GTC

Q1 2019 RESULTS

FOR THE THREE MONTHS ENDED 31 MARCH 2019

HIGHLIGHTS

GROSS MARGIN FROM RENTAL ACITIVITY	PROFIT BEFORE TAX AND FAIR VALUE ADJUSTMENTS	FFO I	EPRA NAV
EUR 30M	**EUR 18M**	**EUR 18M**	**EUR 1,192M**
+10%	**+12%**	**+16%**	**+2%**

Q1 2019 FINANCIAL HIGHLIGHTS

- **In-place rent increased by 15% to EUR 131m (114m as of 31 March 2018)**
- **Gross margin from rental activity up by 10% to EUR 30m (EUR 27 in Q1 2018)**
- **FFO I increased 16% to EUR18m (EUR 15m in Q1 2018), FFO per share at EUR 0.04**
- **Operating profit: 12% increase in profit before tax and fair value adjustments to EUR 18m (EUR 16m in Q1 2018)**
- **Profit after tax of EUR 20m (EUR 24m in Q1 2018), earnings per share of EUR 0.04**
- **EPRA NAV up by 2% to EUR 1,192m as of 31 March 2019 (EUR 1,170 as of 31 December 2018), EPRA NAV per share at EUR 2.47 (PLN 10.62)**
- **Solid financial metrics**
  - **LTV at 45% (45% as of 31 December 2018)**
  - **WAIR at historic low of 2.6% (2.7% as of 31 December 2018)**

Q1 2019 PORTFOLIO HIGHLIGHTS

- **Occupancy up to 95% (94% as of 31 December 2018, 93% as of 31 March 2018)**
  - **The highest since end of 2009**
  - **45,600 sq m of newly leased or released space (34% more than in Q1 2018)**
- **Construction of 7 office and one retail properties (113,200 sq m) commenced in 2018 and will be completed in 2019-2020. One more project to commence in Q2 2019. Upon completion and stabilization they shall increase the in-place rent by almost EUR 31m**
- **Another 6 properties may commence construction during 2019-2020**

OPERATING PERFORMANCE

2018	**Reported**
Gross margin from rental activity	EUR 30m
Profit for the period	EUR 20
Earnings per share	EUR 0.04
FFO I	EUR 18m
Total portfolio	EUR 2,244
Net debt	EUR 1,004m
Net LTV	45%
EPRA NAV/share	EUR 2.47

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.

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

Since its establishment and as at 31 March 2019 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 31 March 2019, the Group`s property portfolio comprised the following properties:

- 41 completed commercial buildings, including 37 office buildings and four retail properties with a total combined commercial space of approximately 666 thousand sq m of GLA, of which the Group's proportional interest amounts to approximately 656 thousand sq m of GLA;

- 2 completed office buildings presented as asset held for sale, with a total combined commercial space of approximately 38 thousand sq m of GLA, of which the Group's proportional interest amounts to approximately 38 thousand sq m of GLA;

- eight commercial buildings under construction, including seven office buildings and one shopping mall with total GLA of approximately 113 thousand sq m, of which the Group's proportional interest amounts to 113 thousand sq m of GLA;

- commercial landbank designated for future development; and

- residential landbank designated for sale.

As of 31 March 2019, the book value of the Group’s portfolio amounts to EUR2,284 million with: (i) the Group’s completed investment properties account for 77% thereof; (ii) investment properties under construction – 10%; (iii) an investment landbank intended for future development – 6%; (iv) assets held for sale – 5%, (vi) right of use of lands under perpetual usufruct – 2% and (v) residential 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 landplots designated for sale and residential landbank.

The Company’s shares are listed on the WSE and inward listed on the Johannesburg Stock Exchange. The Company’s shares are included in mWIG40.

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 optimizing 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.

Following the growth and results achieved in 2018, GTC will distribute PLN 0.37 / share from 2018 profits in the form of dividend following Annual Shareholder Meeting decision made on 14 May 2019. The dividend is guided by, among others things, the availability of cash, the funds from operations growth plans, the Company's capital expenditure requirements and planned acquisitions as well as the share of external financing in the Company's overall equity.

