CONSOLIDATED

QUARTERLY REPORT

OF GLOBE TRADE CENTRE S.A. CAPITAL GROUP
FOR THE THREE-MONTH PERIOD ENDED

31 MARCH 2023

Place and date of publication: Warsaw, 26 May 2023

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MANAGEMENT BOARD'S REPORT

ON THE ACTIVITIES OF GLOBE TRADE CENTRE S.A. CAPITAL GROUP

IN THE THREE-MONTH PERIOD ENDED 31 MARCH 2023

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1. Introduction

GTC Group is an experienced, established, and fully integrated, real estate company operating in the CEE and SEE region with a primary focus on Poland and Budapest and capital cities in the SEE region including Bucharest, Belgrade, Zagreb and Sofia, where it directly acquires, develops and manages primarily high-quality office and retail real estate assets in prime locations. The Company is listed on the Warsaw Stock Exchange and inward listed on the Johannesburg Stock Exchange. The Group operates a fully-integrated asset management platform and is represented by local teams in each of its core markets.

GTC GROUP:

Poland,
Budapest,
Belgrade,
Bucharest,
Sofia
and Zagreb

As of 31 March 2023, the book value of the Group's total property portfolio was €2,282,654. The breakdown of the Group's property portfolio was as follows:

- 43 completed commercial buildings, including 37 office buildings and 6 retail properties with a total combined commercial space of approximately 737 thousand sq m of GLA, an occupancy rate at 87% and a book value of €2,003,906 which accounts for 88% of the Group's total property portfolio;

- three office buildings under construction with a total GLA of approximately 62 thousand sq m and a book value of €58,992, which accounts for 2% of the Group's total property portfolio;

- investment landbank intended for future development (including 1 land plot in Poland held for sale in the amount of €3,208) with the book value of €154,556 which accounts for 7% of the Group's total property portfolio;

- residential landbank which accounts for €26,394 (including part of land in Romania held for sale in the amount of €680), which accounts for 1% of the Group's total property portfolio; and

- right of use of lands under perpetual usufruct, including assets hale for sale with value of €38,806 which accounts for 2% of the Group's total property portfolio

43 completed buildings	737,000 sq m of GLA	3 buildings under construction	€181m landbank for future development

All the financial data in this Report is presented in euro or PLN and expressed in thousands unless indicated otherwise

Additionally, GTC holds non-current financial assets in the amount of €132,380, mainly including:

- 25% in Kildare Innovation Campus (technology campus) with nine completed buildings with a total GLA of approximately 102 thousand sq m (extends over 72 ha of which 34 ha is undeveloped) and GTC's share of fair value amounted to €118,515, which accounts for 5% of the Group's total property portfolio including non-current financial assets;

- 34% in Regional Multi Asset Fund Compartment 2 of Trigal Alternative Investment Fund GP S.á.r.l. which holds 4 completed commercial buildings including 3 office buildings and 1 retail property with a total combined commercial space of approximately 41 thousand sq m of GLA, and GTC's share of fair value amounted to €13,347 which accounts for less than 1% of the Group's total property portfolio including non-current financial assets.

As of 31 March 2023, the book value of the Group's total property portfolio including non-current financial assets was €2,415,034.

The Group's headquarters are located in Poland in Warsaw, at Komitetu Obrony Robotników 45A.

TERMS AND ABBREVIATIONS

Terms and abbreviations capitalized in this management's board Report shall have the following meanings unless the context indicates otherwise:

the Company or GTC	are to Globe Trade Centre S.A.;
the Group or GTC Group	are to Globe Trade Centre S.A. and its consolidated subsidiaries;
Shares	is to the shares in Globe Trade Centre S.A., which were introduced to public trading on the Warsaw Stock Exchange in May 2004 and later and are marked under the PLGTC0000037 code and inward listed on Johannesburg Stock Exchange in August 2016;
Bonds	is to the bonds issued by Globe Trade Centre S.A. or its consolidated subsidiaries and introduced to alternative trading market and marked with the ISIN codes PLGTC0000292, PLGTC0000318, HU0000360102, HU0000360284 and XS2356039268;

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the Report	is to the consolidated quarterly report prepared according to art. 66 of the Decree of the Finance Minister of 29 March 2018 on current and periodical information published by issuers of securities and conditions of qualifying as equivalent the information required by the provisions of the law of a country not being a member state;
CEE	is to the Group of countries that are within the region of Central and Eastern Europe (Poland, Hungary);
SEE	is to the Group of countries that are within the region of South-Eastern Europe (Bulgaria, Croatia, Romania, and Serbia);
Net rentable area, NRA, or net leasable area, NLA	are to the metric of the area of a given property as indicated by the property appraisal experts to prepare the relevant property valuations. With respect to commercial properties, the net leasable (rentable) area is all the office or retail leasable area of a property exclusive of non-leasable space, such as hallways, building foyers, and areas devoted to heating and air conditioning installations, elevators, and other utility areas. The specific methods of calculation of NRA may vary among particular properties, which is due to different methodologies and standards applicable in the various geographic markets on which the Group operates;
Gross rentable area or gross leasable area, GLA	are to the amount of the office or retail space available to be rented in completed assets multiplied by add-on-factor. The gross leasable area is the area for which tenants pay rent, and thus the area that produces income for the Group;
Total property portfolio	is to book value of the Group's property portfolio, including: investment properties (completed, under construction and landbank), residential landbank, assets held for sale, and the rights of use of lands under perpetual usufruct;
Commercial properties	is to properties with respect to which GTC Group derives revenue from rent and includes both office and retail properties;
Occupancy rate	is to average occupancy of the completed assets based on square meters ("sq m") of the gross leasable area;
Funds From Operations, FFO, FFO I	are to profit before tax less tax paid, after adjusting for non-cash transactions (such as fair value or real estate remeasurement, depreciation and amortization share base payment provision and unpaid financial expenses), the share of profit/(loss) of associates and joint ventures, and one-off items (such as FX differences and residential activity and other non-recurring items);

EPRA NTA	is a net asset value measure under the assumption that the entities buy and sell assets, thereby crystallizing certain levels of deferred tax liability. It is computed as the total equity less non-controlling interest, excluding the derivatives at fair value as well as deferred taxation on property (unless such item is related to assets held for sale);
In-place rent	is to rental income that was in place as of the reporting date. It includes headline rent from premises, income from parking, and other rental income;
Net loan to value (LTV); net loan-to-value ratio	are to net debt divided by Gross Asset Value. **Net debt** is calculated as total financial debt net of cash and cash equivalents and deposits and excluding loans from non-controlling interest and deferred debt issuance costs. **Gross Asset Value** is investment properties (excluding the right of use under land leases), residential landbank, assets held for sale, financial assets, building for own use, and share on equity investments. Net loan to value provides a general assessment of financial risk undertaken;
The average cost of debt; average interest rate	is calculated as a weighted average interest rate of total debt, as adjusted to reflect the impact of contracted interest rate swaps and cross-currency swaps by the Group;
EUR, € or euro	are to the single currency of the participating Member States in the Third Stage of European Economic and Monetary Union of the Treaty Establishing the European Community, as amended from time to time;
PLN or zloty	are to the lawful currency of Poland;
HUF	is to the lawful currency of Hungary;
JSE	is to the Johannesburg Stock Exchange.

PRESENTATION OF FINANCIAL INFORMATION

Unless indicated otherwise, the financial information presented in this Report was prepared according to International Financial Reporting Standards ("IFRS") as approved for use in the European Union.

All the financial data in this Report is presented in euro or PLN and expressed in thousands unless indicated otherwise.

Certain financial information in this Report was adjusted by rounding. As a result, certain numerical figures shown as totals in this Report may not be exact arithmetic aggregations of the figures that precede them.

FORWARD-LOOKING STATEMENTS

This Report contains forward-looking statements relating to future expectations regarding the Group's business, financial condition, and results of operations. You can find these statements by looking for words such as "may", "will", "expect", "anticipate", "believe", "estimate", and similar words used in this Report. By their nature, forward-looking statements are subject to numerous assumptions, risks, and uncertainties. Accordingly, actual results may differ materially from those expressed or implied by forward-looking statements. The Group cautions you not to place undue reliance on such statements, which speak only as of this Report's date.

The cautionary statements set out above should be considered in connection with any subsequent written or oral forward-looking statements that the Group or persons acting on its behalf may issue. The Group does not undertake any obligation to review or confirm analysts' expectations or estimates or to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date of this Report.

The Group discloses essential risk factors that could cause its actual results to differ materially from its expectations under Item 5. "Operating and financial review", and elsewhere in this Report as well as under Item 3. "Key risk factors" in annual report for the year ended 31 December 2022. These cautionary statements qualify all forward-looking statements attributable to us or persons acting on behalf of the Group. When the Group indicates that an event, condition, or circumstance could or would have an adverse effect on the Group, it means to include effects upon its business, financial situation, and results of operations.

2. Selected financial data

The following tables present the Group's selected historical financial data for the three-month periods ended 31 March 2023 and 31 March 2022. The historical financial data should be read in conjunction with Item 5. "Operating and Financial Review" and the unaudited interim condensed consolidated financial statements for the three-month period ended 31 March 2023 (including the notes thereto). The Group has derived the financial data presented in accordance with IFRS from the unaudited interim condensed consolidated financial statements for the three-month period ended 31 March 2023.

Selected financial data presented in PLN is derived from the unaudited consolidated financial statements for three-month period ended 31 March 2023 presented in accordance with IFRS and prepared in the Polish language and Polish zloty as a presentation currency. The financial statements of Group's companies prepared in their functional currencies are included in the consolidated financial statements by a translation into euro or PLN using appropriate exchange rates outlined in *IAS 21 The Effects of Changes in Foreign Exchange Rates.*

The reader is advised not to view such conversions as a representation that such zloty amounts actually represent such euro amounts or could be or could have been converted into euro at the rates indicated or at any other rate.

	For the 3-month period ended 31 March			
	2023		2022	
(in thousands)	€	PLN	€	PLN
Consolidated Income Statement				
Revenues from operations	42,717	201,180	41,765	193,176
Cost of operations	(13,137)	(61,870)	(11,471)	(53,057)
Gross margin from operations	**29,580**	**139,310**	**30,294**	**140,119**
Selling expenses	(590)	(2,779)	(392)	(1,813)
Administration expenses	(3,892)	(18,330)	(3,221)	(14,898)
Profit/(loss) from revaluation of investment property and residential landbank	(2,980)	(13,933)	3,063	14,167
Financial income/(expense), net	(7,669)	(36,118)	(8,046)	(37,216)
Net profit	**11,556**	**54,506**	**15,224**	**70,415**
Basic and diluted earnings per share (not in thousands)	0.02	0.09	0.03	0.12
Weighted average number of issued ordinary shares (not in thousands)	574,255,122	574,255,122	574,255,122	574,255,122
Consolidated Cash Flow Statement				
Net cash from operating activities	19,616	92,382	21,771	100,699
Net cash from/(used in) investing activities	24,285	114,372	47,108	218,125
Net cash from/(used in) financing activities	(11,825)	(55,692)	112,174	518,838
Cash and cash equivalents at the end of the period	**147,043**	**687,500**	**277,584**	**1,291,460**
	As at			
	31 March 2023		31 December 2022	
Consolidated statement of financial position				
Investment property (completed and under construction)	2,062,898	9,645,080	2,054,358	9,634,734
Investment property landbank	151,348	707,628	150,406	705,389
Right of use (investment property)	37,752	176,509	38,899	182,432
Residential landbank	26,768	125,154	26,610	124,798
Assets held for sale	3,888	18,178	51,635	242,163
Cash and cash equivalents	147,043	687,500	115,079	539,709
Non-current financial assets (related to investment property) measured at fair value through profit or loss	132,380	618,943	130,341	611,286
Others	109,166	510,405	102,554	480,968
Total assets	2,671,243	12,489,397	2,669,882	12,521,479
Non-current liabilities	1,428,169	6,677,404	1,433,841	6,724,580
Current liabilities	98,001	458,205	100,454	471,110
Total equity	1,145,073	5,353,788	1,135,587	5,325,789
Share capital	12,920	57,426	12,920	57,426

3. Presentation of the Group

3.1 General information about the Group

GTC Group is an experienced, established, and fully integrated real estate company operating in the CEE and SEE region with a primary focus on Poland and Budapest and capital cities in the SEE region, including Bucharest, Belgrade, Zagreb, and Sofia, where it directly acquires, develops and manages primarily high-quality office and retail real estate assets in prime locations. The Company is listed on the Warsaw Stock Exchange and listed on the Johannesburg Stock Exchange. The Group operates a fully-integrated asset management platform and is represented by local teams in each of its core markets.

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As of 31 March 2023, the book value of the Group's total property portfolio including non-current financial assets was €2,415,034.

The Group's headquarters are located in Poland in Warsaw, at Komitetu Obrony Robotników 45A.

3.2 Structure of the Group

The structure of Globe Trade Centre S.A. Capital Group as of 31 March 2023 is presented in the unaudited interim condensed consolidated financial statements for the three-month period ended 31 March 2023 in Note 4 "*Investment in subsidiaries.*"

The following changes in the structure of the Group occurred in the three-month period ended 31 March 2023:

- liquidation of GTC Konstancja Sp. z o.o,
- liquidation of GTC Karkonoska Sp. z o.o.
- establishment of wholly-owned subsidiary - GTC Matrix Future d.o.o.
- GML American Regency Pipera S.R.L. is under liquidation.

3.3 Changes to the principal rules of the management of the Company and the Group

There were no changes to the principal rules of management of the Company and the Group.

On 25 April 2023, GTC S.A. entered into a mutual employment contract termination agreement with Mr. Ariel Ferstman. Mr. Ferstman resigned from his seat on the Management Board of the Company as well as GTC Real Estate Development Hungary Zrt. The resignation is effective as of 25 April 2023.

On 25 April 2023, the Supervisory Board of GTC S.A. nominated Barbara Sikora to the post of Chief Financial Officer of GTC Group and a member of the Management Board of GTC S.A. effective from 1 May 2023.

4. Main events of the first quarter of 2023

On 2 January 2023, Otwarty Fundusz Emerytalny PZU "Złota Jesień" appointed Mr. Sławomir Niemierka as member of the Supervisory Board of the Company, effective as of 2 January 2023.

On 19 July 2022, GTC FOD Property Kft., a wholly-owned subsidiary of the Company, signed a sale and purchase agreement, concerning the sale of the office building owned by the subsidiary. The selling price under the Agreement is HUF 19.1 billion (ca. €47,700 as of 31 December 2022). As of 30 January 2023 the full purchase price (ca. €49,200) was paid and the transaction was completed.

