



CONSOLIDATED

INTERIM REPORT

**OF GLOBE TRADE CENTRE S.A. CAPITAL GROUP
FOR THE THREE AND NINE-MONTH PERIODS ENDED**

30 SEPTEMBER 2023

Place and date of publication: Warsaw, 16 November 2023

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MANAGEMENT BOARD'S REPORT

ON THE ACTIVITIES OF GLOBE TRADE CENTRE S.A. CAPITAL GROUP
IN THE THREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023

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1. Introduction

GTC Group is an experienced, established, and fully integrated, real estate group of companies 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
Zagreb

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

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 EUR or PLN and expressed in millions 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 12. Key risk factors* in consolidated interim report for the six-month period ended 30 June 2023. 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 and nine-month periods ended 30 September 2023 and 30 September 2022. The historical financial data should be read in conjunction with *Item 5. Operating and financial review* of this Report and the unaudited condensed consolidated interim financial statements for the three and nine-month periods ended 30 September 2023 (including the notes thereto). The Group has derived the financial data presented in accordance with IFRS from the unaudited condensed consolidated interim financial statements for the three and nine-month period ended 30 September 2023.

Selected financial data presented in PLN is derived from the unaudited condensed consolidated interim financial statements for the three and nine-month period ended 30 September 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 EUR 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.

(in million)	For nine-month period ended 30 September				For three-month period ended 30 September			
	2023		2022		2023		2022	
	€	PLN	€	PLN	€	PLN	€	PLN
Consolidated Income Statement								
Revenues from operations	135.3	620.4	126.1	589.4	45.8	204.1	41.9	198.6
Cost of operations	(40.1)	(183.9)	(34.2)	(159.9)	(13.2)	(59.4)	(11.6)	(54.9)
Gross margin from operations	95.2	436.5	91.9	429.5	32.6	144.7	30.3	143.7
Selling expenses	(1.8)	(8.3)	(1.2)	(5.4)	(0.6)	(2.2)	(0.4)	(1.9)
Administration expenses	(14.9)	(68.3)	(9.1)	(42.6)	(6.2)	(27.0)	(2.7)	(12.8)
Profit/(loss) from revaluation	(57.1)	(262.3)	11.5	52.8	(5.8)	(24.8)	(4.8)	(23.2)
Finance cost, net	(24.7)	(113.2)	(24.1)	(112.7)	(8.7)	(38.2)	(7.7)	(36.7)
Result for the period	(6.0)	(28.3)	49.4	230.2	5.6	29.2	8.7	41.0
Basic and diluted earnings per share (not in million)	(0.01)	(0.06)	0.08	0.39	0.01	0.04	0.01	0.07
Weighted average number of issued ordinary shares (not in million)	574,255,122	574,255,122	574,255,122	574,255,122	574,255,122	574,255,122	574,255,122	574,255,122

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

For the nine-month period ended 30 September
2023 **2022**

(in million)	€	PLN	€	PLN
Consolidated Cash Flow Statement				
Net cash from operating activities	71.4	327.3	65.1	304.9
Net cash used in investing activities	(41.9)	(192.1)	(99.0)	(462.7)
Net cash from/(used in) financing activities	(52.4)	(240.3)	69.1	316.6
Cash and cash equivalents at the end of the period	91.2	422.8	128.1	623.7

As at

(in million)	30 September 2023		31 December 2022	
	€	PLN	€	PLN
Consolidated statement of financial position				
Investment property (completed and under construction)	2,063.0	9,563.2	2,054.4	9,634.8
Investment property landbank	158.9	736.6	150.4	705.4
Right of use (investment property)	38.0	176.2	38.9	182.4
Residential landbank (incl. RoU)	27.1	125.6	26.6	124.8
Assets held for sale	3.2	14.8	51.6	242.2
Cash and cash equivalents	91.2	422.8	115.1	539.7
Non-current financial assets measured at fair value through profit or loss	134.3	622.6	130.3	611.3
Others	107.5	498.3	102.6	480.9
Total assets	2,623.2	12,160.1	2,669.9	12,521.5
Non-current liabilities	1,408.7	6,530.2	1,433.9	6,724.6
Current liabilities	101.2	469.1	100.4	471.1
Total equity	1,113.3	5,160.8	1,135.6	5,325.8
Share capital	12.9	57.4	12.9	57.4

3. Presentation of the Group

3.1 General information about the Group

GTC Group is an experienced, established, and fully integrated real estate group of companies 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.

