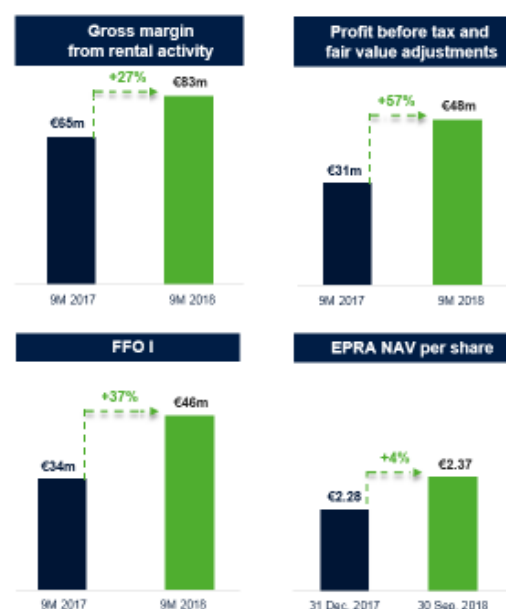


DELIVERY OF INCREASED FFO CONTINUES FFO I increased 37% to €46m

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 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 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 Pólnocna
- Additional anchor tenants in Galeria Pólnocna: Mango and Media Expert
- Galeria Jurajska 100% leased



GTC is gaining further momentum and delivers strong results quarter by quarter. Our in-place rent increased by 15% triggered by acquisitions and completions of developments supported by our strong leasing teams signing over 117,000 sq. m office and retail lease agreements in the last 9 months.

*All our financial indicators are improving over the last years in a row. We achieved over 60% cumulative increase in in-place rent and FFO since Q4 2015 and GTC's EPRA NAV increased by almost 50% since then – said **Thomas Kurzmann, GTC's CEO**. We are looking forward to see completions of several developments with over 84,000 sq. m during 2019 contributing further to solid growth.*

OPERATING ACHIEVEMENTS

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**
- **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 Center (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**

FINANCIALS

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 Pólnocna, 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 Center 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	<ul style="list-style-type: none"> 🌐 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	<ul style="list-style-type: none"> 🌐 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	<ul style="list-style-type: none"> 🌐 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	<ul style="list-style-type: none"> 🌐 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.
Funds From Operations (FFO I)	<ul style="list-style-type: none"> 🌐 At €46m compared to €34m in 9M 2017
Total property value	<ul style="list-style-type: none"> 🌐 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	<ul style="list-style-type: none"> 🌐 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	<ul style="list-style-type: none"> 🌐 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	<ul style="list-style-type: none"> 🌐 Cash position of €105m as of 30 September 2018 from €149m as of 31 December 2017

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

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

	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

(in thousands of euro)

	Nine-month period ended 30 September 2018	Nine-month period ended 30 September 2017
	<u>(unaudited)</u>	<u>(unaudited)</u>
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

The GTC Group is a leading real estate investor and developer focusing on Poland and three capital cities in Central and Eastern Europe. Since 1994 GTC has developed 68 high standard, modern office and retail properties with a total area of over 1.2 million sq. m through Central and Eastern Europe.

GTC now actively manages a commercial real estate portfolio of 43 commercial buildings providing over 703,000 sq. m of lettable office and retail space in Poland, Budapest, Bucharest, Belgrade, Zagreb and Sofia. In addition, GTC has a development pipeline of over 425,000 sq. m retail and office properties in capital cities of Central and Eastern Europe, nearly 103,000 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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