On 31 March 2023, GTC Origine Zrt., a wholly-owned subsidiary of the Company, signed a quota transfer agreement to acquire 100% holding of Tiszai Fény Alfa Kft, which owns 9 newly developed solar power plants with installed nominal capacity of max 0.5 MW each, operating in Tiszafüred, Hungary for a consideration of HUF 2.4 billion (ca €6,400). The project shall be financed partially by a bank facility in the amount of €2,600. The transaction is expected to close in Q2 2023.

IMPACT OF THE SITUATION IN UKRAINE ON GTC GROUP

Detailed analysis of the impact of the war on the operations of the Group has been performed for the purpose of preparation of the annual financial statements.

Similarly, as at the date of this Management report, the direct impact of the war in Ukraine on the Group's operations is not material. However, it is not possible to estimate the scale of such impact in the future and due to high volatility, the Company monitors the situation on an ongoing basis and analyses its potential impact both from the perspective of individual projects and the entire Group and its long-term investment plans.

EVENTS THAT TOOK PLACE AFTER 31 MARCH 2023:

On 25 April 2023, GTC S.A. entered into a mutual employment contract termination agreement with Mr. Ariel Ferstman. Mr. Ferstman resigned from his seat on the Management Board of the Company as well as GTC Real Estate Development Hungary Zrt. The resignation is effective as of 25 April 2023.

On 25 April 2023, the Supervisory Board of GTC S.A. nominated Barbara Sikora to the post of Chief Financial Officer of GTC Group and a member of the Management Board of GTC S.A. effective from 1 May 2023.

On 4 May 2023, GTC SA repaid partially bonds issued under ISIN code PLGTC0000318 (one-third of total issue) in the amount of €17,100 (PLN 73,333) – including hedge component.

In April 2023, Seven Gardens d.o.o., a wholly-owned subsidiary of the Company, has signed the €14,000 loan agreement with Erste&Steiermarkische Bank d.d. with a maturity of five years following the end of construction period (latest repayment date is June 2029). The drawdown under the respective loan agreement is expected in May 2023.

In May 2023, Glamp d.o.o. Beograd, a wholly-owned subsidiary of the Company, has signed the €25,000 loan agreement with Erste Group Bank AG and Erste Bank AD Novi Sad with a maturity of five years from the signing date. The drawdown under the respective loan agreement is expected in May or early June 2023 the latest. The loan bears an interest rate of 3M EURIBOR plus a margin of 3.70% p.a.

On 16 May 2023 Powszechne Towarzystwo Emerytalne Allianz Polska S.A., acting on behalf of Allianz Polska Otwarty Fundusz Emerytalny ("Allianz OFE"), informed that:

- on 12 May 2023, the share of Allianz OFE held directly 62,330,336 shares of the Company, representing 10.85% of the share capital of the Company due to liquidation of Drugi Allianz Polska Otwarty Fundusz Emerytalny ("Drugi Allianz OFE") and the transfer of its assets to Allianz OFE.

- appointed Mr. Dominik Januszewski as a member of the Supervisory Board of the Company, effective immediately.

5. Operating and financial review

5.1 General factors affecting operating and financial results

GENERAL FACTORS AFFECTING OPERATING AND FINANCIAL RESULTS

The key factors affecting the Group's financial and operating results are discussed below. The Management believes that the following factors and important market trends have significantly affected the Group's results of operations since the end of the period covered by the latest published audited financial statements, and the Group expects that such factors and trends will continue to have a significant impact on the Group's results of operations in the future.

ECONOMIC CONDITIONS IN CEE AND SEE

The economic crisis may slow down the general economy in the countries where the Group operates. The economic downturn in those countries may result in reduced demand for property, growth of vacancy rates, and increased competition in the real estate market, which may adversely affect the Group's ability to sell or let its completed projects at their expected yields and rates of return.

The reduced demand for property that, on the one hand, may result in a drop in sales dynamics, and, on the other, an increase in vacancy rates and lower rent revenues from leased space, may significantly impact the results of operations of the Group. Specifically, the Group may be forced to change some of its investment plans. Additionally, the Group may not be able to develop new projects in the countries where it operates.

REAL ESTATE MARKET IN CEE AND SEE

The Group derives the majority of its revenue from operations from rental activities, including rental and service revenue. For the three-month period ended 31 March 2023 and for the three-month period ended 31 march 2022, the Group derived 73% and 75%, respectively, of its revenues from operations as rental revenue, which significantly depends on the rental rates per sq m and occupancy rates. The amount the Group can charge for rent largely depends on the property's location and condition and is influenced by local market trends and the state of local economies. The Group's revenue from rent is particularly affected by the delivery of new rent spaces, changes in vacancy rates, and the Group's ability to implement rent increases. Rental income is also dependent upon the time of completion of the Group's development projects as well as on its ability to let such completed properties at favourable rent levels. Moreover, for the three-month period ended 31 March 2023 and for the year ended 31 March 2022, the Group derived 27% and 25%, respectively, of its revenues from operations as service revenue, reflecting certain costs the Group passes on to its tenants.

The vast majority of the Group's lease agreements are concluded in euro and include a clause that provides for the full indexation of the rent linked to the European Index of Consumer Prices. When a lease is concluded in another currency, it is typically indexed to euro and linked to the consumer price index of the relevant country currency.

REAL ESTATE VALUATION

The Group's results of operations depend heavily on the fluctuation of the value of assets on the property markets. The Group has its properties valued by external valuers at least twice a year, every June and December. Any change in the fair value of investment property is thereafter recognized as a gain or loss in the income statement.

The following three significant factors influence the valuation of the Group's properties: (i) the cash flow arising from operational performance, (ii) the expected rental rates, and (iii) the capitalization rates that result from the interest rates in the market and the risk premiums applied to the Group's business.

Cash flow arising from the operational performance is primarily determined by current gross rental income per square meter, vacancy rate trends, total portfolio size, maintenance and administrative expenses, and operating expenses. Expected rental values are determined predominantly by expected development of the macroeconomic indicators like GDP growth, disposable income, etc., as well as micro conditions such as new developments in the immediate neighborhood, competition, etc. Capitalization rates are influenced by prevailing interest rates and risk premiums. In the absence of other changes, when capitalization rates increase, market value decreases and vice versa. Small changes in one or some of these factors can have a considerable effect on the fair value of the Group's investment properties and on the results of its operations.

Moreover, valuation of the Group's landbank additionally depends on, among others, the building rights and the expected timing of the projects. The value of landbank, assessed using a comparative method, is determined by referring to the market prices applied in transactions relating to similar properties.

The Group recognized a net loss from revaluation of €2,980 in the three-month period ended 31 March 2023 and €3,063 net profit from revaluation in the three-month period ended 31 March 2022.

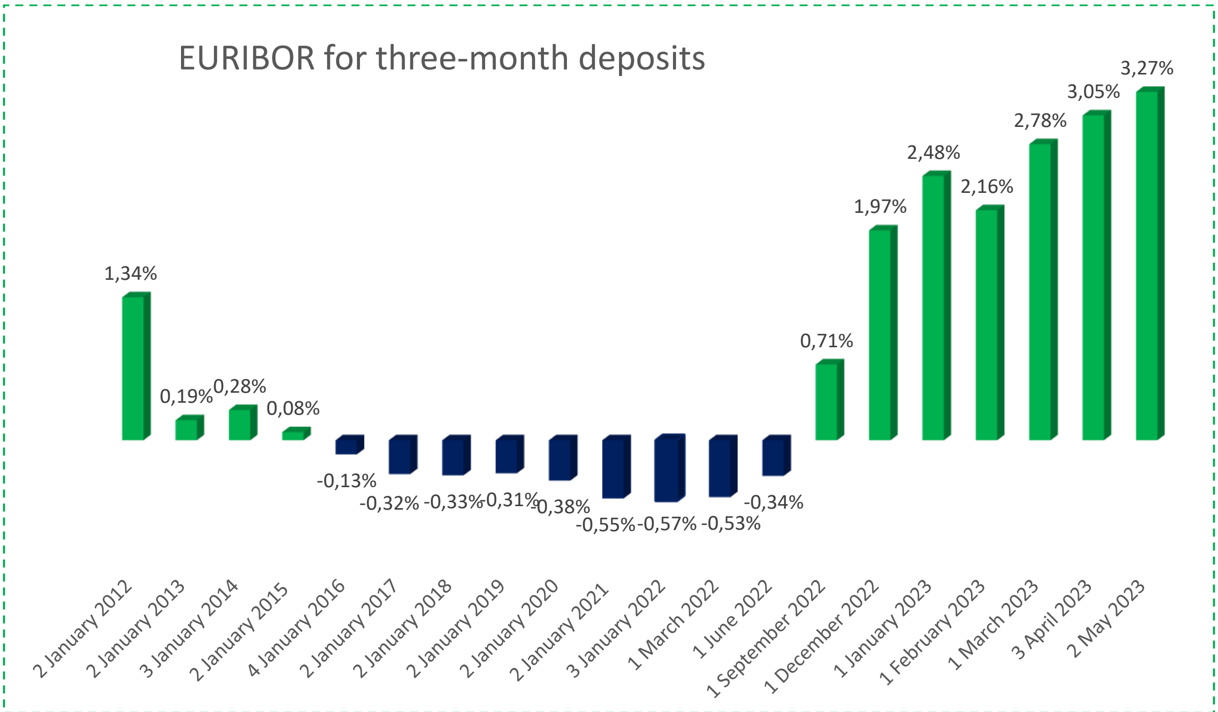
IMPACT OF INTEREST RATE MOVEMENTS

Increases in interest rates generally increase the Group's financing costs. However, as of 31 March 2023, 95% of the Group's borrowings were either based on fixed interest rate or hedged against interest rate fluctuations, mainly through interest rate swaps and cap transactions.

In an economic environment in which availability of financing is not scarce, demand for investment properties generally tends to increase when interest rates are low, leading to higher valuations of the Group's existing investment portfolio. Conversely, increased interest rates generally adversely affect the valuation of the Group's properties, resulting in recognition of impairment that could negatively affect the Group's income.

Historically, EURIBOR rates have remained close to zero or in the negative territory as presented on the graph below. However due to the inflationary pressure in the last six months of 2022 as well as by the date of this report the European Central Bank has decided to increase interest rates and it is expected that these shall continue to be on the positive territory in the next years to come.

The graph presents EURIBOR for three-month deposits for the period between 2012 – 2023.



IMPACT OF FOREIGN EXCHANGE RATE MOVEMENTS

For the three-month period ended 31 March 2023 and 31 March 2022, a vast majority of the Group's revenues and costs were incurred or derived in euro. Nonetheless, the exchange rates against euro of the local currencies of the countries the Group operates in are an essential factor as the credit facilities obtained may be denominated in either euro or local currencies.

The Group presents its financial statements in euro, its operations, however, are based locally in Poland, Romania, Hungary, Croatia, Serbia, and Bulgaria. The Group receives the vast majority of its revenue from rent denominated in euro, however, it receives a certain portion of its income and incurs most of its costs (including the vast majority of its selling expenses and administrative expenses) in local currencies, including the Polish zlotys, Bulgarian levas, Hungarian forints, Romanian leis, and Serbian dinars. In particular, a significant portion of the financial costs incurred by the Group includes: (i) interest on the bonds issued by the Group in Polish zlotys, and (ii) interest on the bonds issued by the Group in Hungarian forints. Exchange rates between local currencies and euro have historically fluctuated. The Group hedges its foreign exchange exposure.

Income tax expense (both actual and deferred) in the jurisdictions in which the Group conducts its operations is incurred in such local currencies. Consequently, such income tax expense was and may continue to be materially affected by foreign exchange rate movements.

Accordingly, the foreign exchange rate movements have a material impact on the Group's operations and financial results.

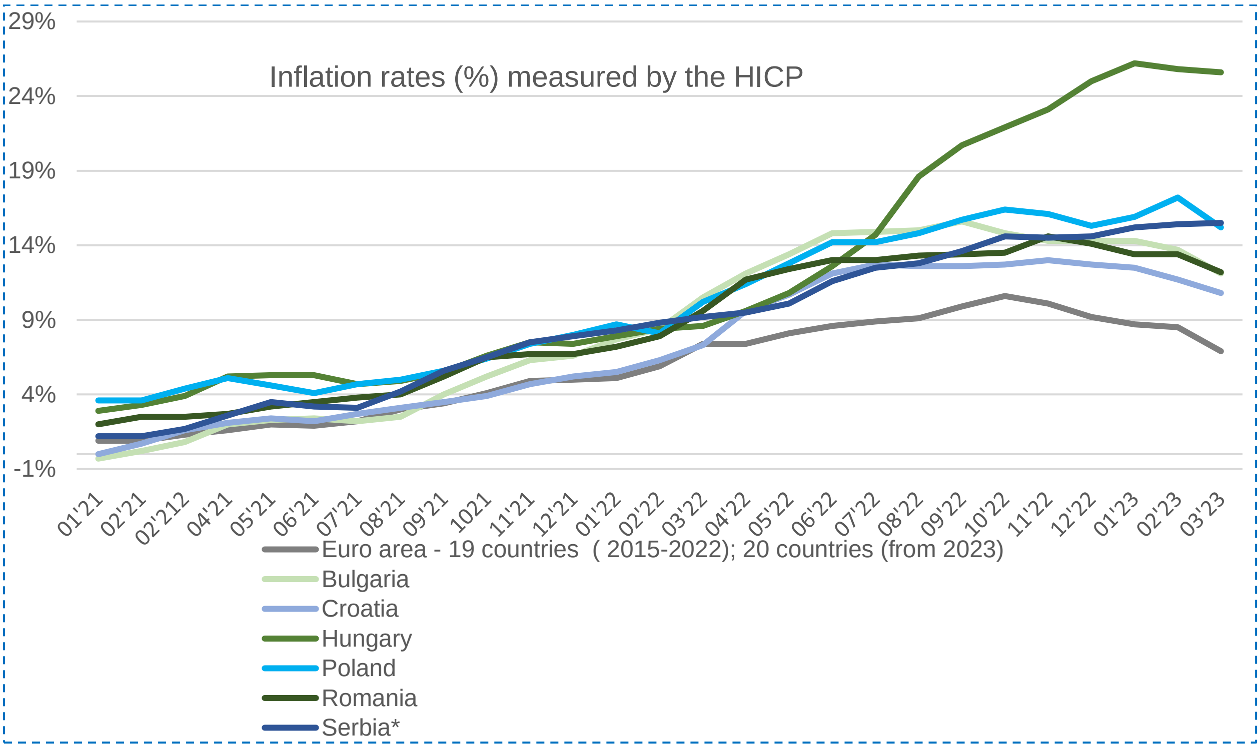
IMPACT OF INFLATION

The COVID-19 outbreak in Europe has led governments to implement rescue packages, as well as supporting monetary policies by the European Central Bank to moderate the economic impact of the pandemic which have a direct or indirect impact on household consumption and thus consumer price indices. Increase of price of energy and services significantly influences the inflation rate.