As of 30 September 2023, the book value of the Group's total property portfolio including non-current financial assets was €2,424.5.

As of 30 September 2023, the book value of the Group's property portfolio was €2,290.2. The breakdown of the Group's property portfolio was as follows:

- 46 completed commercial buildings, including 40 office buildings and 6 retail properties with a total combined commercial space of approximately 753 thousand sq m of GLA, an occupancy rate at 87% and a book value of €2,002.2 which accounts for 87% of the Group's total property portfolio;
- three office projects under construction with a total GLA of approximately 51 thousand sq m and a book value of €60.8, which accounts for 3% 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 €3.2) with the book value of €162.1 which accounts for 7% of the Group's total property portfolio;
- residential landbank with book value of €26.1, which accounts for 1% of the Group's total property portfolio; and
- right of use of lands under perpetual usufruct, including assets held for sale with value of €39.0 (including €1 from residential landbank) which accounts for 2% of the Group's total property portfolio.

<p>46 completed buildings</p>	<p>753,000 sq m of GLA</p>	<p>3 projects under construction</p>	<p>€188m landbank for future development</p>
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Additionally, GTC holds non-current financial assets in the amount of €134.3 mainly including:

- 25% of notes issued to finance Kildare Innovation Campus (technology campus) project, which currently comprises nine completed buildings with the total GLA of approximately 102 thousand sq m (the project extends over 72 ha of which 34 ha are undeveloped). Fair value of these notes as at 30 September 2023 amounted to €119.0, which accounts for 5% of the Group's total property portfolio including non-current financial assets;
- 34% of units 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. Fair value of these units amounted to €13.9 which accounts for less than 1% of the Group's total property portfolio including non-current financial assets.

3.2 Structure of the Group

The Group's structure is consistent with presented in the Group's annual consolidated financial statements for the year ended 31 December 2022 (see note 8 to the consolidated financial statements for 2022) except for the following changes which occurred in the nine-month period ended 30 September 2023:

- liquidation of GTC Konstancja Sp. z o.o.
- liquidation of GTC Karkonoska Sp. z o.o.
- liquidation of GML American Regency Pipera S.R.L
- sale of Deco Intermed S.R.L.
- acquisition of a wholly-owned subsidiary - GTC VRSMRT Projekt Kft.
- acquisition of a wholly-owned subsidiary - GTC LCHD Projekt Kft.
- establishment of a wholly-owned subsidiary - GTC Matrix Future d.o.o.
- establishment of a wholly-owned subsidiary - GTC MNG d.o.o. Beograd.

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.

CHANGES IN THE COMPOSITION OF THE MANAGEMENT BOARD:

- on 25 April 2023:
 - Ariel Ferstman resigned from his seat on the Management Board of the Company;
 - Barbara Sikora was appointed 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 29 August 2023:
 - Zoltán Fekete and János Gárdai resigned from their seats on the Management Board of the Company, effective from 31 August 2023;
 - Gyula Nagy was appointed to the post of Chief Executive Officer of GTC Group and a member of the Management Board of GTC S.A. effective from 31 August 2023;
 - Zsolt Farkas was appointed to the post of Chief Operating Officer of GTC Group and a member of the Management Board of GTC S.A. effective from 31 August 2023.

CHANGES IN THE COMPOSITION OF THE SUPERVISORY BOARD:

- on 2 January 2023, Otwarty Fundusz Emerytalny PZU "Złota Jesień" appointed Sławomir Niemierka;

- on 16 May 2023 Powszechne Towarzystwo Emerytalne Allianz Polska S.A., appointed Dominik Januszewski;
- on 24 August Gyula Nagy resigned from his seat on the supervisory board of the Company;
- on 24 August 2023 GTC Dutch Holdings B.V., appointed László Gut.

4. Main events of the nine-month period of 2023

ACQUISITIONS, DEVELOPMENTS AND DISPOSAL OF ASSETS/SUBSIDIARIES

As of 30 January 2023 the transaction of sale of the Forrest Offices Debrecen building for ca. €49.2 owned by GTC FOD Property Kft., a wholly-owned subsidiary of the Company, 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 EUR 6.4) The transaction was subject to the satisfaction by GTC Origine Zrt. of the Acknowledgement of Foreign Investor with respect to the acquisition by the Ministry of Economic Development („FDI approval”). The transaction was terminated as the FDI approval has not been obtained from the Ministry until the long stop date.

