



Q1 2018 RESULTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2018

HIGHLIGHTS

GROSS MARGIN FROM RENTAL ACITIVITY	FFO I	EPRA NAV/SHARE	NET LTV
€27M	€15M	€2.34	43%
+23%	+27%	+3%	+100bps

FINANCIAL HIGHLIGHTS

- Gross margin from rental activity up by 23% to €27m (€22m in Q1 2017)
- FFO I increased 27% to €15m (€12m in Q1 2017), FFO I / share at €0.03
- Profit before tax at €30m (€33m in Q1 2017), earnings per share at €0.05
- Earnings per share at €0.05 (€0.07 in Q1 2017), In-place rent up 3% to €114m (€110m at 31 December 2017)
- EPRA NAV increased 3% to €1,101m (€1,073m as of 31 December 2017)
- EPRA NAV / share increased 3% to €2.34 (€2.28 as of 31 December 2017)
- Average interest rate down to 2.7% p.a. from 2.8% p.a. as at 31 December 2017
- Interest cover at 4.3x
- Net LTV at 43% vs. 42% as at 31 December 2017

PORTFOLIO HIGHLIGHTS

- Completion of the two buildings in Green Heart project (formerly GTC Square)
- Acquisition of Mall of Sofia and Sofia Tower
- Strong asset management
 - Occupancy at 93% (94% as at 31 December 2017)
- 34,000 sq. m of office and retail space newly leased and renewed in Q1 2018

OPERATING PERFORMANCE

Q1 2018	Reported	Variance %
Gross margin from rental activity	€27m	+23%
Profit before the tax	€30m	-9%
FFO I	€15m	+27%
Net debt	€847m	+2%
Net LTV	43%	+100bps
EPRA NAV/share	€2.34	+3%

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 31 March 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 112 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 31 March 2018, the Group's property portfolio comprised the following properties:

- 39 completed commercial buildings, including 36 office buildings and three retail properties with a total combined commercial space of approximately 643 thousand sq. m of GLA, of which the Group's proportional interest amounts to approximately 632 thousand sq. m of GLA;
- five commercial projects under construction, including four office projects and one retail project with total GLA of approximately 106 thousand sq. m, of which the Group's proportional interest amounts to 106 thousand sq. m of GLA;
- commercial landbank designated for future development; and
- residential landbank.

As of 31 March 2018, the book value of the Group's portfolio amounts to €1,980,640 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 – 7%; (iv) residential projects and landbank account for 1%. 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 and the Dow Jones STOXX Eastern Europe 300.

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 shall be 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 will be 14 June 2018. The dividend is to be paid on all 470,303,504 GTC S.A. shares.

COMMENTARY

The management board presents unaudited interim condensed consolidated results for the 3 months ended 31 March 2018.

OPERATING ACHIEVEMENTS IN Q1 2018

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

Completion of the two buildings in Green Heart project (formerly GTC Square)

- Completion of the refurbishment of 21,600 sq. m of office space
- 78% leased upon completion
- €3m of additional in-place rent p.a.

Acquisition of Mall of Sofia and Sofia Tower

- 23,700 sq. m retail space 98% leased
- 10,300 sq. m of office space 100% leased
- Acquisition value of the asset of €94m
- 65% acquisition price financed by the banks
- Transaction to be finalized in June 2018
- €7.55m of in-place rent p.a.

Strong asset management

- Occupancy at 93% (94% as at 31 December 2017)
- 34,000 sq. m of office and retail space newly leased and renewed in Q1 2018

Expected NAV and FFO growth from development activity:

5 projects under construction with over 106,300 sq. m GLA commenced in 2017:

- **27,400 sq. m to be completed in 2018**
 - GTC White House (Budapest)
 - part of Green Heart (Belgrade)
- **78,900 sq. m to be completed in 2019**
 - Ada Mall (Belgrade)
 - part of Green Heart (Belgrade)
 - Advance Business Centre I (Sofia)
 - Matrix A (Zagreb)