The Group's financial results are linked to the consumer price index as on one hand its rental revenue is indexed to the European CPI and on the other hand part of its debt is based on floating interest rate, which also may fluctuate as a result of the inflation. Although as of 31 March 2023, 95% of its debt is based on fixed rate or hedged against interest rate fluctuations so the exposure to the changes in interest rate is limited.

Additionally, the Group operates shopping malls and part of its rent (approximately 5% of total revenues from rental activity in 2022) is based on the tenant's turnover, which may be dependent on the inflation. Tenants' turnover might have an impact on the Group's operations and financial results.

According to Eurostat, the Euro area annual inflation was 7% in March 2023 and is expected to further grow. The graph below presents below the Harmonized Index of Consumer Prices (HICP) in countries which Group's operate and the Euro area. The main index reference period currently used is 2015.



* definition differs (see metadata at https://ec.europa.eu/eurostat/web/hicp/overview);

Source: https://ec.europa.eu/eurostat/web/hicp/overview

AVAILABILITY OF FINANCING

In the CEE and SEE markets, real estate development companies, including companies of the Group, usually finance their real estate projects with proceeds from external financing (e.g. bonds bank loans etc.) or internal financing.i.e. by loans extended by their holding companies. Availability and cost of procuring financing are of material importance to the implementation of the Group's undertakings and for the Group's development prospects, as well as its ability to repay existing debt. The unstable geopolitical situation may have negative impact on the cost and availability of the financing. Finally, the availability and cost of financing may impact the Group's development dynamics and the Group's net profit.

IMPACT OF THE SITUATION IN UKRAINE ON GTC GROUP

Detailed analysis of the impact of the war on the operations of the Group has been performed for the purpose of preparation of the annual financial statements.

Similarly, as at the date of this Management report, the direct impact of the war in Ukraine on the Group's operations is not material. However, it is not possible to estimate the scale of such impact in the future and due to high volatility, the Company monitors the situation on an ongoing basis and analyses its potential impact both from the perspective of individual projects and the entire Group and its long-term investment plans.

5.2 Specific factors affecting financial and operating results

On 19 July 2022 GTC Group sold Forest Offices Debrecen for HUF 19.1 billion. The transaction was closed on 30 January 2023 and the full purchase price of approx. €49,200 was paid.

On 31 March 2023, GTC Group acquired Tiszai Fény Alfa Kft, owner of 9 newly developed solar power plants in Tiszafüred, Hungary for a consideration of HUF 2.4 billion (approx. €6,400). The project shall be financed partially by a bank facility in the amount of €2,600. The transaction is expected to close in Q2 2023.

5.3 Presentation of differences between achieved financial results and published forecasts

The Group did not publish forecasts for the first quarter of 2023 or for full year 2023.

5.4 Consolidated statement of financial position

5.4.1 Key items of the consolidated statement of financial position

INVESTMENT PROPERTY

Investment properties that are owned by the Group comprise office and commercial space, including property under construction. Investment property can be split up into (i) completed investment property; (ii) investment property under construction; (iii) investment property land plots, and (iv) right of use.

RESIDENTIAL LANDBANK

The Group classifies its residential inventory as current or non-current assets based on their development stage within the business operating cycle. The normal operating cycle, in most cases, falls within a period of one to five years. The Group classifies residential inventory, the development of which is planned to be commenced at least one year after the balance sheet date as residential landbank, which is a part of its non-current assets.

INVESTMENT IN ASSOCIATES AND JOINT VENTURES

Investment in associates and joint ventures is accounted for pursuant to the equity method. Such investment is carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of the net assets of the associate and joint ventures.

ASSETS HELD FOR SALE

Assets held for sale comprise office or retail space and land plots that are designated for sale.

BLOCKED DEPOSITS

Short-term blocked, and long-term blocked deposits are restricted and can be used only for certain operating activities as determined by underlying contractual undertakings.

NON-CURRENT FINANCIAL ASSETS (RELATED TO INVESTMENT PROPERTY) MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

Non-current financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the income statement.

DERIVATIVES

Derivatives include hedge instruments held by the Group that mitigate the risk of interest and currency rate fluctuations. In relation to the instruments qualified as cash flow hedges, the portion of gain or loss on the hedging instrument that is determined to be an effective hedge is recognized directly in other comprehensive income, and the ineffective portion (if any) is recognized in net profit or loss. The classification of hedges in the statement of the financial position depends on their maturity. For derivatives that do not qualify for hedge accounting, any gains or losses arising from changes in fair value are recorded directly in net profit and loss for the year. The fair value of interest rate swap contracts is determined by calculating the present value of cash flows of each leg of the transaction, taking into account several risk statistics.

5.4.2 Financial position as of 31 March 2023 compared to 31 December 2022

ASSETS

Total assets increased by €1,361 to €2,671,243 as of 31 March 2023 from €2,669,882 as of 31 December 2022.

The value of investment property increased by €8,335 to €2,251,998 as of 31 March 2023 from €2,243,663 as of 31 December 2022, mainly due to investment of €13,833 mostly into assets under construction. This increase was partially offset by loss from revaluation of €4,351.

The value of assets held for sale decreased by €47,747 (92%) to €3,888 as of 31 March 2023 from €51,635 as of 31 December 2022, mainly as a result of the completion of the sale of Forest Offices Debrecen.

The value of derivatives decreased by €2,845 (11%) to €22,002 as of 31 March 2023 from €24,847 as of 31 December 2022, mainly attributable to change in valuation of IRS instruments related to hedged bank loans.

The value of non-current financial assets (related to investment property) measured at fair value through profit or loss increased by €2,039 (2%) to €132,380 as of 31 March 2023 from €130,341 as of 31 December 2022, mainly due to additional investment of €1,333.

The value of prepayments, deferred expenses and other receivables increased by €7,058 (91%) to €14,797 as of 31 March 2023 from €7,739 as of 31 December 2022, mainly as a result of an increase in advances to constructors related to the development activities as well as a result of annual prepayments for insurance and other taxes, which are paid at the beginning of the year.

The value of VAT and other tax receivables decreased by 1,610 (30%) to €3,695 as of 31 March 2023 from €5,305 as of 31 December 2022, mainly as a result of collected VAT receivables in first quarter of 2023.

The value of cash and cash equivalents increased by €31,964 (28%) to €147,043 as of 31 March 2023 from €115,079 as of 31 December 2022, mainly as a result of the disposal of Forest Offices Debrecen of €49,204, partially offset by expenditures on investment property of €25,304.

LIABILITIES

The value of loans and bonds increased by €5,728 to €1,243,583 as of 31 March 2023 as compared to €1,237,855 as of 31 December 2022 mainly due to an increase in accrued interests combined with foreign exchange differences, compensated by repayments during the period.

The value of lease liabilities (incl. current portion of lease liabilities) decreased by €1,718 (4%) to €40,153 as of 31 March 2023 from €41,871 as of 31 December 2022, mainly due to payments of leases.

The value of derivatives decreased by €8,964 (18%) to €40.014 as of 31 March 2023 from €48,978 as of 31 December 2022 mainly due to changes in a fair value in relation to the cross currency interest swaps on the Hungarian bonds.

The value of trade payables and provisions decreased by €6,542 (16%) to €34,666 as of 31 March 2023 from €41,208 as of 31 December 2022, mainly due to repayments of liabilities related to development activity.

EQUITY

The value of accumulated profit increased by €11,154 (2%) to €501,686 as of 31 March 2023 from €490,532 as of 31 December 2022, following recognition of profit for the period, in the amount of €11,556.

The value of hedge reserve decreased by €1,218 (16%) to €8,733 as of 31 March 2023 from €7,515 as of 31 December 2022, mainly due to a decrease in valuation of the IRS instruments related to hedged bank loans.

The value of equity increased by €9,486 (1%) to €1,145,073 as of 31 March 2023 from €1,135,587 as of 31 December 2022 mainly due to recognition of profit of €11,556. Increase was partially compensated by a decrease in the value of hedge reserve by €1,218 and dividend paid to non-controlling interest of €900.

5.5 Consolidated income statement

5.5.1 Key items of the consolidated income statement

REVENUES FROM OPERATIONS

Revenues from operations consist of:

- rental income, which consists of monthly rental payments paid by tenants of the Group's investment properties for the office or retail space rented by such tenants. Rental income is recognized as income over the lease term;

- service income, which comprises fees paid by the tenants of the Group's investment properties to cover the costs of the services provided by the Group in relation to their leases.

COST OF OPERATIONS

Costs of operations consist of:

- service costs, which consist of all the costs related to the management services provided to the individual tenants within the Group's properties — service costs should be covered by service income.

GROSS MARGIN FROM OPERATIONS

Gross margin from operations is equal to the revenues from operations less the cost of operations.

SELLING EXPENSES

Selling expenses include:

- brokerage and similar fees incurred to originate the lease or sale of space;

- marketing and advertising costs; and

- payroll and related expenses directly related to leasing or sales personnel.

ADMINISTRATION EXPENSES

Administration expenses include:

- payroll, management fees, and other expenses that include the salaries of all employees that are not directly involved in sales or rental activities;

- provisions made to account for the share-based incentive program that was granted to key personnel;
- costs of an audit, legal and other advisors;
- office expenses;
- depreciation and amortization expenses include depreciation and amortization of the Group's property, plant, and equipment; and
- others.

PROFIT / (LOSS) FROM THE REVALUATION/IMPAIRMENT OF ASSETS

Net valuation gains (loss) on investment property and investment properties under development reflect the change in the fair value of investment properties and investment property under development.

FINANCIAL INCOME / (EXPENSE), NET

Financial income includes interest on loans granted to associate companies and interest on bank deposits.

Financial expenses include interest on borrowings and deferred debt rising expenses. Borrowing costs are expensed in the period in which they are incurred, except for those that are directly attributable to construction. In such a case, borrowing costs are capitalized as part of the cost of the asset. Borrowing costs include interest and foreign exchange differences. Additionally, financial income or expenses include settlement of financial assets and gains or losses arising from changes in the fair value of derivatives that do not qualify for hedge accounting.

TAXATION

Income tax on profit or loss for the year comprises current and deferred tax. Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantially enacted as of the balance sheet date and any adjustments to tax payable in respect of previous years. Generally, the Group disposes of property holding companies rather than the real estate itself, in part because, in certain jurisdictions, the sale and disposal of real estate are generally subject to real estate transfer tax and/or VAT.

5.5.2 Comparison of financial results for the three-month period ended 31 March 2023 with the result for the corresponding period of 2022

REVENUES FROM RENTAL ACTIVITY

Rental and service revenues increased by €952 (2%) to €42,717 in the three-month period ended 31 March 2023 compared to €41,765 in the three-month period ended 31 March 2022. The Group recognized an increase in rental revenues of €1,300 following the completion of Pillar in Budapest and GTC X in Belgrade. The Group observed also an increase in an average rental rate following the indexation of its rental rates to the European CPI. The increase was partially compensated by a decrease in rental revenues following the sale of Forest Office Debrecen in the first quarter of 2023 as well as Cascade and Matrix office buildings in the third and fourth quarter of 2022. Additionally, the Group observed a decline in average occupancy rate of the office portfolio in Poland and Hungary which had a negative impact on revenues.

COST OF RENTAL ACTIVITY

Service costs increased by €1,666 (15%) to €13,137 in the three-month period ended 31 March 2023 as compared to €11,471 in the three-month period ended 31 March 2022. The Group recognized an increase in service costs following completion of Pillar and GTC X of €400 and an increase in service cost of €1,700 coming from inflation increase of operational costs. The increase was partially offset by a decrease in the service costs due to the sale of Cascade and Matrix office buildings in the third and fourth quarter of 2022 of €300.

GROSS MARGIN FROM OPERATIONS

Gross margin (profit) from operations decreased by €714 (2%) to €29,580 in the three-month period ended 31 March 2023 as compared to €30,294 in the three-month period ended 31 March 2022, mainly due to an increase in the service charge cost due to inflation, decline in an average occupancy rate in Poland and Hungary combined with a loss in rental and service revenues due to the sale of office buildings in Romania and Croatia.

The gross margin on rental activities in the three-month period ended 31 March 2023 was 69% compared to 73% in the three-month period ended 31 March 2022.

ADMINISTRATION EXPENSES

Administration expenses (before provision for the share-based program) increased by €665 (18%) to €4,301 in the three-month period ended 31 March 2023 from €3,636 in the three-month period ended 31 March 2022 mainly due to an increase in remuneration fees and other advisory expenses. Mark-to-market of the share-based program resulted in a reversal of share-based provision of €409 in the three-month period ended 31 March 2023 compared to the provision of €415 recognized in the three-month period ended 31 March 2022. The above factors resulted in an increase of administration expenses of €671 (21%) to €3,892 in the three-month period ended 31 March 2023 from €3,221 in the three-month period ended 31 March 2022.

PROFIT/(LOSS) FROM THE REVALUATION OF INVESTMENT PROPERTY AND RESIDENTIAL LANDBANK

Net loss from the revaluation of the assets amounted to €2,980 in the three-month period ended 31 March 2023, compared to a net profit of €3,063 in the three-month period ended 31 March 2022. Loss in the three-month period ended 31 March 2023 is mainly a result of capitalized expenditures on completed buildings. Profit in the three-month period ended 31 March 2022 was mainly a result of fair value gain on completion Pillar project in Budapest.

FOREIGN EXCHANGE GAIN (LOSS), NET

Foreign exchange gain amounted to €233 in the three-month period ended 31 March 2023, compared to a foreign exchange loss of €1,145 in the three-month period ended 31 March 2022.

FINANCE INCOME

Finance income amounted to €233 in the three-month period ended 31 March 2023 as compared to €71 in the three-month period ended 31 March 2022.

FINANCE COSTS

Finance cost decreased by €215 (3%) to €7,902 in the three-month period ended 31 March 2023 as compared to €8,117 in the three-month period ended 31 March 2022. The weighted average interest rate (including hedges) as of 31 March 2023 was 2.25%.