On 12 June 2023, GTC Origine Investments Pltd, a wholly-owned subsidiary of the Company, acquired 100% holding of G-Gamma LCHD Kft. ("GTC LCHD Projekt Kft") from an investment fund related to the majority shareholder of the Company, which owns a hotel under refurbishment for a consideration of €9.6. The transaction was accounted for as an asset deal and presented as landbank within investment property.

On 12 June 2023, GTC Origine Investments Pltd, a wholly-owned subsidiary of the Company, acquired 100% holding of G-Alpha VRSMRT Kft. ("GTC VRSMRT Projekt Kft") from an investment fund related to the majority shareholder of the Company for a consideration of €3.5. The SPV owns a part of a condominium with a total area of 1,300 sqm and is designated to office project after refurbishment and fit-out works. The transaction was accounted for as an asset deal and presented as landbank within investment property.

In third quarter of 2023 GTC Group completed Matrix C building, in Zagreb, offering 10,500 sq m of A-class office space.

FINANCING ACTIVITIES

In April 2023, Seven Gardens d.o.o., a wholly-owned subsidiary of the Company, has signed €14 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). As of 30 September 2023, €10.4 out of this amount was drawn down.

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 €17.1 (PLN 73.3) – including hedge component.

In May 2023, Glamp d.o.o. Beograd, a subsidiary of the Company, has signed €25 loan agreement with Erste Group Bank AG and Erste Bank AD Novi Sad with a maturity of five years from the signing date. As of 30 September 2023, the full amount was drawn down.

OTHERS

On 21 June 2023, the Company's shareholders adopted a resolution regarding distribution of dividend in the amount of PLN 132.1 (€29.7). The dividend was paid in September 2023.

EVENST AFTER 30 SEPTEMBER 2023

On 6 November 2023, on the final maturity date, GTC S.A. repaid the last tranche of bonds issued under ISIN code PLGTC0000318 (one-third of the total issue) in the amount of EUR 17.1 million (PLN 73.3 million) including hedge component. As of the publication date the bonds issued under ISIN code PLGTC0000318 are fully repaid.

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 pointed below:

- the economic crisis in CEE and SEE which may slow down the general economy in the countries where the Group operates;
- availability and cost of financing
- real estate market conditions in CEE and SEE;
- fluctuation of the value of assets on the property markets;
- impact of inflation (according to Eurostat, the euro area annual inflation was 4.3% in September 2023.);
- impact of interest rate movements (however, as of 30 September 2023, 97% 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);
- impact of foreign exchange rate movements (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, bonds issued in other currencies than euro were hedged against foreign exchange rate movements using cross currency SWAPs).

Management Board 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 from operations in the future.

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.

5.2 Specific factors affecting financial and operating results

CORPORATE EVENTS

On 21 June 2023, the Company's shareholders adopted a resolution regarding distribution of dividend in the amount of PLN 132.1 (€29.7). Dividend was paid in September 2023.

ACQUISITIONS AND DEVELOPMENTS

During the nine-month period of 2023 the Group acquired:

- 100% holding of G-Alpha VRSMRT Kft., which owns a part of a condominium in Budapest with a total area of 1,300 sq m for a consideration of €3.5. The property is designated to office project after refurbishment and fit-out works. Based on performed analysis the transaction was accounted for as an asset deal and presented as landbank within the investment properties.
- 100% holding of G-Gamma LCHD Kft., which owns a hotel under refurbishment in Budapest for a consideration of €9.6. This transaction was accounted for as an asset deal and presented as landbank within the investment properties.

During the third quarter of 2023, the Group completed Matrix C office building in Zagreb.

DISPOSAL OF ASSETS/SUBSIDIARIES

During the nine-month period of 2023, the Group has sold Forest Offices Debrecen building for ca. €49.2.