COMMENTARY

The management board presents annual condensed consolidated results for the 3 months ended 31 March 2019

KEY OPERATING ACHIEVEMENTS IN 2018

Offices: Strong leasing activity:

- **32,700 sq m of lettings and renewals**
    - 17% more than in Q1 2018
    - Occupancy up to 95% (from 93% as of 31 December 2018)
    - Strong leasing activity in each country, with the strongest activity in Poland where occupancy rate increased to 93% (89% in December 2018)
- **Completion of 45,200 sq m of high quality space in 2019**
    - Green Heart (2 buildings), Belgrade
    - Advance Business Centre I, Sofia
    - Matrix A, Zagreb
- **Completion of 33,600 of high quality space in 2020**
    - Green Heart (1 building), Belgrade
    - Advance Business Centre II, Sofia
    - Matrix B, Zagreb
- **Sustainability as important value**
    - BREEAM excellent for Korona Office Complex
    - BREEAM excellent for University Business Park
    - 77% offices with green certificates
    - 12% offices under certification

Retail: Operational outperformance:

- **Leasing activity of 12,900 sq m**
    - Driven by pre-lease of Ada Mall to 93% as of 31 March 2019 (current pre-lease at 97%)
- **Operational outperformance**
    - **Galeria Jurajska:** Q1 2019 footfall 2.7% higher than in Q1 2018 despite increased number of non trading days (Sunday trading ban introduced in March 2018)
    - **Galeria Północna:** Q1 2019 turnover was 31% higher than in Q1 2018
    - **Mall of Sofia:** increased rent income via renegotiations and change of tenant mix
    - **Avenue Mall Zagreb:** stable well performing shopping mall

- **Well positioned in current markets**
    - Occupancy at 95%
- **Completion of 34,400 sq m of high quality space in 2019**
    - Ada Mall, Belgrade, opening on 24 May 2019

KEY FINANCIAL HIGHLIGHTS IN Q1 2019

Rental and service revenues

- **Increased** to **EUR 39m** from EUR 36m in Q1 2018

  Reflects improvement in rental revenue through completion and leasing of GTC White House, acquisition of Mall of Sofia and completion of modernization and leasing of the first two buildings of Green Heart project.

Gross margin from operations

- **Increased to EUR 30m** from EUR 27m in Q1 2018

  Reflects mostly newly completed and acquired properties.

Net profit from development revaluation and impairment

- **Amounted to EUR 7m** as compared to EUR 13m in Q1 2018

  Main contributors to the revaluation gain were assets under construction: Ada Mall, Green Heart, Advance Business Center I and II and Matrix A as well as Neptune Office Center.

Financial expenses

- **Average interest rate down to 2.6%** thanks to refinancing activity and hedging strategy.
- **Financial expenses** increased to **EUR 8m** following adoption of IFRS 16 and an increase in the average debt balance.

Tax

- **Tax expenses amounted to EUR 4m** as compared to EUR 6m in Q1 2018

  Taxation consist of EUR 1.2m of current tax expenses and EUR 2.3m of deferred tax expenses.

Net profit

- **Profit before tax and fair value adjustments improved by 12% to EUR 18m** reflecting strong operating performance and operational excellence The **net profit amounted to EUR 20m**.
- **Earnings per share** at EUR 0.04 compare to EUR 0.05 in Q1 2018.

Funds From Operations (FFO I)

At EUR 18m compared to EUR 15m in Q1 2018, FFO I per share at EUR 0.04

GAV*

- **At EUR 2,244m as of 31 March** 2019 (EUR 2,208m as of 31 December 2018) thanks to investment in assets under construction and revaluation gains

EPRA NAV / share

- **Up by 2% to EUR 2.47** from EUR 2.42 on 31 December 2018

Corresponding to **EPRA NAV of EUR 1,192m** compared to EUR 1,170m as of 31 December 2018.