PROFIT BEFORE TAX

Profit before tax was €14,280 in the three-month period ended 31 March 2023, compared to a profit before tax of €19,923 in the three-month period ended 31 March 2022. The decrease mainly resulted from lower gross margin from operations and loss from revaluation, partially offset by lower finance cost and foreign exchange gain.

TAXATION

Corporate income tax expense amounted to €2,724 in the three-month period ended 31 March 2023, compared to an expense of €4,699 in the three-month period ended 31 March 2022. The position consists mainly of €1,600 current tax expense and €1,100 of deferred tax expense.

NET PROFIT

Net profit decreased by €3,668 (24%) to €11,556 in the three-month period ended 31 March 2023, compared to a net profit of €15,224 in the three-month period ended 31 March 2022.

5.6 Consolidated cash flow statement

5.6.1 Key items from consolidated cash flow statement

NET CASH FROM (USED IN) OPERATING ACTIVITIES

The operating cash flow is the cash that the Group generates through running its business and comprises cash inflows from rental activities.

NET CASH FROM (USED IN) INVESTING ACTIVITIES

The investing cash flow is the aggregate change in the Group's cash position resulting from any gains (or losses) from investments in the financial markets, investment properties, and operating subsidiaries, as well as changes resulting from amounts spent on investments in capital assets, such as property, plant, and equipment.

NET CASH FROM (USED IN) FINANCING ACTIVITIES

The cash flow from (used in) financing activities accounts for, inter alia, the payment of cash dividends, receiving proceeds from loans or bonds, and issuing stock.

CASH AND CASH EQUIVALENTS

Cash balance consists of cash in banks. Cash in banks may earn interest at floating rates based on daily bank deposit rates if those are positive. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates if those are positive. All cash is deposited in banks. All cash and cash equivalents are available for use by the Group.

5.6.2 Cash flow analysis

The table below presents an extract from the cash flow for the three-month periods ended 31 March 2023 and 2022:

	Three-month period ended	
	31 March 2023	31 March 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net cash from operating activities	**19,616**	**21,771**
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures on investment property and property, plant and equipment	(25,304)	(29,938)
Purchase of completed assets and land, residential landbank and minority	-	(50,356)
Sale of completed assets, landbank and residential landbank or subsidiary, net of cash in disposed assets	49,204	126,185
Expenditure on non-current financial assets	(1,333)	-
VAT/tax on purchase/sale of investment property	1,610	1,214
Interest received	108	3
Net cash from investing activities	**24,285**	**47,108**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	-	432
Repayment of long-term borrowings	(5,468)	(3,358)
Interest paid and other financing breaking fees	(4,724)	(4,924)
Proceeds from issue of share capital, net of issuance costs	-	120,386
Repayment of lease liability	(611)	(525)
Decrease/(Increase) in short term deposits	(122)	163
Dividend paid to non-controlling interest	(900)	-
Net cash from/(used in) financing activities	**(11,825)**	**112,174**
Net foreign exchange difference related to cash and cash equivalents	(112)	(102)
Net increase/ (decrease) in cash and cash equivalents	31,964	180,951
Cash and cash equivalents at the beginning of the period	**115,079**	**96,633**
Cash and cash equivalents at the end of the period	**147,043**	**277,584**

Net cash flow from operating activities decreased by €2,155 (10%) to €19,616 in the three-month period ended 31 March 2023 from €21,771 in the three-month period ended 31 March 2022. The decrease resulted mainly from the sale of income generating properties in Romania and Croatia partially offset by completion of office buildings in Budapest (Pillar) and Belgrade (GTC X) combined with a decrease in average occupancy.

Net cash flow from investing activities amounted to €24,285 in the three-month period ended 31 March 2023 compared to €47,108 in the three-month period ended 31 March 2022. Cash flow from investing activities is mainly composed of sale of completed assets of €49,204, and expenditure on investment properties and property, plant and equipment of €25,304.

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Net cash flow used in financing activities amounted to €11,825 in the three-month period ended 31 March 2023, compared to €112,174 of cash flow from financing activities in the three-month period ended 31 March 2022. Cash flow used in financing activities is mainly composed of repayment of long-term borrowings of €5,468 and interest paid and other financing breaking fees in the amount of €4,724.

Cash and cash equivalents as of 31 March 2023 amounted to €147,043 compared to €115,079 as of 31 December 2022. The Group keeps its cash on current accounts and in the form of bank deposits.

5.7 Future liquidity and capital resources

As of 31 March 2023, the Group believes that its cash balances, cash generated from disposal of properties, cash generated from leasing activities of its investment properties, and cash available under its existing and future loan facilities as well as revolving credit facility will fund its needs.

The Group endeavors to manage all its liabilities efficiently and is constantly reviewing its funding plans related to (i) the development and acquisition of commercial properties, (ii) debt servicing of its existing assets portfolio, and (iii) CAPEX. Such funding is sourced through available cash, operating income, and refinancing.

As of 31 March 2023, the Group's non-current liabilities amounted to €1,428,169 compared to €1,433,841 as of 31 December 2022.

The Group's total debt from long and short-term loans and borrowings as of 31 March 2023 amounted to €1,243,583, as compared to €1,237,855 as of 31 December 2022. The weighted average interest rate (including hedges) as of 31 March 2023 was 2.25%.

The Group's loans and borrowings are mainly denominated in euro. Debt in other currencies includes bonds (PLGTC0000318 last series maturing in 2023) in PLN and green bonds issued by Hungarian subsidiary in HUF (series maturing in 2027-2031), which are hedged through cross currency interest rate swaps following the hedging policy of the Group.

The Group's net loan-to-value ratio amounted to 45.2% as of 31 March 2023 compared to 45.6% (LTV adjusted for disposal of Forrest Offices Debrecen, concluded on 30 January 2023, is 44.5%) as of 31 December 2022. The Group's long-term strategy is to keep its loan-to-value ratio at a level of ca. 40%; however, in the case of acquisitions, the Company may deviate temporarily.

As of 31 March 2023, 95% of the Group's loans and bonds (by value) were based on the fixed interest rate or hedged against interest fluctuations, mainly through interest rate swaps and cap transactions.

AVAILABILITY OF FINANCING

In the CEE and SEE markets, real estate development companies, including the companies of the Group, usually finance their real estate projects with proceeds from t external financing (e.g. bonds bank loans etc.) or internal financing.i.e. by loans extended by their holding companies. The availability and cost of procuring financing are of material importance to the implementation of the Group's undertakings and for the Group's development prospects and its ability to repay existing debt. Finally, the availability and cost of financing may impact the Group's development dynamics and the Group's cash flow and net profit.

Traditionally, the principal sources of financing for the Group's core business included rental revenues, bank loans, proceeds from projects, proceeds from bonds issued by the Company, and proceeds from asset disposals.

The Management has prepared and analyzed the cash flow budget based on certain hypothetical defensive assumptions to assess the reasonableness of the going concern assumption given the current developments on the market. This analysis assumed certain loan repayment acceleration, negative impact on NOI, as well as other offsetting measures, which the Management may take to mitigate the risks, including deferring the development activity and dividend pay-out.

Based on Management's analysis, the current cash liquidity of the Company, and the budget assumptions, Management concluded that there is no material uncertainty as to the Company's ability to continue as a going concern in the foreseeable future i.e., at least in the next 12 months. Management notes that it is difficult to predict the ultimate short, medium, and long-term impact of the macroeconomic conditions on the financial markets and the Company's activities, but the expected impact may be significant. Accordingly, Management conclusions will be updated and may change from time to time.

6. Information on loans granted with a particular emphasis on related entities

As of 31 March 2023, the Group does not have any long-term loans granted to its associates or joint ventures.

7. Information on granted and received guarantees with a particular emphasis on guarantees granted to related entities

During the year ended 31 March 2023, the Group did not grant guarantees where the total value is material.

As of 31 March 2023 and 31 March 2022, there were no guarantees given to third parties.

Additionally, the Company gave typical warranties in connection with the sale of its assets under the sale agreements and construction completion and cost-overruns guarantee to secure construction loans. The risk involved in the above warranties and guarantees is very low.

In the normal course of business activities, the Group receives guarantees from the majority of its tenants to secure the rental payments on the leased space.

8. Shareholders who, directly or indirectly, have substantial shareholding

The following table presents the Company's shareholders, who had no less than 5% of votes at the general meeting of GTC S.A. shareholders, as of the date of 31 March 2023.

The table is prepared based on information received directly from the shareholders or subscription information, and presents shareholder structure as of the date of this report:

Shareholder	Number of shares and rights to the shares held (not in thousand)	% of share capital	Number of votes (not in thousand)	% of votes	Change in number of shares since 31 December 2022 (not in thousand)
GTC Dutch Holdings B.V.	247,461,591	43.10%	337,637,591	58.80%	No change
Icona Securitization Opportunities Group S.A R.L.[2]	90,176,000	15.70%	0	0%	No change
GTC Holding Zártkörüen Müködö Részvénytársaság[1]	21,891,289	3.81%	21,891,289	3.81%	No change
Allianz OFE[3]	62,330,336	10.85%	62,330,336	10.85%	Decrease by 38,054
OFE PZU Złota Jesień	54,443,976	9.48%	54,443,976	9.48%	No change
Other shareholders	97,951,930	17.06%	97,951,930	17.06%	Increase by 38,054
Total	**574,255,122**	**100.00%**	**574,255,122**	**100.00%**	No change

[1] directly holds 21,891,289 shares and indirectly through GTC Dutch Holdings B.V. (100% subsidiary of GTC Holding Zártkörüen Müködö Részvénytársaság) holds 337,637,591 shares.

[2] Icona Securitization Opportunities Group S.A R.L. holds directly 15.70% of the share capital of the Company with reservations that all its voting rights were transferred to GTC Dutch Holdings B.V. and that Icona granted the power of attorney to its voting rights to GTC Dutch Holdings B.V.

[3] on 12 May 2023, the share of Allianz OFE in the total number of votes in the Company were above the 10% threshold due to liquidation of Drugi Allianz Polska Otwarty Fundusz Emerytalny ("Drugi Allianz OFE") and the transfer of its assets to Allianz OFE.

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9. Shares in GTC held by members of the management board and the supervisory board

SHARES HELD BY MEMBERS OF THE MANAGEMENT BOARD

The following table presents shares owned directly or indirectly by members of the Company's management board of the date of publication of this quarterly report, and changes in their holdings since the date of publication of the Group's last financial report (annual report for the year ended 31 December 2022) on 25 April 2023.

The information included in the table below is based on information received from members of the management board.

Management board member	Balance as of 25 May 2023 (not in thousand)	The nominal value of shares in PLN (not in thousand)	Change since 25 April 2023 (not in thousand)
Zoltán Fekete	0	0	No change
Ariel Ferstman[1]	5,240	524	No change
János Gárdai	0	0	No change
Barbara Sikora[2]	0	0	No change
Total	**5,240**	**524**	

[1] Balance as of 25 April 2023

[2] Change since 1 May 2023

SHARES OF GTC HELD BY MEMBERS OF THE SUPERVISORY BOARD

The following table presents shares owned directly or indirectly by members of the Company's supervisory board of the date of publication of this quarterly report, and changes in their holdings since the date of publication of the Group's last financial report (annual report for the year ended 31 December 2022) on 25 April 2023.

All the financial data in this Report is presented in euro or PLN and expressed in thousands unless indicated otherwise

The information included in the table is based on information received from members of the supervisory board.

Members of supervisory board	Balance as of 25 May 2023 (not in thousand)	The nominal value of shares in PLN (not in thousand)	The nominal value of shares in PLN (not in thousand)
János Péter Bartha	0	0	No change
Lóránt Dudás	0	0	No change
Balázs Figura	0	0	No change
Mariusz Grendowicz	13,348	1,335	No change
Artur Kozieja	0	0	No change
Marcin Murawski	0	0	No change
Gyula Nagy	0	0	No change
Bálint Szécsényi	0	0	No change
Bruno Vannini	0	0	No change
Sławomir Niemierka	0	0	No change
Dominik Januszewski[1]	0	0	No change
Total	**13,348**	**1,335**	

[1] Change since 16 May 2023

10. Transactions with related parties concluded on terms other than market terms

The Group did not conduct any material transactions with the related parties that are not based on arm’s length basis

11. Proceedings before a court or public authority involving Globe Trade Centre SA or its subsidiaries with total value of the liabilities or claims being material

There are no individual proceeding or group of proceedings before a court or public authority involving Globe Trade Centre SA or its subsidiaries, with total value of liabilities or claims being material.

All the financial data in this Report is presented in euro or PLN and expressed in thousands unless indicated otherwise

GLOBE TRADE CENTRE S.A.