REPAYMENT OF BONDS, BANK LOAN REFINANCING AND OTHER CHANGES TO BANK LOAN AGREEMENTS

During the nine-month period of 2023 the Group:

- signed a loan agreement for €14 with Erste&Steiermarkische Bank d.d. (Matrix C), as of 30 September 2023, €10.4 out of this amount was drawn down.
- repaid partially bonds issued under ISIN code PLGTC0000318 (one-third of total issue) in the amount of €17.1 (PLN 73.3) – including hedge component.
- signed a loan agreement for €25 with Erste Group Bank AG and Erste Bank AD Novi Sad (GTC X). As of 30 September 2023, the full amount was drawn down.

5.3 Presentation of differences between achieved financial results and published forecasts

The Group did not publish forecasts for the nine months of 2023 or for full year 2023.

5.4 Consolidated statement of financial position

5.4.1 Financial position as of 30 September 2023 compared to 31 December 2022

ASSETS

Total assets decreased by €46.7 (2%) to €2,623.2 as of 30 September 2023 from €2,669.9 as of 31 December 2022.

The value of investment property increased by €16.2 (1%) to €2,259.9 as of 30 September 2023 from €2,243.7 as of 31 December 2022, mainly due to investments into assets under construction of €64.6 and landbank in the value of €13.1. This increase was partially offset by loss from revaluation related to investment property of €58.2.

The value of assets held for sale decreased by €48.4 (94%) to €3.2 as of 30 September 2023 from €51.6 as of 31 December 2022, mainly as a result of the completion of the sale of Forest Offices Debrecen.

The value of cash and cash equivalents decreased by €23.9 (21%) to €91.2 as of 30 September 2023 from €115.1 as of 31 December 2022. Key cash outflows for the period were as follows:

- expenditures on investment properties of €77.1,
- acquisition of land plots in Hungary of €14.1,
- payment of dividend, net of tax, of €27.7,
- repayment of long-term borrowings of €28.3
- interest payment of €24.3

whereas key inflows comprised:

- net cash proceeds from operating activities of €71.4
- inflow from disposal of Forest Offices Debrecen in the amount of €49.2,
- acquisition of new long-term loans of €35.4.

LIABILITIES

The value of loans and bonds increased by €9.8 (1%) to €1,247.7 as of 30 September 2023 as compared to €1,237.9 as of 31 December 2022 mainly due to proceeds from long-term borrowings in the amount of €35.4 combined with foreign exchange differences on bonds denominated in PLN and HUF of €5.1, compensated by repayments during the period in the amount of €28.3.

The value of derivatives decreased by €24.3 (50%) to €24.7 as of 30 September 2023 from €49.0 as of 31 December 2022 mainly due to change in fair value of cross-currency interest swaps on the Hungarian bonds.

The value of trade payables and other payables decreased by €6.3 (15%) to €36.3 as of 30 September 2023 from €42.6 as of 31 December 2022, mainly due to repayments of liabilities related to development activity.

EQUITY

The value of accumulated profit decreased by €37.1 (8%) to €453.4 as of 30 September 2023 from €490.5 as of 31 December 2022, following recognition of loss for the period in the amount of €6.0 and dividend payment of €29.7.

The value of equity decreased by €22.3 (2%) to €1,113.3 as of 30 September 2023 from €1,135.6 as of 31 December 2022 mainly due to recognition of loss of €6.0 and dividend of €29.7, partially offset by recognition of €12.5 gain in the value of hedge reserve.

5.5 Consolidated income statement

5.5.1 Comparison of financial results for the nine-month period ended 30 September 2023 with the result for the corresponding period of 2022

REVENUES FROM RENTAL ACTIVITY

Rental and service revenues increased by €9.2 (7%) to €135.3 in the nine-month period ended 30 September 2023 compared to €126.1 in the nine-month period ended 30 September 2022. The Group recognized an increase in rental revenues of €7.2 following the completion of Pillar in Budapest, GTC X in Belgrade, Rose Hill Business Campus in Budapest and Matrix C in Zagreb. 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 Offices Debrecen in the first quarter of 2023 as well as Cascade and Matrix office buildings in the third and fourth quarter of 2022.

COST OF RENTAL ACTIVITY

Service costs increased by €5.9 (17%) to €40.1 in the nine-month period ended 30 September 2023 as compared to €34.2 in the nine-month period ended 30 September 2022. The Group recognized an increase in service costs following completion of Pillar, GTC X, Rose Hill Business Campus and Matrix C of €1.3 and an increase in service cost of €5.8 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 and Forest Offices Debrecen in the first quarter of 2023 of €1.2.