Total bank loans and bond**

- **At EUR 1,165m** compared to EUR 1,112m as of 31 December 2018
- **Weighted average debt maturity of 4.0 years** and **average interest rate of 2.6% p.a.**
- **LTV at 45%** (45% on 31 December 2018)
- **Interest coverage ratio at 4.4x** (4.0x on 31 December 2018)

Cash and cash equivalents

- **Cash balance of EUR 94m** as of 31 March 2019

* Including completed investment properties, investment properties under construction, landbank, assets held for sale and building for own use.

** Excluding loans from non-controlling interest and deferred issuance debt expenses.

The full consolidated financial statements for the three month period ended 31 March 2019 are posted on the Company's website www.ir.gtc.com.pl

Basis of preparation

The Interim Condensed Consolidated Financial Statements for the three-month period ended 31 March 2019 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by EU.

At the date of authorisation of consolidated financial statements, taking into account the EU's ongoing process of IFRS endorsement and the nature of the Group's activities, there is no difference between International Financial Reporting Standards applying to these consolidated financial statements and International Financial Reporting Standards endorsed by the European Union.

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 2018, which were authorized for issue on 20 March 2019. The interim financial results are not necessarily indicative of the full year results.

The functional currency of GTC S.A. and most of its subsidiaries is Euro. The functional currency of some of GTC's subsidiaries is other than Euro.

The financial statements of those companies prepared in their functional currencies are included in the 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 effecting earnings for the period.

As of 31 March 2019, the Group's net working capital (defined as current assets less current liabilities) was negative and amounted to EUR 93.1 million as some loans that are expected to be refinanced were temporary classified as current liabilities. The Group signed preliminary sale agreements and consider offers it received for the sale of few assets (see note 11 consolidated financial statements). Those assets are presented within Assets held for sale, in the amount of EUR112.9 million.

The management has analysed the timing, nature and scale of potential financing needs of particular subsidiaries and believes that cash on hand, as well as, expected operating cash-flows will be sufficient to fund the Group's anticipated cash requirements for working capital purposes, for at least the next twelve months from the balance sheet date. Consequently, the consolidated financial statements have been prepared on the assumption that the Group companies will continue as a going concern in the foreseeable future, for at least 12 months from the balance sheet date.

Annex 1 Consolidated Statement of Financial Position as at 31 March 2019
(in thousands of euro)

	31 March 2019 (unaudited)	31 December 2018 (Audited)
ASSETS		
Non-current assets		
Investment property	2,156,787	2,113,068
Residential landbank	13,907	12,698
Property, plant and equipment	7,745	6,712
Deferred tax asset	77	52
Other non-current assets	125	129
	2,178,641	**2,132,659**
Loan granted to non-controlling interest partner	10,348	10,282
Total non-current assets	**2,188,989**	**2,142,941**
Assets held for sale	**112,862**	**76,196**
Current assets		
Accounts receivables	5,802	4,449
Receivables related to expropriation of land	-	4,917
Accrued income	754	1,066
VAT receivable	5,016	5,156
Income tax receivable	1,148	1,233
Prepayments and deferred expenses	3,223	1,401
Short-term deposits	66,907	39,109
Cash and cash equivalents	94,216	80,456
	177,066	**137,787**
TOTAL ASSETS	**2,478,917**	**2,356,924**

Annex 1 Consolidated Statement of Financial Position as at 31 March 2019 (cont.)
(in thousands of euro)

	31 March 2019 (unaudited)	31 December 2018 (audited)
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	10,960	10,960
Share premium	546,711	546,711
Capital reserve	(36,054)	(36,054)
Hedge reserve	(5,516)	(4,542)
Foreign currency translation	1,791	1,680
Accumulated profit	516,579	496,996
	1,034,471	**1,015,751**
Non-controlling interest	4,782	5,044
Total Equity	**1,039,253**	**1,020,795**
Non-current liabilities		
Long-term portion of long-term borrowing	957,885	993,453
Lease liability	45,038	-
Deposits from tenants	11,427	10,375
Long term payable	3,034	3,045
Provision for share based payment	5,923	4,533
Derivatives	4,979	3,736
Provision for deferred tax liability	141,183	139,120
	1,169,469	**1,154,262**
Current liabilities		
Investment and trade payables and provisions	52,782	50,499
Current portion of long-term borrowing	210,753	121,894
Current portion of lease liability	165	-
VAT and other taxes payable	1,580	1,636
Income tax payable	718	1,114
Derivatives	1,756	1,887
Advances received	2,441	4,837
	270,195	**181,867**
TOTAL EQUITY AND LIABILITIES	**2,478,917**	**2,356,924**