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Financial Position
as of 31 March 2023
(in thousands of Euro)

	Note	31 March 2023 *(unaudited)*	31 December 2022 *(audited)*
ASSETS			
Non-current assets			
Investment property	8	2,251,998	2,243,663
Residential landbank		26,768	26,610
Property, plant and equipment		12,238	11,141
Blocked deposits		12,628	11,948
Deferred tax asset		3,098	3,161
Derivatives	10	12,553	17,054
Non-current financial assets (related to investment property) measured at fair value through profit or loss	16	132,380	130,341
Other non-current assets		172	190
Loan granted to non-controlling interest partner	9	11,061	10,936
		2,462,896	**2,455,044**
Current assets			
Accounts receivables		8,734	7,913
Accrued income		6,494	4,391
VAT and other tax receivables		3,695	5,305
Income tax receivables		1,780	1,958
Prepayments, deferred expenses and other receivables		14,797	7,739
Derivatives	10	9,449	7,793
Short-term blocked deposits		12,467	13,025
Cash and cash equivalents		147,043	115,079
Assets held for sale	13	3,888	51,635
		208,347	**214,838**
TOTAL ASSETS		**2,671,243**	**2,669,882**

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Financial Position
as of 31 March 2023
(in thousands of Euro)

	Note	31 March 2023 *(unaudited)*	31 December 2022 *(audited)*
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital		12,920	12,920
Share premium		668,904	668,904
Unregistered share capital increase		-	-
Capital reserve		(49,311)	(49,311)
Hedge reserve		(8,733)	(7,515)
Foreign currency translation reserve		(2,573)	(2,621)
Accumulated profit		501,686	490,532
		1,122,893	**1,112,909**
Non-controlling interest	9	22,180	22,678
Total Equity		**1,145,073**	**1,135,587**
Non-current liabilities			
Long-term portion of long-term borrowings	11	1,192,577	1,189,284
Lease liabilities	12	39,787	41,483
Deposits from tenants		12,628	11,948
Long term payables		2,396	2,394
Share based payment liabilities		349	758
Derivatives	10	38,494	46,798
Deferred tax liabilities		141,938	141,176
		1,428,169	**1,433,841**
Current liabilities			
Current portion of long-term borrowings	11	51,006	48,571
Current portion of lease liabilities	12	366	388
Trade payables and provisions		34,666	41,208
Deposits from tenants		1,784	1,639
VAT and other taxes payables		3,592	1,828
Income tax payables		3,758	3,571
Derivatives	10	1,520	2,180
Advances received		1,309	1,069
		98,001	**100,454**
TOTAL EQUITY AND LIABILITIES		**2,671,243**	**2,669,882**

Globe Trade Centre S.A.
Interim Condensed Consolidated Income Statement
for the three-month period ended 31 March 2023
(in thousands of Euro)

	Note	Three-month period ended 31 March 2023 *(unaudited)*	Three-month period ended 31 March 2022 *(unaudited)*
Rental revenue	5	31,107	31,322
Service charge revenue	5	11,610	10,443
Service charge costs	5	(13,137)	(11,471)
Gross margin from operations		**29,580**	**30,294**
Selling expenses		(590)	(392)
Administration expenses	6	(3,892)	(3,221)
Profit/(loss) from revaluation of investment property and residential landbank	8	(2,980)	3,063
Other income		37	35
Other expenses		(439)	(665)
Profit from continuing operations before tax finance income / expense and foreign exchange differences		**21,716**	**29,114**
Foreign exchange gain / (loss), net		233	(1,145)
Finance income		233	71
Finance cost	7	(7,902)	(8,117)
Profit before tax		**14,280**	**19,923**
Taxation	14	(2,724)	(4,699)
Profit for the period		**11,556**	**15,224**
Attributable to:			
Equity holders of the Parent Company		11,154	14,914
Non-controlling interest	9	402	310
Basic earnings per share (in euro)	17	0.02	0.03
Diluted earnings per share (in euro)	17	0.02	0.03

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Comprehensive Income
for the three-month period ended 31 March 2023
(In thousands of Euro)

	Three-month period ended 31 March 2023 *(unaudited)*	Three-month period ended 31 March 2022 *(unaudited)*
Profit for the period	**11,556**	**15,224**
Other comprehensive income for the period, not to be reclassified to profit or loss in subsequent periods, net of tax	-	-
Gain/(Loss) on hedge transactions	(1,479)	7,901
Income tax	261	(1,305)
Net gain/(loss) on hedge transactions	**(1,218)**	**6,596**
Foreign currency translation	48	(124)
Other comprehensive income for the period, to be reclassified to profit or loss in subsequent periods, net of tax	**(1,170)**	**6,472**
Total comprehensive income/(loss) for the period, net of tax	**10,386**	**21,696**
Attributable to:		
Equity holders of the Parent Company	9,984	21,386
Non-controlling interest	402	310

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Changes in Equity
for the three-month period ended 31 March 2023
(In thousands of Euro)

	Share capital	Share premium	Unregistered share capital increase	Capital reserve	Hedge reserve	Foreign currency translation reserve	Accumulated profit	Total	Non-controlling interest (“NCI”)	Total
Balance as of 1 January 2023 *(audited)*	**12,920**	**668,904**	**-**	**(49,311)**	**(7,515)**	**(2,621)**	**490,532**	**1,112,909**	**22,678**	**1,135,587**
Other comprehensive income/(loss)	-	-	-	-	(1,218)	48	-	(1,170)	-	(1,170)
Result for the period ended 31 March 2023	-	-	-	-	-	-	11,154	11,154	402	11,556
Total comprehensive income / (loss) for the period	**-**	**-**	**-**	**-**	**(1,218)**	**48**	**11,154**	**9,984**	**402**	**10,386**
Dividend paid to NCI	-	-	-	-	-	-	-	-	(900)	(900)
Balance as of 31 March 2023 *(unaudited)*	**12,920**	**668,904**	**-**	**(49,311)**	**(8,733)**	**(2,573)**	**501,686**	**1,122,893**	**22,180**	**1,145,073**

	Share capital	Share premium	Unregistered share capital increase	Capital reserve	Hedge reserve	Foreign currency translation reserve	Accumulated profit	Total	Non-controlling interest	Total
Balance as of 1 January 2022 *(audited)*	**11,007**	**550,522**	**120,295**	**(49,489)**	**(30,903)**	**(2,570)**	**501,704**	**1,100,566**	**16,423**	**1,116,989**
Other comprehensive income/(loss)	-	-	-	-	6,596	(124)	-	6,472	-	6,472
Result for the period ended 31 March 2022	-	-	-	-	-	-	14,914	14,914	310	15,224
Total comprehensive income / (loss) for the period	**-**	**-**	**-**	**-**	**6,596**	**(124)**	**14,914**	**21,386**	**310**	**21,696**
Registered share capital increase	1,913	118,382	(120,295)	-	-	-	-	-	-	-
Balance as of 31 March 2022 *(unaudited)*	**12,920**	**668,904**	**-**	**(49,489)**	**(24,307)**	**(2,694)**	**516,618**	**1,121,952**	**16,733**	**1,138,685**

The accompanying notes are an integral part of this Interim Condensed Consolidated Financial Statements

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Cash Flows
for the three-month period ended 31 March 2023
(In thousands of Euro)

	Note	Three-month period ended 31 March 2023 *(unaudited)*	Three-month period ended 31 March 2022 *(unaudited)*
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit before tax		14,280	19,923
Adjustments for:			
Loss/(profit) from revaluation of investment property and residential landbank	8	2,980	(3,063)
Foreign exchange differences, net		(233)	1,145
Finance income		(233)	(71)
Finance cost	7	7,902	8,117
Share based payment provision revaluation	6	(409)	(415)
Depreciation		147	121
Operating cash before working capital changes		**24,434**	**25,757**
Increase in accounts receivables and prepayments and other current assets		(6,072)	(2,042)
Decrease in advances received		240	1,135
Increase in deposits from tenants		826	1,338
Increase / (decrease) in trade and other payables		1,335	(2,784)
Cash generated from operations		**20,763**	**23,404**
Tax paid in the period		(1,147)	(1,633)
Net cash from operating activities		**19,616**	**21,771**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Expenditure on investment property and property, plant and equipment	8	(25,304)	(29,938)
Purchase of completed assets and land		-	(50,356)
Sale of residential landbank		-	1,073
Sale of subsidiary, net of cash in disposed assets		-	125,112
Sale of completed assets	13	49,204	-
Expenditure on non-current financial assets	16	(1,333)	-
VAT/tax on purchase/sale of investment property		1,610	1,214
Interest received		108	3
Net cash from investing activities		**24,285**	**47,108**
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from long-term borrowings	11	-	432
Repayment of long-term borrowings	11	(5,468)	(3,358)
Interest paid and other financing breaking fees		(4,724)	(4,924)
Proceeds from issue of share capital, net of issuance costs		-	120,386
Repayment of lease liability	12	(611)	(525)
Decrease/(Increase) in short term deposits		(122)	163
Dividend paid to non-controlling interest		(900)	-
Net cash from financing activities		**(11,825)**	**112,174**
Net foreign exchange difference, related to cash and cash equivalents		**(112)**	**(102)**
Net increase/ (Decrease) in cash and cash equivalents		**31,964**	**180,951**
Cash and cash equivalents at the beginning of the period		**115,079**	**96,633**
Cash and cash equivalents at the end of the period		**147,043**	**277,584**

1. Principal activities

Globe Trade Centre S.A. (the "Company", "GTC S.A." or "GTC") with its subsidiaries ("GTC Group" or "the Group") is an international real estate developer and investor. The Company was registered in Warsaw on 19 December 1996. The Company's registered office is in Warsaw (Poland) at Komitetu Obrony Robotników 45a. The Company owns, through its subsidiaries, commercial and residential real estate companies with a focus on Poland, Hungary, Bucharest, Belgrade, Zagreb and Sofia. There is no seasonality in the business of the Group companies.

As of 31 March 2023, the majority shareholder of the Company is GTC Dutch Holdings B.V. ("GTC Dutch") who holds 247,461,591 shares in the Company representing 43.10% of the Company's share capital, entitling to 247,461,591 votes in the Company, representing 43.10% of the total number of votes in GTC S.A. Additionally, GTC Holding Zrt. holds 21,891,289 shares, entitling to 21,891,289 votes in GTC S.A., representing 3.81% of the Company's share capital and carrying the right to 3.81% of the total number of votes in GTC S.A.. Parent company of GTC Dutch Holding B.V. and GTC Holding Zrt. is Optimum Ventures Private Equity Funds, which indirectly holds 269,352,880 shares of GTC S.A., entitling to 269,352,880 votes in the Company, representing 46.91% of the Company's share capital and carrying the right to 46.91% of the total number of votes in GTC S.A.

The ultimate controlling party of the Group is Pallas Athéné Domus Meriti Foundation.

Based on the power of attorney granted to GTC Dutch by Icona Securitization Opportunities Group S.A R.L. ("Icona"), who holds directly 90,176,000 shares representing 15.70% of the share capital of the Company, GTC Dutch also exercises voting rights from 90,176,000 shares belonging to Icona. As a result, Optimum Ventures Private Equity Funds is entitled to 359,528,880 votes in GTC S.A. representing 62.61% of the total number of votes in the Company.

Additionally, GTC Holding Zrt., GTC Dutch and Icona are acting in concert based on the agreement concerning joint policy towards the Company and exercising of voting rights on selected matters at the general meeting of the Company in an agreed manner.

EVENTS IN THE PERIOD

On 19 July 2022, GTC FOD Property Kft., a wholly-owned subsidiary of the Company, signed a sale and purchase agreement, concerning the sale of the office building owned by the subsidiary. The selling price under the Agreement was HUF 19.1 billion (ca. EUR 47.7 million as of 31 December 2022). As of 30 January 2023 the full purchase price (ca. EUR 49.2 million) was paid and the transaction was completed.

1. Principal activities (continued)

On 31 March 2023, GTC Origine Zrt., a wholly-owned subsidiary of the Company, signed a quota transfer agreement to acquire 100% holding of Tiszai Fény Alfa Kft, which owns 9 newly developed solar power plants with installed nominal capacity of max 0.5 MW each, operating in Tiszafüred, Hungary for a consideration of HUF 2.4 billion (ca EUR 6.4 million). The project shall be financed partially by a bank facility in the amount of EUR 2.6 million. The transaction is expected to close in Q2 2023.

Impact of the situation in Ukraine on GTC Group

Detailed analysis of the impact of the war on the operations of the Group has been performed for the purpose of preparation of the annual consolidated financial statements.

Similarly, as at the date of these financial statements, the direct impact of the war in Ukraine on the Group's operations is not material. However, it is not possible to estimate the scale of such impact in the future and due to high volatility, the Company monitors the situation on an ongoing basis and analyses its potential impact both from the perspective of individual projects and the entire Group and its long-term investment plans.

2. Basis of preparation

The Interim Condensed Consolidated Financial Statements for the three-month period ended 31 March 2023 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 no significant difference between International Financial Reporting Standards applying to these consolidated financial statements and International Financial Reporting Standards endorsed by the European Union. The new standards which have been issued but are not effective yet in the financial year beginning on 1 January 2023 have been presented in the Group's consolidated financial statements for the year ended 31 December 2022 (note 6).

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 2022, which were authorized for issue on 24 April 2023. 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, as the Group primarily generates and expends cash in euro: prices (rental income) are denominated in euro) and all external borrowings are denominated in euro or hedged to euro through swap instruments. 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 a translation into euro using appropriate exchange rates outlined in IAS 21 *The Effects of Changes in Foreign Exchange Rates*. Assets and liabilities are translated at the period end exchange rate, while income and expenses are translated at average exchange rates for the period if it approximates actual rate. All resulting exchange differences are classified in equity as "Foreign currency translation reserve" without affecting earnings for the period.

2. Basis of preparation (continued)

As of 31 March 2023, the Group's net working capital (defined as current assets less current liabilities) amounted to EUR 110.3 million.

The management has analysed the timing, nature and scale of potential financing needs of particular subsidiaries and believes that there are no risks for paying current financial liabilities and 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 date of the financial statements. 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 twelve months from the date of the financial statements.

There were no changes in significant accounting estimates and management's judgements during period.

3. Significant accounting policies, new standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022 (see note 6 to the consolidated financial statements for 2022) except for accounting for income tax which is recognised in interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year and changes in the standards which became effective as of 1 January 2023:

- IFRS 17 *Insurance Contracts* (issued on 18 May 2017 and amended on 25 June 2020).
- Amendments to IAS 1 - *Disclosure of accounting policies* and IAS 8 - *Definition of accounting estimates* (issued on 12 February 2021).
- Amendment to IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information (issued on 9 December 2021).
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

The Group's assessment is that the above changes have no material impact..

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. No changes to comparative data or error corrections were made.