GROSS MARGIN FROM OPERATIONS

Gross margin (profit) from operations increased by €3.3 (4%) to €95.2 in the nine-month period ended 30 September 2023 as compared to €91.9 in the nine-month period ended 30 September 2022, mainly due to an increase in rental and service revenues partially offset by an increase in the service charge cost due to inflation combined with a loss in rental and service revenues due to the sale of office buildings in Hungary, Romania and Croatia.

The gross margin on rental activities in the nine-month period ended 30 September 2023 was 70% compared to 73% in the nine-month period ended 30 September 2022.

ADMINISTRATION EXPENSES

Administration expenses increased by €5.8 (64%) to €14.9 in the nine-month period ended 30 September 2023 from €9.1 in the nine-month period ended 30 September 2022 mainly due to an increase in remuneration fees and other advisory expenses and recognition of one-off payments related to the severance payments.

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

Net loss from the revaluation of the assets amounted to €57.1 in the nine-month period ended 30 September 2023, compared to a net profit of €11.5 in the nine-month period ended 30 September 2022. Loss in the nine-month period ended 30 September 2023 is mainly due to a decrease in fair value of completed assets, mostly offices in Poland and Hungary due to a slight increase in equivalent yield combined with higher vacancy rates and changes in ERV.

FINANCE COST, NET

Finance cost, net increased by €0.6 (2%) to €24.7 in the nine-month period ended 30 September 2023 as compared to €24.1 in the nine-month period ended 30 September 2022. The weighted average interest rate (including hedges) as of 30 September 2023 was 2.43%.

RESULT BEFORE TAX

Loss before tax amounted to €3.6 in the nine-month period ended 30 September 2023, compared to a profit before tax of €65.1 in the nine-month period ended 30 September 2022. The decrease mainly resulted from the loss from revaluation.

TAXATION

Tax amounted to €2.4 in the nine-month period ended 30 September 2023, compared to €15.7 tax in the nine-month period ended 30 September 2022. The position consists mainly of €4.8 current tax expense and €2.4 of deferred tax income.

NET (LOSS)/PROFIT

Net loss was €6.0 in the nine-month period ended 30 September 2023, compared to a net profit of €49.4 in the nine-month period ended 30 September 2022. The decrease mainly resulted from loss from revaluation.

5.5.2 Comparison of financial results for the three-month period ended 30 September 2023 with the result for the corresponding period of 2022

REVENUES FROM RENTAL ACTIVITY

Rental and service revenues increased by €3.9 (9%) to €45.8 in the three-month period ended 30 September 2023 compared to €41.9 in the three-month period ended 30 September 2022. The Group recognized an increase in rental revenues of €3.2 following the completion of Pillar in Budapest, GTC X

in Belgrade, Rose Hill Business Campus in Budapest and Matrix C in Zagreb. 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 Offices Debrecen in the first quarter of 2023 as well as Cascade and Matrix office buildings in the third and fourth quarter of 2022.

COST OF RENTAL ACTIVITY

Service costs increased by €1.6 (14%) to €13.2 in the three-month period ended 30 September 2023 as compared to €11.6 in the three-month period ended 30 September 2022. The Group recognized an increase in service costs following completion of Pillar, GTC X, Rose Hill Business Campus and Matrix C of €0.3 and an increase in service cost of €1.5 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 and Forest Offices Debrecen in the first quarter of 2023 of €0.2.

GROSS MARGIN FROM OPERATIONS

Gross margin (profit) from operations increased by €2.3 (8%) to €32.6 in the three-month period ended 30 September 2023 as compared to €30.3 in the three-month period ended 30 September 2022, mainly due to an increase in rental and service revenues partially offset by 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 Hungary, Romania and Croatia.

The gross margin on rental activities in the three-month period ended 30 September 2023 was 71% compared to 72% in the three-month period ended 30 September 2022.

ADMINISTRATION EXPENSES

Administration expenses increased by €3.5 (130%) to €6.2 in the three-month period ended 30 September 2023 from €2.7 in the three-month period ended 30 September 2022 mainly due to an increase in remuneration fees and other advisory expenses as well as recognition of one-off payments related to the severance payments.