- Construction for **5 projects to start in 2018/2019**, with 128,400 sq. m of office space
- Additional **6 projects in the planning stage** with over 114,100 sq. m of office space and 61,000 sq. m of retail space

FINANCIALS IN Q1 2018

Rental and service revenues

- Increased to €36m** from €30m in Q1 2017

Reflects mainly completion and leasing of FortyOne III and Galeria Północna which were opened to the public during the year 2017. These buildings contributed €6m to the recurring rental income. Additionally, the acquired Cascade Office Building and Belgrade Business Centre contributed €1m to the recurring rental income. These increases were partially offset by lost revenues of €2m following disposal of Galleria Stara Zagora and Galleria Burgas.

Gross margin from operations

- Increased €27m** from €22m in Q1 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 €13m** as compared to €24m in Q1 2017

Reflects mainly **valuation gain on assets under construction: Ada Mall, White House and Green Heart.**

Financial expenses

- Almost unchanged at €7m** as compared to €7m in Q1 2017

Cost of finance down to 2.7% (from 3.2%) due to decrease in average interest rate and change in hedging strategy

Taxation

- Amounted to €6m** as compared to €1m tax benefit in Q1 2017

Taxation consist of €2m of current tax expenses and €4m of deferred tax expense and reflects mainly increased provision related to revaluation gain.

Net profit

- Amounted to €24m** compared to €32m in Q1 2017

Reflects mostly revaluation gain and improvement in operating results.

Funds From Operations (FFO I)

- At €15m** compared to €12m in Q1 2017

EPRA NAV / share

- Up by 3% to **€2.34** from €2.28 on 31 December 2017
Corresponding to **EPRA NAV of €1,101m** compared to €1,073m as of 31 December 2017

Total bank debt and financial liabilities

- At **€1,075m** compared to €1,031m as of 31 December 2017
- Weighted average debt maturity of 4.2 years** and **average cost of debt of 2.7% p.a.**
- LTV at 43%** (42% on 31 December 2017)
- Interest coverage at 4.3x** (3.5x on 31 December 2017)
- €20.5m of bonds and corporate loan issued**
- PLN 16m bonds repaid in March**

Cash and cash equivalents

- Strong cash position of €183m as of 31 March 2018** from €149m as of 31 December 2017

Basis of preparation

The Interim Condensed Consolidated Financial Statements for the three-month period ended 31 March 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 31 March 2018
(in thousands of euro)

	31 March 2018 (unaudited)	31 December 2017 (audited)
ASSETS		
Non-current assets		
Investment property	1,828,902	1,797,583
Investment property landbank	132,286	139,258
Residential landbank	12,698	12,698
Investment in joint ventures	905	1,303
Property, plant and equipment	6,809	6,847
Other non-current assets	89	86
	1,981,689	1,957,775
Loan granted to non-controlling interest partner	9,449	-
Total non-current assets	1,991,138	1,957,775
 Assets held for sale	 5,884	 4,336
Current assets		
Residential inventory	870	3,755
Accounts receivables	6,139	4,367
Accrued income	720	1,093
VAT receivable	6,026	6,618
Income tax receivable	726	619
Prepayments and deferred expenses	3,111	1,767
Escrow account	1,355	777
Short-term deposits	43,637	52,756
Cash and cash equivalents	183,135	148,746
	245,719	220,498
 TOTAL ASSETS	 2,242,741	 2,182,609

	31 March 2018 (unaudited)	31 December 2017 (audited)
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	10,651	10,651
Share premium	520,504	520,504
Capital reserve	(36,054)	(36,054)
Hedge reserve	(3,541)	(2,365)
Foreign currency translation	2,117	2,323
Accumulated profit	466,035	441,977
	959,712	937,036
Non-controlling interest	4,477	4,226
Total Equity	964,189	941,262
Non-current liabilities		
Long-term portion of long-term borrowing	939,388	907,704
Deposits from tenants	8,994	8,960
Long term payable	2,601	2,621
Provision for share based payment	4,384	5,744
Derivatives	2,503	1,360
Provision for deferred tax liability	129,271	125,827
	1,087,141	1,052,216
Current liabilities		
Trade and other payables	40,829	50,505
Current portion of long-term borrowing	138,035	126,381
VAT and other taxes payable	3,177	1,516
Income tax payable	2,140	1,843
Derivatives	2,305	2,035
Advances received	4,925	6,851
	191,411	189,131
TOTAL EQUITY AND LIABILITIES	2,242,741	2,182,609