Annex 2 Consolidated Income Statement for the year ended 31 March 2019
(in thousands of euro)

	Three-month period ended 31 March 2019 (unaudited)	Three-month period ended 31 March 2018 (unaudited)
Rental revenue	29,274	25,980
Service revenue	10,186	9,875
Residential revenue	-	3,615
Service costs	(9,909)	(9,007)
Residential costs	-	(2,979)
Gross margin from operations	**29,551**	**27,484**
Selling expenses	(368)	(475)
Administrative expenses	(4,523)	(1,398)
Profit from revaluation/ impairment of assets	6,719	12,534
Other income	283	163
Other expenses	(391)	(1,380)
Profit from continuing operations before tax and finance income / (expense)	**31,271**	**36,928**
Foreign exchange differences gain/(loss), net	(79)	106
Finance income	82	73
Finance costs	(7,986)	(7,161)
Profit before tax	**23,288**	**29,946**
Taxation	(3,539)	(5,637)
Profit for the period	**19,749**	**24,309**
Attributable to:		
Equity holders of the Company	19,583	24,058
Non-controlling interest	166	251
Basic earnings per share (Euro)	0.04	0.05

Annex 3 Consolidated Statement of Cash Flow for the year ended 31 March 2019

(in thousands of euro)

	Three-month period ended 31 March 2019 (unaudited)	Three-month period ended 31 March 2018 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before tax	23,288	29,946
Adjustments for:		
Loss/(profit) from revaluation/impairment of assets	(6,719)	(12,534)
Foreign exchange differences loss/(gain), net	79	(106)
Finance income	(82)	(73)
Finance cost	7,986	7,161
Share based payment expenses	1,390	(1,360)
Depreciation and amortization	131	140
Operating cash before working capital changes	**26,073**	**23,174**
Increase in in account receivables and prepayments and other current assets	(2,141)	(2,746)
(Increase)/Decrease in inventory	-	2,885
Increase/(decrease) in advances received	1,170	(1,926)
Increase in deposits from tenants	1,052	34
Increase in trade and other payables	100	1,599
Cash generated from operations	**26,254**	**23,020**
Tax paid in the period	(1,646)	(1,814)
Net cash from operating activities	**24,608**	**21,206**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Expenditure on investment property under construction	(31,456)	(32,717)
Decrease in short term deposits	-	10,368
Increase in escrow account	-	(578)
Sale of investment property	-	9,266
Proceeds related to expropriation of land	4,917	-
VAT/tax on purchase/sale of investment property	140	592
Interest received	16	17
Loans repayments from associates and joint ventures	-	406
Net cash from/(used in) investing activities	**(26,383)**	**(12,646)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	103,970	81,371
Repayment of long-term borrowings	(51,360)	(37,485)
Repayment of lease liability	(1,730)	-
Interest paid	(6,740)	(6,385)
Loans origination cost	(611)	(892)
Dividend paid to non-controlling interest	(428)	-
Loan granted to non-controlling interest	-	(9,393)
Increase in short term deposits	(27,798)	(1,250)
Net cash from/(used in) financing activities	**15,303**	**25,966**
Net foreign currency translation differences	**232**	**(137)**
Net increase / (decrease) in cash and cash equivalents	**13,760**	**34,389**
Cash and cash equivalents at the beginning of the year	**80,456**	**148,746**
Cash and cash equivalents at the end of the period	**94,216**	**183,135**

Management Board	Supervisory Board
Thomas Kurzmann (Chief Executive Officer) Erez Boniel (Chief Financial Officer)	Alexander Hesse (Chairman) Olivier Brahin Jan-Christoph Düdden Mariusz Grendowicz Patrick Haerle Ryszard Koper Marcin Murawski Katharina Schade Ryszard Wawryniewicz

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Sponsor: Investec Bank Limited