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

Net loss from the revaluation of the assets amounted to €5.8 in the three-month period ended 30 September 2023, compared to a net loss of €4.8 in the three-month period ended 30 September 2022. Loss in the three-month period ended 30 September 2023 is mainly due to development expenditures.

FINANCE COST, NET

Finance cost, net increased by €1.0 to €8.7 in the three-month period ended 30 September 2023 as compared to €7.7 in the three-month period ended 30 September 2022. The weighted average interest rate (including hedges) as of 30 September 2023 was 2.43%.

RESULT BEFORE TAX

Profit before tax was €10.4 in the three-month period ended 30 September 2023, compared to a profit before tax of €13.3 in the three-month period ended 30 September 2022. The decrease mainly resulted from higher administration expenses combined with higher loss from revaluation, which was partially offset by higher gross margin from operations.

TAXATION

Tax amounted to €4.8 in the three-month period ended 30 September 2023, compared to of €4.6 tax in the three-month period ended 30 September 2022. The position consists mainly of €1.5 current tax expense and €3.3 of deferred tax.

NET (LOSS)/PROFIT

Net profit was €5.6 in the three-month period ended 30 September 2023, compared to a net profit of €8.7 in the three-month period ended 30 September 2022. The decrease mainly resulted from higher administration expenses combined with higher loss from revaluation, which was partially offset by higher gross margin from operations.

5.6 Consolidated cash flow statement

Net cash flow from operating activities was €71.4 in the nine-month period ended 30 September 2023 as compared to €65.1 in the nine-month period ended 30 September 2022. An increase of €6.3 was mainly due to a decrease in working capital changes by €3.5 and lower tax payment for the corresponding period by €3.3.

Net cash flow used in investing activities amounted to €41.9 in the nine-month period ended 30 September 2023 compared to €99.0 cash flow used in investing activities in the nine-month period ended 30 September 2022. Cash flow used in investing activities is mainly composed of expenditure on investment properties of €77.1, acquisition of land plot in Hungary of €14.1 and sale of completed assets of €49.2.

Net cash flow used in financing activities amounted to €52.4 in the nine-month period ended 30 September 2023, compared to €69.1 of cash flow from financing activities in the nine-month period ended 30 September 2022. Cash flow used in financing activities is mainly composed of proceeds from long-term borrowings of €35.4, repayment of long-term borrowings of €28.3, dividend paid, net of tax, of €27.7 and interest paid in the amount of €24.3.

Cash and cash equivalents as of 30 September 2023 amounted to €91.2 compared to €128.1 as of 30 September 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 30 September 2023, the Group believes that its cash balances, cash generated from disposal of properties, cash generated from renting out of its investment properties, and cash available under its existing and future loan facilities will be sufficient to fund its needs.

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

As of 30 September 2023, the Group's non-current liabilities amounted to €1,408.7 compared to €1,433.9 as of 31 December 2022.

The Group's total debt from long and short-term loans and borrowings as of 30 September 2023 amounted to €1,247.7, as compared to €1,237.9 as of 31 December 2022.

The Group's net loan-to-value ratio amounted to 47.3% as of 30 September 2023 as compared to 45.6% 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 30 September 2023, 97% 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

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 30 September 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 nine-month period ended 30 September 2023, the Group did not grant guarantees where the total value is material. As of 30 September 2023 and 30 September 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. The table is prepared based on information received directly from the shareholders or subscription information, and presents shareholder structure as of the date of 30 September 2023 and as of the date of this report:

Shareholder	Number of shares and rights to the shares held		Number of votes		Change in number of shares (not in million)
	(not in million)	% of share capital	(not in million)	% of votes	
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 Zártkörűen Működő Részvénytársaság ¹	21,891,289	3.81%	21,891,289	3.81%	No change
Allianz OFE ³	62,330,000	10.85%	62,330,000	10.85%	No change
OFE PZU Złota Jesień	54,800,000	9.54%	54,800,000	9.54%	No change
Other shareholders	97,596,242	17.00%	97,596,242	17.00%	No change
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 Zártkörűen Működő 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.

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

The following table presents shares owned directly or indirectly by members of the Company's management board and supervisory board of the date of publication of this interim report, and changes in their holdings since the date of publication of the Group's last financial report (semi-annual report for the six-month period ended 30 June 2023) on 24 August 2023. The information included in the table below is based on information received from members of the management board and supervisory board.

