy kept high at 93%**
 - 117,000 sq. m of newly leased space (32,000 sq. m in Q3'18)

Expected NAV and FFO growth from development activity:

- **Commencement of construction of 17,900 sq. m office building Advance Business Center II in Sofia**
- **7 buildings under construction with 103,000 sq. m GLA that are scheduled for completion in 2019 will further increase the In-place rent by €23m:**
 - Ada Mall (Belgrade)
 - Green Heart (3 buildings)(Belgrade)
 - Advance Business Centre (2 buildings) (Sofia)
 - Matrix A (Zagreb)
- **5 buildings with 112,000 sq. m are planned to be commenced in 2019:**
 - City Rose Park (2 buildings) (Bucharest)
 - The Twist (Budapest)
 - Matrix B (Zagreb)
 - Pillar (Budapest)
- **Another 7 projects in the planning stage with over 210,000 sq. m GLA**

KEY FINANCIAL HIGHLIGHTS IN 9M 2018

Rental and service revenues

- **Increased strongly to €111m** from €88m in 9M 2017

Reflects improvement in rental revenue through completion and leasing of FortyOne III, Galeria Północna, Artico, which were completed in the second half of 2017 as well as White House which was completed in Q2 2018. These buildings contributed €17.5m to the recurring rental income. Additionally, the acquired in Q3 2017, Cascade Office Building, Belgrade Business Centre and Mall of Sofia, which was acquired in Q2 2018, contributed €6.9m to the recurring rental income.

Gross margin from operations

- **Increased €83m** from €65m in 9M 2017

Reflects mostly newly completed and acquired properties partially offset by sale of non-core assets.

Net profit from development revaluation and impairment

- **Amounted to €31m** as compared to €105m in 9M 2017

Reflects mainly **valuation gain on assets under construction: Ada Mall, White House, Green Heart and Advance Business Center** as well as **Galeria Jurajska**.

Financial expenses

- **Almost unchanged at €22m** as compared to €21m in 9M 2017

Cost of finance down to 2.6% due to decrease in average interest rate and change in hedging strategy

Taxation

- **Amounted to €13m** as compared to €22m tax benefit in 9M 2017

Taxation consist of €5m of current tax expenses and €8m of deferred tax expenses.

Net profit

- **Amounted to €69m** compared to €112m in 9M 2017. Profit before fair value adjustments improved significantly by 57% to €48m.
- Reflects strong operating performance and operational excellence.
- **Earnings per share** at EUR 0.14 compare to EUR 0.24 in 9M 2017.

Funds From Operations (FFO I)

- **At €46m** compared to €34m in 9M 2017

Total property value

- **At €2,166m as of 30 September 2018** (€1,955m as of 31 December 2017) due to acquisition of assets, an investment in assets under construction and revaluation gain those assets

EPRA NAV / share

- **Up by 4% to €2.37** from €2.28 on 31 December 2017

Corresponding to **EPRA NAV of €1,145m** compared to €1,073m as of 31 December 2017

Total bank debt and financial liabilities

- **At €1,125m** compared to €1,031m as of 31 December 2017

- **Weighted average debt maturity of 4.4 years** and **average cost of debt of 2.6% p.a.**
- **LTV at 45%** (42% on 31 December 2017)
- **Interest coverage at 4.1x** (3.5x on 31 December 2017)

Cash and cash equivalents

- **Cash position of €105m as of 30 September 2018** from €149m as of 31 December 2017

Basis of preparation

The Interim Condensed Consolidated Financial Statements for the nine-month period ended 30 September 2018 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by EU.

At the date of authorisation of these consolidated financial statements, taking into account the EU's ongoing process of IFRS endorsement and the nature of the Group's activities, there is a difference between International Financial Reporting Standards and International Financial Reporting Standards endorsed by the European Union. The Group is aware of the fact that IFRS 16 which is effective for financial years beginning on or after 1 January 2019, has been already endorsed by the European Union. The Group is currently in the process of analysis of quantitative and qualitative impact of these standard on the Group's consolidated financial statements.