(in thousands of Euro)

4. Investments in subsidiaries

The interim Condensed Consolidated Financial Statements include financial statements of the Company and its subsidiaries listed below together with direct and indirect ownership of these entities, and voting rights proportion as at the end of each period (the table presents the effective stake):

Subsidiaries

Name	Holding Company	Country of incorporation	31 March 2023	31 December 2022
GTC Konstancja Sp. z o.o.[1]	GTC S.A.	Poland	-	100%
GTC Korona S.A.	GTC S.A.	Poland	100%	100%
Globis Poznań Sp. z o.o.	GTC S.A.	Poland	100%	100%
GTC Aeropark Sp. z o.o.	GTC S.A.	Poland	100%	100%
Globis Wrocław Sp. z o.o.	GTC S.A.	Poland	100%	100%
GTC Satellite Sp. z o.o.	GTC S.A.	Poland	100%	100%
GTC Sterlinga Sp. z o.o.	GTC S.A.	Poland	100%	100%
GTC Karkonoska Sp. z o.o.[1]	GTC S.A.	Poland	-	100%
GTC Ortal Sp. z o.o.	GTC S.A.	Poland	100%	100%
Diego Sp. z o.o.	GTC S.A.	Poland	100%	100%
GTC Francuska Sp. z o.o.	GTC S.A.	Poland	100%	100%
GTC UBP Sp. z o.o.	GTC S.A.	Poland	100%	100%
GTC Pixel Sp. z o.o.	GTC S.A.	Poland	100%	100%
GTC Moderna Sp. z o.o.	GTC S.A.	Poland	100%	100%
Centrum Handlowe Wilanow Sp. z o.o.	GTC S.A.	Poland	100%	100%
GTC Management Sp. z o.o.	GTC S.A.	Poland	100%	100%
GTC Corius Sp. z o.o.	GTC S.A.	Poland	100%	100%
Centrum Światowida Sp. z o.o.	GTC S.A.	Poland	100%	100%
GTC Galeria CTWA Sp. z o.o.	GTC S.A.	Poland	100%	100%
Artico Sp. z o.o.	GTC S.A.	Poland	100%	100%
GTC Hungary Real Estate Development Company Pltd. (“GTC Hungary”)	GTC S.A.	Hungary	100%	100%
GTC Duna Kft.	GTC Hungary	Hungary	100%	100%
Váci út 81-85. Kft.	GTC Hungary	Hungary	100%	100%
Riverside Apartmanok Kft.[2]	GTC Hungary	Hungary	100%	100%
Centre Point I. Kft.	Váci út 81-85. Kft.	Hungary	100%	100%
Centre Point II. Kft.	Váci út 81-85. Kft.	Hungary	100%	100%
Spiral I. Kft.	GTC Hungary	Hungary	100%	100%
Albertfalva Üzletközpont Kft.	GTC Hungary	Hungary	100%	100%
GTC Metro Kft.	GTC Hungary	Hungary	100%	100%
Kompakt Land Kft.	GTC Hungary	Hungary	100%	100%
GTC White House Kft.	GTC Hungary	Hungary	100%	100%
VRK Tower Kft.	GTC Hungary	Hungary	100%	100%

[1] Liquidated
[2] Under liquidation

(in thousands of Euro)

4. Investments in subsidiaries (continued)

Name	Holding Company	Country of incorporation	31 March 2023	31 December 2022
GTC Future Kft.	GTC Hungary	Hungary	100%	100%
Globe Office Investments Kft.	GTC Hungary	Hungary	100%	100%
GTC Investments Sp. z o.o.	GTC Hungary	Poland	100%	100%
GTC Univerzum Projekt Kft.	GTC Hungary	Hungary	100%	100%
GTC Origine Investments Pltd. (“GTC Origine”)	GTC S.A.	Hungary	100%	100%
GTC HBK Project Kft.	GTC Origine	Hungary	100%	100%
GTC VI188 Property Kft.	GTC Origine	Hungary	100%	100%
GTC FOD Property Kft.	GTC Origine	Hungary	100%	100%
G-Delta Adrssy Kft.	GTC Origine	Hungary	100%	100%
GTC KLZ 7-10 Kft.	GTC Origine	Hungary	100%	100%
GTC PSZTSZR Projekt Kft	GTC Origine	Hungary	100%	100%
GTC DBRNT Projekt Kft	GTC Origine	Hungary	100%	100%
GTC B41 d.o.o.	GTC Origine	Serbia	100%	100%
GTC K43-45 Property Kft.	GTC Origine	Hungary	100%	100%
GTC Liffey Kft.	GTC Origine	Hungary	100%	100%
GTC UK Real Estate Investments Ltd.	GTC Origine	United Kingdom	100%	100%
GTC Nekretnine Zagreb d.o.o.	GTC S.A.	Croatia	100%	100%
Euro Structor d.o.o.	GTC S.A.	Croatia	70%	70%
Marlera Golf LD d.o.o.	GTC S.A.	Croatia	100%	100%
Nova Istra Idaeus d.o.o.	Marlera Golf LD d.o.o.	Croatia	100%	100%
GTC Matrix Future d.o.o.[3]	GTC S.A.	Croatia	100%	-
GTC Seven Gardens d.o.o.	GTC S.A.	Croatia	100%	100%
Commercial Development d.o.o. Beograd	GTC S.A.	Serbia	100%	100%
Glamp d.o.o. Beograd[4]	GTC S.A.	Serbia	100%	100%
Towers International Property S.R.L.	GTC S.A.	Romania	100%	100%
Green Dream S.R.L.	GTC S.A.	Romania	100%	100%
Aurora Business Complex S.R.L.	GTC S.A.	Romania	100%	100%
City Gate Bucharest S.R.L.	GTC S.A.	Romania	100%	100%
Venus Commercial Center S.R.L.	GTC S.A.	Romania	100%	100%
City Gate S.R.L.	GTC S.A.	Romania	100%	100%
City Rose Park S.R.L.	GTC S.A.	Romania	100%	100%
Deco Intermed S.R.L.	GTC S.A.	Romania	66.7%	66.7%
GML American Regency Pipera S.R.L.[5]	GTC S.A.	Romania	75%	75%

[3] Newly established wholly-owned subsidiary.
[4] GTC S.A. holds 100% shares through a wholly-owned subsidiary GTC Hungary, which has 70% of shares and remaining 30% is held directly by GTC S.A.
[5] Under liquidation (The liquidation process has been completed in Q2 2023).

(in thousands of Euro)

4. Investments in subsidiaries (continued)

Name	Holding Company	Country of incorporation	31 March 2023	31 December 2022
NRL EAD	GTC S.A.	Bulgaria	100%	100%
Advance Business Center EAD	GTC S.A.	Bulgaria	100%	100%
GTC Yuzhen Park EAD	GTC S.A.	Bulgaria	100%	100%
Dorado 1 EOOD	GTC S.A.	Bulgaria	100%	100%
GOC EAD	GTC S.A.	Bulgaria	100%	100%
GTC Flex EAD	GTC S.A.	Bulgaria	100%	100%
GTC Aurora Luxembourg S.A.	GTC S.A.	Luxembourg	100%	100%
Europort Investment (Cyprus) 1 Limited	GTC S.A.	Cyprus	100%	100%

5. Segmental analysis

	Three-month period ended 31 March 2023 *(unaudited)*	Three-month period ended 31 March 2022 *(unaudited)*
Rental income from office sector	18,547	19,710
Service charge revenue from office sector	6,801	5,949
Rental income from retail sector	12,560	11,612
Service charge revenue from retail sector	4,809	4,494
TOTAL	**42,717**	**41,765**

The operating segments are aggregated into reportable segments, taking into consideration the nature of the business, operating markets, and other factors. GTC operates in six core markets: Poland, Hungary, Bucharest, Belgrade, Sofia, and Zagreb.

Operating segments are divided into geographical zones, which have common characteristics and reflect the nature of management reporting structure:

a. Poland
b. Belgrade
c. Hungary
d. Bucharest
e. Zagreb
f. Sofia
g. Other

(in thousands of Euro)

5. Segmental analysis (continued)

Segmental analysis of rental income and costs for the three-month period ended 31 March 2023 and 31 March 2022 is presented below:

Period ended 31 March 2023

Portfolio	Rental revenue	Service charge revenue	Service charge costs	Gross margin from operations
Poland	12,722	5,080	(5,431)	12,371
Belgrade	2,193	801	(930)	2,064
Hungary	8,330	3,249	(3,700)	7,879
Bucharest	2,264	594	(787)	2,071
Zagreb	2,015	957	(1,171)	1,801
Sofia	3,583	929	(1,118)	3,394
Total	**31,107**	**11,610**	**(13,137)**	**29,580**

Period ended 31 March 2022

Portfolio	Rental revenue	Service charge revenue	Service charge costs	Gross margin from operations
Poland	12,712	4,545	(4,803)	12,454
Belgrade	2,370	561	(708)	2,223
Hungary	8,574	2,975	(3,009)	8,540
Bucharest	2,145	647	(891)	1,901
Zagreb	2,592	966	(1,056)	2,502
Sofia	2,929	749	(1,004)	2,674
Total	**31,322**	**10,443**	**(11,471)**	**30,294**

Segmental analysis of assets and liabilities as of 31 March 2023 is presented below:

	Real estate (*)	Cash and deposits	Other	Total assets	Loans, bonds and leases	Deferred tax liability	Other	Total liabilities
Poland	873,709	30,877	19,463	**924,049**	272,140	61,365	13,525	**347,030**
Belgrade	175,985	3,465	2,905	**182,355**	815	2,712	8,172	**11,699**
Hungary	705,060	18,024	29,509	**752,593**	268,465	19,730	13,257	**301,452**
Bucharest	178,872	6,010	2,069	**186,951**	8,921	12,033	2,778	**23,732**
Zagreb	128,271	5,744	12,557	**146,572**	43,621	16,367	6,806	**66,794**
Sofia	199,360	3,971	1,018	**204,349**	66	8,817	5,419	**14,302**
Other	31,697	608	684	**32,989**	2,251	-	402	**2,653**
Non allocated (**)	-	103,439	137,946	**241,385**	694,995	20,914	42,599	**758,508**
Total	**2,292,954**	**172,138**	**206,151**	**2,671,243**	**1,291,274**	**141,938**	**92,958**	**1,526,170**

(*) Real estate comprise of investment property, residential landbank, assets held for sale and value of buildings and related improvements presented within property, plant and equipment (including right of use).
(**) Other assets represent mainly non-current financial assets in Ireland (EUR 119 million) and in Luxembourg (EUR 13 million).
Loans, bonds and leases comprise mainly of bonds issued by GTC S.A., GTC Hungary and GTC Aurora Luxembourg S.A.
Other liabilities comprise mainly derivatives payable in the amount of EUR 38,494, related to bonds in HUF.

(in thousands of Euro)

5. Segmental analysis (continued)

Segmental analysis of assets and liabilities as of 31 December 2022 is presented below:

	Real estate (*)	Cash and deposits	Other	Total assets	Loans, bonds and leases	Deferred tax liabilities	Other	Total liabilities
Poland	874,148	28,348	20,895	**923,391**	277,675	61,293	14,678	**353,646**
Belgrade	175,662	4,824	2,372	**182,858**	815	3,085	8,039	**11,939**
Hungary	746,985	17,159	24,834	**788,978**	269,596	19,427	15,355	**304,378**
Bucharest	179,310	6,454	1,626	**187,390**	9,389	11,957	2,818	**24,164**
Zagreb	125,117	5,598	11,960	**142,675**	43,680	16,352	5,554	**65,586**
Sofia	199,360	4,571	1,185	**205,116**	71	8,716	6,883	**15,670**
Other	30,648	410	456	**31,514**	2,345	-	13	**2,358**
Non allocated (**)	-	72,688	135,272	**207,960**	684,252	20,346	51,956	**756,554**
Total	**2,331,230**	**140,052**	**198,600**	**2,669,882**	**1,287,823**	**141,176**	**105,296**	**1,534,295**

(*) Real estate comprise of investment property, residential landbank, assets held for sale and value of buildings and related improvements presented within property, plant and equipment (including right of use).
(**) Other assets represent mainly non-current financial assets in Ireland (EUR 117.7 million) and in Luxembourg (EUR 12.6 million).
Loans, bonds and leases comprise mainly of bonds issued by GTC S.A., GTC Hungary and GTC Aurora Luxembourg S.A.
Other liabilities comprise mainly of derivatives payable in the amount of EUR 46,798, related to bonds in HUF.

(in thousands of Euro)

6. Administration expenses

Administration expenses for the three-month period ended 31 March 2023 and 31 March 2022 comprise the following amounts:

	Three-month period ended 31 March 2023 *(unaudited)*	Three-month period ended 31 March 2022 *(unaudited)*
Administration expenses	4,301	3,636
Share based payment provision revaluation	(409)	(415)
Total	**3,892**	**3,221**

7. Finance costs

Finance costs for the three-month period ended 31 March 2023 and 31 March 2022 comprises the following amounts:

	Three-month period ended 31 March 2023 *(unaudited)*	Three-month period ended 31 March 2022 *(unaudited)*
Interest expenses (on financial liabilities that are not fair valued through profit or loss), banking costs and other charges	6,912	7,106
Finance costs related to lease liability	453	456
Amortization of long-term borrowings raising costs	537	555
Total	**7,902**	**8,117**

The weighted average interest rate (including hedges) on the Group's loans as of 31 March 2023 was 2.25% p.a. (2.21% p.a. as of 31 December 2022).

(in thousands of Euro)

8. Investment Property

Investment properties that are owned by the Group are office and commercial space, including property under construction.

Completed assets are valued using discounted cash flow (DCF) method. Completed investment properties are externally valued by independent appraisers at year end and middle year based on open market values (RICS Standards). For the purpose of Q1 and Q3 quarterly Interim Condensed Consolidated Financial Statements the Group receives letters from its external appraisers to verify if the market value of completed investment properties has not been changed comparing to previous quarter. Based on received letters there have not been any material changes to the valuation as of 31 March 2023 compared to the valuation as of 31 December 2022.

Investment property can be split up as follows:

	31 March 2023 *(unaudited)*	**31 December 2022** *(audited)*
Completed investment property	2,003,906	2,002,871
Investment property under construction	58,992	51,487
Investment property landbank	151,348	150,406
Right of use of lands under perpetual usufruct (IFRS 16)	37,752	38,899
Total	**2,251,998**	**2,243,663**

(in thousands of Euro)

8. Investment Property (continued)

The movement in investment property for the periods ended 31 March 2023 and 31 December 2022 was as follows:

	Right of use of lands under perpetual usufruct (IFRS 16)	Completed investment property	Investment property under construction	Landbank	Total
Carrying amount as of 1 January 2022	**38,428**	**1,929,979**	**132,410**	**139,843**	**2,240,660**
Capitalised expenditure	-	17,017	72,454	2,721	92,192
Purchase of completed assets and land	-	8,029	10,156	40,334	58,519
Reclassification (1)	-	182,300	(161,219)	(21,081)	-
Adjustment to fair value / (impairment)	-	(25,362)	(2,314)	674	(27,002)
Revaluation of right of use of lands under perpetual usufruct	(541)	-	-	-	(541)
Reclassified to assets held for sale	(1,398)	(47,700)	-	(3,198)	(52,296)
Increase	2,427	-	-	-	2,427
Disposal of land (2)	-	-	-	(8,887)	(8,887)
Sale of completed building (3)	-	(61,392)	-	-	(61,392)
Foreign exchange differences	(17)	-	-	-	(17)
Carrying amount as of 31 December 2022	**38,899**	**2,002,871**	**51,487**	**150,406**	**2,243,663**
Capitalised expenditure	-	5,161	7,505	1,167	13,833
Prepaid right of use of lands under perpetual usufruct	(742)	-	-	-	(742)
Adjustment to fair value / (impairment)	-	(4,126)	-	(225)	(4,351)
Revaluation of right of use of lands under perpetual usufruct	(182)	-	-	-	(182)
Decrease	(149)	-	-	-	(149)
Foreign exchange differences	(74)	-	-	-	(74)
Carrying amount as of 31 March 2023	**37,752**	**2,003,906**	**58,992**	**151,348**	**2,251,998**

(1) Completion of Pillar building in Hungary in Q1 2022 (EUR 112m), Glamp in Serbia (EUR 50.4m) and Sofia Tower in Sofia (EUR 19.9m) in Q4 2022. Moreover, commencement of Center Point III construction (transfer from landbank to under construction).