	Balance as of 15 November 2023 (not in million)	The nominal value of shares in PLN (not in million)	Change since 24 August 2023 (not in million)
Management board members			
Zoltán Fekete ¹	0	0	No change
János Gárdai ¹	0	0	No change
Barbara Sikora	0	0	No change
Gyula Nagy ²	0	0	No change
Zsolt Farkas ²	0	0	No change
Total Management board members	0	0	
Supervisory board members			
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
László Gut ³	0	0	No change
Artur Kozieja	0	0	No change
Marcin Murawski	0	0	No change
Gyula Nagy ⁴	0	0	No change
Bálint Szécsényi	0	0	No change
Bruno Vannini	0	0	No change
Sławomir Niemierka	0	0	No change
Dominik Januszewski	0	0	No change
Total Supervisory board members	13,348	1,335	

¹ Balance as of 31 August 2023

² Change since 31 August 2023

³ Change since 24 August 2023

⁴ Balance as of 24 August 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.

12. 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;

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.



GLOBE TRADE CENTRE S.A.

UNAUDITED CONDENSED **CONSOLIDATED**
INTERIM FINANCIAL STATEMENTS FOR THE THREE AND NINE-MONTH PERIODS
ENDED **30 SEPTEMBER 2023**

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	30 September 2023 <i>unaudited</i>	31 December 2022 <i>audited</i>
ASSETS			
Non-current assets			
Investment properties	8	2,259.9	2,243.7
Residential landbank		27.1	26.6
Property, plant and equipment		16.3	11.1
Blocked deposits		13.3	12.0
Deferred tax asset		1.4	3.2
Derivatives	9	8.1	17.1
Non-current financial assets measured at fair value through profit or loss	15	134.3	130.3
Other non-current assets		0.2	0.2
Loan granted to non-controlling interest partner	7	11.4	10.9
		2,472.0	2,455.1
Current assets			
Accounts receivables		12.2	12.3
VAT and other tax receivables		3.4	5.3
Income tax receivables		1.6	2.0
Prepayments and other receivables		10.1	7.7
Derivatives	9	12.8	7.8
Short-term blocked deposits		16.7	13.0
Cash and cash equivalents	14	91.2	115.1
Assets held for sale	11	3.2	51.6
		151.2	214.8
TOTAL ASSETS		2,623.2	2,669.9

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	30 September 2023 <i>unaudited</i>	31 December 2022 <i>audited</i>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital		12.9	12.9
Share premium		668.9	668.9
Unregistered share capital increase		-	-
Capital reserve		(49.3)	(49.3)
Hedge reserve		5.0	(7.5)
Foreign currency translation reserve		(2.6)	(2.6)
Accumulated profit		453.4	490.5
		1,088.3	1,112.9
Non-controlling interest	7	25.0	22.7
Total Equity		1,113.3	1,135.6
Non-current liabilities			
Long-term portion of long-term borrowings	10	1,189.5	1,189.3
Lease liabilities		41.2	41.5
Deposits from tenants		13.3	11.9
Long term payables		2.8	3.2
Derivatives	9	24.0	46.8
Deferred tax liabilities		137.9	141.2
		1,408.7	1,433.9
Current liabilities			
Current portion of long-term borrowings	10	58.2	48.6
Trade payables and other payables		36.3	42.6
Deposits from tenants		2.4	1.6
VAT and other taxes payables		2.0	1.8
Income tax payables		1.3	3.6
Derivatives	9	0.7	2.2
Liabilities related to assets held for sale		0.3	-
		101.2	100.4
TOTAL EQUITY AND LIABILITIES		2,623.2	2,669.9