The Interim Condensed Consolidated Financial Statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's consolidated financial statements and the notes thereto for the year ended 31 December 2017, which were authorized for issue on 21 March 2018. The interim financial results are not necessarily indicative of the full year results.

The Group's Interim Condensed Consolidated Financial Statements are presented in Euro, which is also GTC's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using the functional currency.

The financial statements of those entities prepared in their functional currencies are included in the Interim Condensed Consolidated Financial Statements by translation into Euro using appropriate exchange rates outlined in IAS 21. Assets and liabilities are translated at the period end exchange rate, while income and expenses are translated at average exchange rates for the period. All resulting exchange differences are classified in equity as "Foreign currency translation" without affecting earnings for the period.

These Interim Condensed Consolidated Financial statements have been prepared on the assumption that the Group will continue as a going concern in the foreseeable future. As at the date of approval of these financial statements, no circumstances were identified which would indicate any threat to the Group' continuing as a going concern.

Annex 1 Consolidated Statement of Financial Position as at 30 September 2018
(in thousands of euro)

	30 September 2018 (unaudited)	31 December 2017 (audited)
ASSETS		
Non-current assets		
Investment property	2,009,596	1,797,583
Investment property landbank	138,418	139,258
Residential landbank	12,698	12,698
Investment in joint ventures	-	1,303
Property, plant and equipment	6,736	6,847
Other non-current assets	123	86
	2,167,571	1,957,775
Loan granted to non-controlling interest partner	9,573	-
Total non-current assets	2,177,144	1,957,775
 Assets held for sale	 3,566	 4,336
Current assets		
Residential inventory	-	3,755
Accounts receivables	7,440	4,367
Accrued income	1,543	1,093
VAT receivable	4,710	6,618
Income tax receivable	947	619
Prepayments and deferred expenses	2,462	1,767
Escrow account	322	777
Short-term deposits	40,992	52,756
Cash and cash equivalents	104,504	148,746
	162,920	220,498
 TOTAL ASSETS	 2,343,630	 2,182,609

	30 September 2018 (unaudited)	31 December 2017 (audited)
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	(3,240)	(2,365)
Foreign currency translation	1,112	2,323
Accumulated profit	474,169	441,977
	993,658	937,036
Non-controlling interest	4,885	4,226
Total Equity	998,543	941,262
Non-current liabilities		
Long-term portion of long-term borrowing	1,039,052	907,704
Deposits from tenants	9,776	8,960
Long term payable	3,039	2,621
Provision for share based payment	3,508	5,744
Derivatives	2,116	1,360
Provision for deferred tax liability	139,686	125,827
	1,197,177	1,052,216
Current liabilities		
Current portion of long-term borrowing	88,186	126,381
Trade and other payables	49,152	50,505
VAT and other taxes payable	2,099	1,516
Income tax payable	937	1,843
Derivatives	1,956	2,035
Advances received	5,580	6,851
	147,910	189,131
TOTAL EQUITY AND LIABILITIES	2,343,630	2,182,609

Annex 2 Consolidated Income Statement for the nine month period ended 30 September 2018
(in thousands of euro)