(2) Sale of land plots in Poland.

(3) Sale of Cascade and Matrix building.

(in thousands of Euro)

8. Investment Property (continued)

Fair value and impairment adjustment consists of the following:

	Three-month period ended 31 March 2023 *(unaudited)*	Three-month period ended 31 March 2022 *(unaudited)*
Adjustment to fair value of completed investment properties	(4,126)	3,103
Adjustment to the fair value of investment properties under construction	-	31
Impairment adjustment	(225)	(158)
Total adjustment to fair value / (impairment) of investment property	**(4,351)**	**2,976**
Adjustment to fair value of assets held for sale and other	1,723	292
Revaluation of right of use of lands under perpetual usufruct (including residential landbank)	(191)	(205)
Impairment of residential landbank	(161)	-
Total recognised in profit or loss	**(2,980)**	**3,063**

Reconciliation between capitalized expenditure and paid expenditure is presented below:

	Three-month period ended 31 March 2023 *(unaudited)*	Three-month period ended 31 March 2022 *(unaudited)*
Capitalized expenditure	**13,833**	**73,954**
Change in payables and provisions related to investing activities	6,758	533
Change in receivables related to investing activities	3,254	5,807
Expenditure on residential landbank	167	-
Purchase of property, plant, and equipment	1,292	-
Paid expenditures in line with cash flow statement	**25,304**	**80,294**

(in thousands of Euro)

8. Investment Property (continued)

Assumptions used in the fair value valuations of completed assets as of 31 March 2023 are presented below:

Portfolio	Book value	GLA thousand	Average Occupancy	Actual Average rent	Average ERV*	Average Yield**
	'000 Euro	sqm	%	Euro/ sqm/m	Euro/ sqm/m	%
Poland retail	442,700	114	94%	21.6	21.6	6.2%
Poland office	356,538	195	81%	14.6	14.2	7.7%
Belgrade retail	90,000	34	100%	19.7	21.0	8.9%
Belgrade office	50,400	18	94%	18.3	18.2	7.3%
Hungary office	584,883	198	86%	18.4	16.1	6.4%
Hungary retail	20,700	6	91%	19.3	19.2	6.7%
Bucharest office	163,785	62	75%	19.8	17.7	6.7%
Zagreb retail	84,800	28	99%	23.3	22.3	9.0%
Zagreb office	14,800	7	100%	16.6	14.9	9.3%
Sofia office	113,600	52	90%	16.0	15.3	7.9%
Sofia retail	81,700	23	98%	23.8	23.1	7.8%
Total	**2,003,906**	**737**	**87%**	**18.3**	**17.3**	**7.0%**

(*) ERV- Estimated Rent Value as of December 31, 2022 (the open market rent value that a property can be reasonably expected to attain based on characteristics such as a condition of the property, amenities, location, and local market conditions).
(**) Average yield is calculated as in-place rent divided by fair value of asset.

Assumptions used in the fair value valuations of completed assets as of 31 December 2022 are presented below:

Portfolio	Book value	GLA thousand	Average Occupancy	Actual Average rent	Average ERV*	Average Yield**
	'000 Euro	sqm	%	Euro/ sqm/m	Euro/ sqm/m	%
Poland retail	442,700	114	95%	21.5	21.6	6.2%
Poland office	356,438	195	80%	14.7	14.2	7.7%
Belgrade retail	90,000	34	100%	18.7	21.0	8.5%
Belgrade office	50,400	18	94%	18.0	18.2	7.2%
Hungary office	583,948	198	87%	16.8	16.3	6.0%
Hungary retail	20,700	6	89%	18.1	18.5	6.0%
Bucharest office	163,785	62	74%	18.8	17.8	6.3%
Zagreb retail	84,800	28	98%	21.7	22.3	8.3%
Zagreb office	14,800	7	96%	15.5	14.9	8.4%
Sofia office	113,600	52	89%	16.0	15.3	7.9%
Sofia retail	81,700	23	97%	22.3	23.1	7.2%
Total	**2,002,871**	**737**	**87%**	**17.7**	**17.3**	**6.8%**

(*) ERV- Estimated Rent Value (the open market rent value that a property can be reasonably expected to attain based on characteristics such as a condition of the property, amenities, location, and local market conditions).
(**) Average yield is calculated as in-place rent divided by fair value of asset.

(in thousands of Euro)

8. Investment Property (continued)

Information regarding investment properties under construction as of 31 March 2023 is presented below:

	Book value	Estimated area (GLA)
	‘000 Euro	thousand sqm
Budapest (Center Point III)	21,727	36
Budapest (Rose Hill Business Campus)	19,087	15
Zagreb (Matrix C)	18,178	11
Total	**58,992**	**62**

Information regarding investment properties under construction as of 31 December 2022 is presented below:

	Book value	Estimated area (GLA)
	‘000 Euro	thousand sqm
Budapest (Center Point III)	19,500	36
Budapest (Rose Hill Business Campus)	17,000	15
Zagreb (Matrix C)	14,987	11
Total	**51,487**	**62**

Information regarding book value of investment property landbank for construction as of 31 March 2023 and 31 December 2022 is presented below:

	31 March 2023	31 December 2022
Poland	38,935	38,850
Hungary	55,644	55,103
Serbia	34,787	34,461
Romania	7,429	7,402
Bulgaria	4,060	4,060
Croatia	10,493	10,530
Total	**151,348**	**150,406**

(in thousands of Euro)

9. Non-controlling interest

The Company's subsidiary that holds Avenue Mall (Euro Structor d.o.o.) has granted in 2018 its shareholders a loan, pro-rata to their stake in the subsidiary. The loan principal and interest shall be repaid by 30 December 2026. In the event that Euro Structor renders a resolution for the distribution of dividend, Euro Structor has the right to set-off the dividend against the loan. In case a shareholder will sell its stake in Euro Structor, the loan shall be due for repayment upon the sale.

Summarised financial information of the material non-controlling interest as of 31 March 2023 is presented below:

	Euro Structor d.o.o.	Non-core projects	Total
NCI share in equity	24,096	(1,916)	22,180
Loans received from NCI	-	2,472	2,472
Loans granted to NCI	(11,061)	-	(11,061)
Total as of 31 March 2023 *(unaudited)*	**13,035**	**556**	**13,591**
NCI share in profit / (loss)	**437**	**(35)**	**402**

10. Derivatives

The Group holds instruments (IRS, CAP, currency SWAP and cross-currency interest rate SWAP) that hedge the risk involved in fluctuations of interest rate and currencies rates. The instruments hedge interest on loans and bonds for a period of 2-10 years.

Derivatives are presented in financial statements as below:

	31 March 2023 *(unaudited)*	31 December 2022 *(audited)*
Non-current assets	12,553	17,054
Current assets	9,449	7,793
Non-current liabilities	(38,494)	(46,798)
Current liabilities	(1,520)	(2,180)
Total	**(18,012)**	**(24,131)**

(in thousands of Euro)

10. Derivatives (continued)

The movement in derivatives for the periods ended 31 March 2023 and 31 December 2022 was as follows:

	31 March 2023 *(unaudited)*	31 December 2022 *(audited)*
Fair value as of the beginning of the year	**(24,131)**	**(40,598)**
Charged to other comprehensive income	(1,479)	27,533
Charged to profit or loss (*)	7,598	(11,066)
Fair value as of the end of the period	**(18,012)**	**(24,131)**

(*) This gain mainly offset a foreign exchange difference losses on bonds nominated in PLN and HUF.

The movement in hedge reserve in equity for the periods ended 31 March 2023 and 31 December 2022 was as follows:

	31 March 2023	31 December 2022
Hedge reserve as of the beginning of the year	**(7,515)**	**(30,903)**
Charged to other comprehensive income	6,119	16,467
Realized in the period (charged to profit or loss) (*)	(7,598)	11,066
Total impact on other comprehensive income	(1,479)	27,533
Income tax on hedge transactions	261	(4,145)
Hedge reserve as of the end of the year	**(8,733)**	**(7,515)**

(*) This loss mainly offset a foreign exchange difference gains on bonds nominated in PLN and HUF.

Derivatives are measured at fair value at each reporting date. Valuations of hedging derivatives are considered as level 2 fair value measurements. Fair value of derivatives is measured using cash flows models based on the data from publicly available sources.

The Company applies cash flow hedge accounting and uses derivatives as hedging instruments. The Group uses both qualitative and quantitative methods for assessing effectiveness of the hedge. All derivatives are measured at fair value, effective part is included in other comprehensive income and reclassified to profit or loss when hedged item affects P&L. The Group uses IRS and Cap for hedging interest rate risk on loans, and cross-currency interest rate swaps for hedging both interest rate risk and currency risk on bonds denominated in foreign currencies.

(in thousands of Euro)

11. Long-term loans and bonds

	31 March 2023 *(unaudited)*	31 December 2022 *(audited)*
Bonds mature in 2022-2023 (Poland) (PLGTC0000318)	31,931	31,495
Green bonds mature in 2027-2030 (HU0000360102)	104,280	99,010
Green bonds mature in 2028-2031 (HU0000360284)	51,989	49,866
Green bonds mature in 2026 (XS2356039268)	506,703	503,784
Loan from Santander (Globis Poznan)	15,536	15,693
Loan from Santander (Pixel)	18,149	18,322
Loan from Santander (Globis Wroclaw)	13,501	13,501
Loan from Berlin Hyp (Corius)	9,500	9,500
Loan from Pekao (Sterlinga)	11,456	14,088
Loan from PKO BP (Artico)	12,700	12,828
Loan from Erste and Raiffeisen (Galeria Jurajska)	109,156	110,375
Loan from Berlin Hyp (UBP)	35,000	35,000
Loan from Santander (Francuska)	17,781	17,950
Loan from OTP (Centre Point)	45,603	46,055
Loan from UniCredit Bank (Pillar)	57,000	57,000
Loan from OTP (Duna)	35,364	35,715
Loan from Erste (HBK)	10,775	10,873
Loan from Erste (Váci Greens D)	23,500	23,688
Loan from OTP (Ericsson/evosoft Hungary)	80,000	80,000
Loan from Erste (V188)	16,225	16,268
Loan from Zagrabecka Banka (Avenue Mall Zagreb)	42,500	42,500
Loans from NCI	2,472	2,441
Deferred issuance debt expenses	(7,538)	(8,097)
Total	**1,243,583**	**1,237,855**

(in thousands of Euro)

11. Long-term loans and bonds (continued)

Long-term loans and bonds have been separated into the current portion and the long-term portion as disclosed below:

	31 March 2023 *(unaudited)*	31 December 2022 *(audited)*
Current portion of long-term loans and bonds:		
Bonds mature in 2022-2023 (Poland) (PLGTC0000318)	31,931	31,495
Green bonds mature in 2027-2030 (HU0000360102)	340	72
Green bonds mature in 2028-2031 (HU0000360284)	19	397
Green bonds mature in 2026 (XS2356039268)	8,652	5,877
Loan from Santander (Globis Poznan)	629	629
Loan from Santander (Pixel)	690	690
Loan from Erste and Raiffeisen (Galeria Jurajska)	4,875	4,875
Loan from Pekao (Sterlinga)	-	525
Loan from PKO BP (Artico)	510	510
Loan from Santander (Francuska)	676	676
Loan from OTP (Centre Point)	1,807	1,807
Loan from OTP (Duna)	1,401	1,401
Loan from Erste (Váci Greens D)	750	750
Loan from Erste (HBK)	-	98
Loan from Erste (V188)	-	43
Deferred issuance debt expenses	(1,274)	(1,274)
Total	**51,006**	**48,571**

(in thousands of Euro)

11. Long-term loans and bonds (continued)

	31 March 2023 *(unaudited)*	31 December 2022 *(audited)*
Long term portion of long-term loans and bonds:		
Green bonds mature in 2027-2030 (HU0000360102)	103,940	98,938
Green bonds mature in 2028-2031 (HU0000360284)	51,970	49,469
Green bonds mature in 2026 (XS2356039268)	498,051	497,907
Loan from Santander (Globis Poznan)	14,907	15,064
Loan from Santander (Pixel)	17,459	17,632
Loan from Santander (Globis Wroclaw)	13,501	13,501
Loan from Berlin Hyp (Corius)	9,500	9,500
Loan from Pekao (Sterlinga)	11,456	13,563
Loan from PKO BP (Artico)	12,190	12,318
Loan from Erste and Raiffeisen (Galeria Jurajska)	104,281	105,500
Loan from Berlin Hyp (UBP)	35,000	35,000
Loan from Santander (Francuska)	17,105	17,274
Loan from OTP (Centre Point)	43,796	44,248
Loan from OTP (Duna)	33,963	34,314
Loan from Erste (HBK)	10,775	10,775
Loan from Erste (Váci Greens D)	22,750	22,938
Loan from OTP (Ericsson/evosoft Hungary)	80,000	80,000
Loan from Erste (V188)	16,225	16,225
Loan from UniCredit Bank (Pillar)	57,000	57,000
Loan from Zagrabecka Banka (Avenue Mall Zagreb)	42,500	42,500
Loans from NCI	2,472	2,441
Deferred issuance debt expenses	(6,264)	(6,823)
Total	**1,192,577**	**1,189,284**

(in thousands of Euro)

11. Long-term loans and bonds (continued)

As securities for the bank loans, the banks have mortgage over the assets and security deposits together with assignment of the associated receivables and insurance rights.

In its financing agreements with banks, the Group undertakes to comply with certain financial covenants that are listed in those agreements. The main covenants are: maintaining a Loan-to-Value and Debt Service Coverage ratios in the company that holds the project.

In addition, substantially, all investment properties and investment properties under construction that were financed by a lender have been pledged to secure the long-term loans from banks. Unless otherwise stated, fair value of the pledged assets exceeds the carrying value of the related loans.

Bonds PLGTC0000318 (last series maturing in 2023) are denominated in PLN. Green Bonds (series maturing in 2027-2030) and green bonds (series maturing in 2028-2031) are denominated in HUF. All other bank loans and bonds are denominated in Euro.

As at 31 March 2023, the Group continues to comply with the financial covenants set out in their loan agreements and bonds terms.