Annex 2 Consolidated Income Statement for the three month period ended 31 March 2018
(in thousands of euro)

	Three-month period ended 31 March 2018 (unaudited)	Three-month period ended 31 March 2017 (unaudited)
Rental revenue	25,980	22,072
Service revenue	9,875	7,716
Residential revenue	3,615	442
Service costs	(9,007)	(7,946)
Residential costs	(2,979)	(379)
Gross margin from operations	27,484	21,905
Selling expenses	(475)	(453)
Administrative expenses	(1,398)	(2,642)
Profit from revaluation/ impairment of assets	12,534	24,424
Other income	163	346
Other expenses	(1,380)	(452)
Profit from continuing operations before tax and finance income / (expense)	36,928	43,128
Foreign exchange differences gain/(loss), net	106	(3,752)
Finance income	73	52
Finance cost	(7,161)	(6,542)
Share of gain / (loss) of associates and joint ventures	-	184
Profit before tax	29,946	33,070
Taxation	(5,637)	(975)
Profit for the period	24,309	32,095
Attributable to:		
Equity holders of the Company	24,058	32,180
Non-controlling interest	251	(85)
Basic earnings per share (Euro)	0.05	0.07

(in thousands of euro)

		Three-month period ended 31 March 2018	Three-month period ended 31 March 2017
		(unaudited)	(unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit before tax		29,946	33,070
Adjustments for:			
Loss/(profit) from revaluation/impairment of assets		(12,534)	(24,424)
Share of loss (profit) of associates and joint ventures		-	(184)
Profit on disposal of assets		-	-
Foreign exchange differences loss/(gain), net		(106)	3,752
Finance income		(73)	(52)
Finance cost		7,161	6,542
Share based payment expenses		(1,360)	151
Depreciation and amortization		140	167
Operating cash before working capital changes		23,174	19,022
Increase in debtors and prepayments and other current assets		(2,746)	(2,947)
(Increase)/Decrease in inventory		2,885	(416)
Increase/(decrease) in advances received		(1,926)	2,868
Increase in deposits from tenants		34	808
Increase in trade and other payables		1,599	1,623
Cash generated from operations		23,020	20,958
Tax paid in the period		(1,814)	(985)
Net cash from operating activities		21,206	19,973
CASH FLOWS FROM INVESTING ACTIVITIES:			
Expenditure on investment property under construction		(32,717)	(33,818)
Decrease in short term deposits	11	10,368	-
Increase in escrow account		(578)	-
Sale of investment property		9,266	1,738
Sale of shares in associates and joint ventures		-	1,250
VAT/tax on purchase/sale of investment property		592	(3,614)
Interest received		17	31
Loans repayments from associates and joint ventures		406	406
Net cash from/(used in) investing activities		(12,646)	(34,007)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term borrowings		81,371	42,728
Repayment of long-term borrowings		(37,485)	(16,978)
Interest paid		(6,385)	(5,631)
Loans origination cost		(892)	(437)
Loan granted to non-controlling interest	10	(9,393)	-
Decrease/(increase) in short term deposits		(1,250)	274
Net cash from/(used in) financing activities		25,966	19,956
Effect of foreign currency translation		(137)	1,526
Net increase / (decrease) in cash and cash equivalents		34,389	7,448
Cash and cash equivalents at the beginning of the period		148,746	149,812
Cash and cash equivalents at the end of the period		183,135	157,260

Management Board Thomas Kurzmann (Chief Executive Officer) Erez Boniel (Chief Financial Officer)	Supervisory Board Alexander Hesse (Chairman) Olivier Brahini Philippe Couturier Jan 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: 21 May 2018

Sponsor: Investec Bank Limited