	Nine-month period ended 30 September 2018	Nine-month period ended 30 September 2017	Three-month period ended 30 September 2018	Three-month period ended 30 September 2017
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Rental revenue	81,735	65,613	28,375	22,148
Service revenue	28,988	22,016	9,786	7,500
Residential revenue	4,578	442	-	-
Service costs	(27,937)	(22,592)	(9,416)	(7,540)
Residential costs	(3,868)	(379)	-	-
Gross margin from operations	83,496	65,100	28,745	22,108
Selling expenses	(1,566)	(1,558)	(371)	(594)
Administration expenses	(5,753)	(10,320)	(1,654)	(2,666)
Profit from revaluation/impairment of assets	31,331	105,314	7,963	54,220
Other income	530	1,153	123	289
Other expenses	(4,414)	(2,501)	(1,657)	(1,150)
Profit (loss) from continuing operations before tax and finance income / (expense)	103,624	157,188	33,149	72,207
Foreign exchange differences gain/ (loss), net	93	(2,819)	(201)	1,339
Finance income	238	121	80	29
Finance cost	(22,126)	(20,707)	(7,815)	(7,694)
Share of gain (loss) of associates and joint ventures	-	184	-	-
Profit before tax	81,829	133,967	25,213	65,881
Taxation	(12,795)	(22,272)	(2,251)	(13,785)
Profit (loss) for the period	69,034	111,695	22,962	52,096
Attributable to:				
Equity holders of the Company	68,375	111,510	22,784	51,876
Non-controlling interest	659	185	178	220
Basic earnings per share (in Euro)	0.14	0.24	0.05	0.13

Annex 3 Consolidated Statement of Cash Flow for the nine month period ended 30 September 2018
(in thousands of euro)

	Nine-month period ended 30 September 2018	Nine-month period ended 30 September 2017
	(unaudited)	(unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before tax	81,829	133,967
Adjustments for:		
Loss/(profit) from revaluation/impairment of assets	(31,331)	(105,314)
Share of loss (profit) of associates and joint ventures	-	(184)
Profit on disposal of assets	-	-
Foreign exchange differences loss/(gain), net	(92)	2,819
Finance income	(238)	(121)
Finance cost	22,126	20,707
Share based payment (income) / expenses	(2,236)	1,993
Depreciation and amortization	405	308
Operating cash before working capital changes	70,463	54,175
Decrease in accounts receivables, prepayments and other current assets	(1,047)	388
(Increase)/Decrease in inventory and residential land bank	3,755	(2,359)
Increase/(decrease) in advances received	(2,733)	5,274
Increase in deposits from tenants	125	1,495
Increase/(decrease) in trade and other payables	(1,279)	(506)
Cash generated from operations	69,284	58,467
Tax paid in the period	(6,160)	(2,751)
Net cash flows from operating activities	63,124	55,716
CASH FLOWS FROM INVESTING ACTIVITIES:		
Expenditure on investment property	(83,265)	(106,354)
Decrease in short term deposits	15,645	-
Purchase of land and completed assets	(16,450)	(51,064)
Purchase of subsidiary	(37,846)	(15,896)
Increase in Escrow accounts for purchase of assets	455	(1,504)
Sale (including advances) of investment property	13,613	3,067
Sale of subsidiaries	-	37,545
Purchase of NCI	-	(352)
Sale of shares in associate	-	1,250
VAT on purchase/sale of investment property	1,749	2,046
Interest received	58	87
Loans repayments from associates	1,301	1,218
Net cash flows from/(used in) investing activities	(104,740)	(129,957)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	171,871	123,346
Repayment of long-term borrowings	(130,373)	(68,965)
Dividends paid	(9,752)	(8,061)
Interest paid	(20,379)	(18,173)
Loans origination cost	(1,933)	(1,537)
Loan granted to non-controlling interest	(9,393)	-
Decrease/(increase) in blocked deposits	(1,859)	100
Net cash from/(used in) financing activities	(1,818)	26,710
Effect of foreign currency translation	(808)	172
Net increase / (decrease) in cash and cash equivalents	(44,242)	(47,359)
Cash and cash equivalents at the beginning of the period	148,746	149,812
Cash and cash equivalents at the end of the period	104,504	102,453

Management Board Thomas Kurzmann (Chief Executive Officer) Erez Boniel (Chief Financial Officer)	Supervisory Board Alexander Hesse (Chairman) Olivier Brahini Philippe Couturier Jan-Christoph DÜDDEN Mariusz Grendowicz Ryszard Koper Marcin Murawski Katharina Schade Ryszard Wawryniewicz
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Registered office of the Company

17 Stycznia 45A,
02-146
Warsaw
Poland

Warsaw, Poland

Date: 14 November 2018

Sponsor: Investec Bank Limited