The movement in long term loans and bonds for the periods ended 31 March 2023 and 31 December 2022 was as follows:

	1 January 2023- 31 March 2023	1 January 2022- 31 December 2022
Balance as of the beginning of the period	**1,237,855**	**1,299,451**
Drawdowns	-	6,173
Repayments	(5,468)	(52,125)
Conversion of loan from NCI to equity	-	(5,887)
Change in accrued interest	3,038	41
Change in deferred issuance debt expenses	559	2,227
Foreign exchange differences	7,599	(12,025)
Balance as of end of the period	**1,243,583**	**1,237,855**

(in thousands of Euro)

11. Long-term loans and bonds (continued)

Repayments of long-term debt and interest are scheduled as follows (Euro million) (the amounts are not discounted):

	31 March 2023 *(unaudited)*	31 December 2022 *(audited)*
First year*	79	76
Second year	164	65
Third year	88	149
Fourth year	732	774
Fifth year	82	76
Thereafter	206	206
	1,351	**1,346**

(*) To be repaid during 12 months from reporting date.

12. Lease liability and Right of Use of land

Lease liabilities include mostly lease payments for land subject to perpetual usufruct payments and classified as land under investment property (completed, under construction, and landbank) and residential landbank.

The balance of Right of Use as of 31 March 2023 was as follows:

Country	Completed investment property	Investment property landbank at cost	Residential landbank	Property, plant and equipment	Total
Poland	13,987	16,515	-	-	30,502
Romania	6,449	-	-	-	6,449
Serbia	-	801	-	-	801
Croatia	-	-	1,054	-	1,054
Other	-	-	-	2,309	2,309
Balance as of 31 March 2023	**20,436**	**17,316**	**1,054**	**2,309**	**41,115**

(in thousands of Euro)

12. Lease liability and Right of Use of land (continued)

The balance of Right of Use as of 31 December 2022 was as follows:

Country	Completed investment property	Investment property landbank at cost	Residential landbank	Property, plant and equipment	Total
Poland	14,425	16,723	-	-	31,148
Romania	6,948	-	-	-	6,948
Serbia	-	803	-	-	803
Croatia	-	-	1,064	-	1,064
Other	-	-	-	2,369	2,369
Balance as of 31 December 2022	**21,373**	**17,526**	**1,064**	**2,369**	**42,332**

The balance of lease liability as of 31 March 2023 was as follows:

Country	Completed investment property	Investment property landbank at cost	Residential landbank	Property, plant and equipment	Total	Average Discount rate
Poland	13,987	15,374	-	-	29,361	4.2%
Romania	6,449	-	-	-	6,449	5.7%
Serbia	-	815	-	-	815	7.6%
Croatia	-	-	1,121	-	1,121	4.4%
Other	-	-	-	2,407	2,407	3.0%
Balance as of 31 March 2023	**20,436**	**16,189**	**1,121**	**2,407**	**40,153**	

The balance of lease liability as of 31 December 2022 was as follows:

Country	Completed investment property	Investment property landbank at cost	Residential landbank	Property, plant and equipment	Total	Discount rate
Poland	14,425	15,992	-	-	30,417	4.2%
Romania	6,948	-	-	-	6,948	5.7%
Serbia	-	815	-	-	815	7.6%
Croatia	-	-	1,180	-	1,180	4.4%
Other	-	-	-	2,511	2,511	3.0%
Balance as of 31 December 2022	**21,373**	**16,807**	**1,180**	**2,511**	**41,871**	

The lease liabilities were discounted using discount rates applicable to long-term borrowing in local currencies in the countries of where the assets are located.

(in thousands of Euro)

13. Assets held for sale

The balance of assets held for sale as of 31 March 2023 and 31 December 2022 was as follows:

	31 March 2023 *(unaudited)*	31 December 2022 *(audited)*
Forest Office Debrecen	-	47,700
Romanian landbank	680	680
Landbank in Poland	3,208	3,255
Total	**3,888**	**51,635**

On 19 July 2022, GTC FOD Property Kft., a wholly-owned subsidiary of the Company, signed a sale and purchase agreement, concerning the sale of the office building owned by the subsidiary. The selling price under the Agreement was HUF 19.1 billion (ca. EUR 47.7 million as of 31 December 2022). As of 30 January 2023 the full purchase price (ca. EUR 49.2 million) was paid and the transaction was completed.

14. Taxation

Regulations regarding VAT, corporate income tax and social security contributions are subject to frequent changes. These frequent changes result in there being little point of reference, inconsistent interpretations not consistent and few established precedents that may be followed. The binding regulations also contain uncertainties, resulting in differences in opinion regarding the legal interpretation of tax regulations both between government bodies, and between government bodies and companies. Tax settlements and other areas of activity (e.g. customs or foreign currency related issues) may be subject to inspection by administrative bodies authorised to impose high penalties and fines, and any additional taxation liabilities calculated as a result must be paid together with high interest.

(in thousands of Euro)

15. Capital and Reserves

Shareholders who, as at 31 March 2023, held above 5% of the Company shares were as follows:

- GTC Dutch Holdings B.V
- Icona Securitization Opportunities Group S.A R.L.
- Powszechne Towarzystwo Emerytalne PZU S.A. (managing Otwarty Fundusz Emerytalny PZU "Złota Jesień")
- Powszechne Towarzystwo Emerytalne Allianz Polska S.A. (managing jointly Allianz OFE, Allianz DFE and Drugi Allianz OFE)

PHANTOM SHARES

Certain key management personnel of the Group is entitled to specific cash payments resulting from phantom shares in the Group (the "Phantom Shares"). The company uses binomial model to evaluate the fair value of the phantom shares. The input data includes date of valuation, strike price, and expiry date. The Phantom shares (as presented in below table) have been accounted for based on future cash settlement.

As at 31 March 2023, phantom shares issued were as follows:

Strike (PLN)	Granted	Vested	Total
5.75 - 5.95	2,531,600	769,500	3,301,100
6.03 – 6.31	468,000	-	468,000
6.42 – 6.69	775,000	1,250,000	2,025,000
Total	**3,774,600**	**2,019,500**	**5,794,100**

Last year of exercise date	Number of phantom shares
2023	1,556,600
2025	1,875,000
2026	472,000
Other*	1,890,500
Total	**5,794,100**

** From one to twelve months after agreement termination.*

The number of phantom shares were changed as follows:

Number of phantom shares as of 1 January 2023	**5,971,100**
Granted during the period	-
Expired	(177,000)
Exercised during the period	-
Number of phantom shares as of 31 March 2023	**5,794,100**

(in thousands of Euro)

16. Non-current financial assets (related to investment property) measured at fair value through profit or loss

On 9 August 2022, a subsidiary of the Company entered into an agreement for a joint investment into an innovation park in County Kildare, Ireland. This transaction involved an initial investment of approximately EUR 115 million into the Kildare Innovation Campus and additional investment of EUR 2 million as at 22 September 2022, according to agreement terms (up to maximum amount of EUR 9 million). GTC acquired a minority of 25% of notes (debt instruments) issued by a Luxembourg securitization vehicle financial instrument which accrues a variable return subject to the future proceeds derived from project. The debt instruments do not meet SPPI test therefore they are measured at fair value through profit or loss.

As of 31 December 2022, financial data of the Luxembourg securitization vehicle were as below:

	millions EUR
Total assets	475
Total liabilities	58
Equity	417

Kildare Innovation Campus, located outside of Dublin, extends over 72 ha (of which 34 ha is undeveloped). There are nine buildings that form the campus (around 101,685 sqm): six are lettable buildings with designated uses including industrial, warehouse, manufacturing and office/lab space. In addition, there are three amenity buildings, comprising a gym, a plant area, a campus canteen, and an energy center. The campus currently generates around EUR 6.2 million gross rental income per annum. A masterplan has been prepared whereby the site and the campus are planned to be converted into a Life Science and Technology campus with a total of approximately 135,000 sq m. GTC's investment is protected by customary investor protection mechanisms in case of certain significant project milestones are not achieved in a satisfactory manner.

As of reporting date, the master plan which regulates the planning and permitting process for the future conversion of the site into a life science park and technology campus has not been submitted yet and it is under currently planning phase.

There is no external valuation for these notes for Q1 quarterly Interim Condensed Consolidated Financial Statements. The Group believes that the fair value of these notes has not been changed materially, comparing to 31 December 2022.

(in thousands of Euro)

16. Non-current financial assets (related to investment property) measured at fair value through profit or loss (continued)

Fair value of financial instrument is presented below:

	millions EUR
Estimated future cash flows assuming successful completion of the project	163
Discount factor to reflect the risk relating to obtaining permit and its timing – 27.5%	(35)
Fair Value of financial instrument	118

Information regarding inter-relationship between key unobservable inputs and fair value measurements is presented below:

	Total Fair Value of Estimated future cash flows assuming successful completion of the project
	millions EUR
Increase of 5% in estimated net rent	180
Decrease of 5% in estimated net rent	146
Increase of 10% in estimated net rent	197
Decrease of 10% in estimated net rent	129

	Total Fair Value of Financial instrument (Ireland)
	millions EUR
Increase of 5 p.p. in permitting factors	126.4
Decrease of 5 p.p. in permitting factors	110.0
Increase of 10 p.p. in permitting factors	134.5
Decrease of 10 p.p. in permitting factors	101.9
Increase of 5% of expected capital expenditure to obtain the permit	117.4
Decrease of 5% of expected capital expenditure to obtain the permit	117.9
Increase of 10% of expected capital expenditure to obtain the permit	117.0
Decrease of 10% of expected capital expenditure to obtain the permit	118.2

(in thousands of Euro)

16. Non-current financial assets (related to investment property) measured at fair value through profit or loss (continued)

On 28 August 2022, GTC Origine Investments Pltd., a wholly-owned subsidiary of the Company, acquired 34% of units in Regional Multi Asset Fund Compartment 2 of Trigal Alternative Investment Fund GP S.á.r.l. ("Fund") for consideration of EUR 12.6 million from an entity related to the Majority shareholder. The Fund is focused on commercial real estate investments in Slovenia and Croatia with a total gross asset value of EUR 68.75 million. The fund expected maturity is in Q4 2028.

ACP Credit I SCA SICAV-RAIF (hereinafter referred as "ACP Fund") is a reserved alternative investment fund in Luxemburg with 2 compartments. GTC has a total commitment of EUR 5 million in ACP Fund, and total of EUR 518k was called up to end of Q1 2023. ACP Fund investment strategy is to build a portfolio of secured income-generating debt instruments in SMEs and medium-sized companies in Central Europe.

In three-month period ended 31 March 2023 GTC S.A. invested additionally EUR 1.3 million, including EUR 0.9 million in the Ireland project and 0.4 million in the ACP Fund.

Non-current financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

As of 31 March 2023 and 31 December 2022 the fair value of non-current financial assets was as follows:

	31 March 2023 *(unaudited)*	31 December 2022 *(audited)*
Notes (Ireland)	118,515	117,641
Units (Trigal)	13,347	12,627
ACP Fund	518	73
Total	**132,380**	**130,341**

(in thousands of Euro)

17. Earnings per share

Basic earnings per share were calculated as follows:

	Three-month period ended 31 March 2023 *(unaudited)*	Three-month period ended 31 March 2022 *(unaudited)*
Profit for the period attributable to equity holders (Euro)	11,154,000	14,914,000
Weighted average number of shares for calculating basic earnings per share	574,255,122	574,255,122
Basic earnings per share (Euro)	**0.02**	**0.03**

There have been no potentially dilutive instruments as at 31 March 2023 and 31 March 2022.

18. Related party transactions

There were no significant related party transactions in the three-month period ended 31 March 2023.

19. Changes in commitments, contingent assets and liabilities

There were no significant changes in commitments and contingent liabilities.

There were no significant changes in litigation settlements in the current period.

20. Subsequent events

On 25 April 2023, GTC S.A. entered into a mutual employment contract termination agreement with Mr. Ariel Ferstman. Mr. Ferstman resigned from his seat on the Management Board of the Company as well as GTC Real Estate Development Hungary Zrt. The resignation is effective as of 25 April 2023.

On 25 April 2023, the Supervisory Board of GTC S.A. nominated Barbara Sikora to the post of Chief Financial Officer of GTC Group and a member of the Management Board of GTC S.A. effective from 1 May 2023.

On 4 May 2023, on the maturity date, GTC S.A. repaid partially bonds issued under ISIN code PLGTC0000318 (one-third of total issue) in the amount of EUR 17,100 (PLN 73,333) – including hedge component.

20. Subsequent events (continued)

In April 2023, Seven Gardens d.o.o., a wholly-owned subsidiary of the Company, has signed EUR 14 million loan agreement with Erste & Steiermarkische Bank d.d. with a maturity of five years following the end of construction period (latest repayment date is June 2029). Partial drawdown of EUR 6.6 million was done on 16 May 2023.

In May 2023, Glamp d.o.o. Beograd, a subsidiary of the Company, has signed EUR 25 million loan agreement with Erste Group Bank AG and Erste Bank AD Novi Sad with a maturity of five years from the signing date. The drawdown under the respective loan agreement is expected in May or early June 2023.

21. Approval of the financial statements

The interim condensed consolidated financial statements were authorised for the issue by the Management Board on 24 May 2023.

Independent registered auditor’s report on the review of the interim condensed consolidated financial statements

To the Shareholders and the Supervisory Board of Globe Trade Centre Spółka Akcyjna

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Globe Trade Centre S.A. Group (hereinafter called “the Group”), having Globe Trade Centre S.A. as its parent company (hereinafter called “the Parent Company”), comprising the interim condensed consolidated statement of financial position as at 31 March 2023 and the interim condensed consolidated income statements for the three-month period then ended, the interim condensed consolidated statements of comprehensive income for the three-month period then ended, and the interim condensed consolidated statement of changes in equity for the three-month period then ended, the interim condensed consolidated statement of cash flows for the three-month period then ended and a summary of significant accounting policies and other explanatory notes.

The Management Board of the Parent’s Company is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with the International Accounting Standard 34 Interim Financial Reporting as adopted by the European Union.
Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with the National Standard on Review Engagements 2410 in the wording of the International Standard on Review Engagements 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity as adopted by the National Council of Certified Auditors. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with National Standards on Auditing. Consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements have not been prepared, in all material respects, in accordance with the International Accounting Standard 34 Interim Financial Reporting as adopted by the European Union.

Conducting the review on behalf of PricewaterhouseCoopers Polska Spółka z ograniczoną odpowiedzialnością Audyt Sp.k., a company entered on the list of Registered Audit Companies with the number 144:

Signature Not Verified

Dokument podpisany przez Piotr Wyszogrodzki
Data: 2023.05.25 15:07:26 CEST

Piotr Wyszogrodzki

Key Registered Auditor
No. 90091

Warsaw, 25 May 2023