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

	Note	Nine-month period ended 30 September		Three-month period ended 30 September	
		2023	2022	2023	2022
<i>Unaudited</i>					
Rental revenue	5	99.5	94.5	34.1	31.0
Service charge revenue	5	35.8	31.6	11.7	10.9
Service charge costs	5	(40.1)	(34.2)	(13.2)	(11.6)
Gross margin from operations		95.2	91.9	32.6	30.3
Selling expenses		(1.8)	(1.2)	(0.6)	(0.4)
Administration expenses		(14.9)	(9.1)	(6.2)	(2.7)
Profit/(loss) from revaluation	8	(57.1)	11.5	(5.8)	(4.8)
Other income		0.5	0.8	-	0.3
Other expenses		(1.3)	(2.2)	(0.2)	(0.6)
Net operating result		20.6	91.7	19.8	22.1
Foreign exchange differences		0.5	(2.5)	(0.7)	(1.1)
Finance cost, net	6	(24.7)	(24.1)	(8.7)	(7.7)
Result before tax		(3.6)	65.1	10.4	13.3
Taxation	12	(2.4)	(15.7)	(4.8)	(4.6)
Result for the period		(6.0)	49.4	5.6	8.7
Attributable to:					
Equity holders of the Company		(7.4)	48.3	4.6	8.4
Non-controlling interest	7	1.4	1.1	1.0	0.3
Basic earnings per share (in Euro)	16	(0.01)	0.08	0.01	0.01

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

<i>Unaudited</i>	Nine-month period ended 30 September		Three-month period ended 30 September	
	2023	2022	2023	2022
Result for the period	(6.0)	49.4	5.6	8.7
<i>Net other comprehensive income for the period, net of tax not to be reclassified to profit or loss in subsequent periods</i>	-	-	-	-
Gain on hedge transactions	13.5	26.8	2.0	13.1
Income tax	(1.0)	(4.1)	(0.2)	(1.9)
Net result on hedge transactions	12.5	22.7	1.8	11.2
Foreign currency translation	-	-	(0.1)	0.2
<i>Net other comprehensive income for the period, net of tax to be reclassified to profit or loss in subsequent periods</i>	12.5	22.7	1.7	11.4
Total comprehensive income for the period	6.5	72.1	7.3	20.1
Attributable to:				
Equity holders of the Company	5.1	71.0	6.3	19.8
Non-controlling interest	1.4	1.1	1.0	0.3

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

	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 <i>(audited)</i>	12.9	668.9	-	(49.3)	(7.5)	(2.6)	490.5	1,112.9	22.7	1,135.6
Other comprehensive income/(loss)	-	-	-	-	12.5	-	-	12.5	-	12.5
Result for the period	-	-	-	-	-	-	(7.4)	(7.4)	1.4	(6.0)
Total comprehensive income / (loss) for the period	-	-	-	-	12.5	-	(7.4)	5.1	1.4	6.5
Dividend paid	-	-	-	-	-	-	(29.7)	(29.7)	-	(29.7)
Transaction with NCI	-	-	-	-	-	-	-	-	1.8	1.8
Dividend paid to NCI	-	-	-	-	-	-	-	-	(0.9)	(0.9)
Balance as of 30 September 2023 <i>(unaudited)</i>	12.9	668.9	-	(49.3)	5.0	(2.6)	453.4	1,088.3	25.0	1,113.3

	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 2022 <i>(audited)</i>	11.0	550.5	120.3	(49.5)	(30.9)	(2.5)	501.7	1,100.6	16.4	1,117.0
Other comprehensive income/(loss)	-	-	-	-	22.7	-	-	22.7	-	22.7
Result for the period	-	-	-	-	-	-	48.3	48.3	1.1	49.4
Total comprehensive income / (loss) for the period	-	-	-	-	22.7	-	48.3	71.0	1.1	72.1
Registered share capital increase	1.9	118.4	(120.3)	-	-	-	-	-	-	-
Dividend declared	-	-	-	-	-	-	(34.6)	(34.6)	-	(34.6)
Dividend paid to minority	-	-	-	-	-	-	-	-	(0.7)	(0.7)
Balance as of 30 September 2022 <i>(unaudited)</i>	12.9	668.9	-	(49.5)	(8.2)	(2.5)	515.4	1,137.0	16.8	1,153.8

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

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

<i>Unaudited</i>	Note	Nine-month period ended 30 September 2023	Nine-month period ended 30 September 2022
CASH FLOWS FROM OPERATING ACTIVITIES:			
Result before tax		(3.6)	65.1
Adjustments for:			
Loss/(profit) from revaluation/impairment of assets	8	57.1	(11.5)
Foreign exchange differences		(0.5)	2.5
Finance cost, net	6	24.7	24.1
Share based payment provision revaluation		(0.8)	(1.4)
Depreciation		0.7	0.3
Operating cash before working capital changes		77.6	79.1
Increase in accounts receivables and other current assets		(3.0)	(1.6)
Increase in deposits from tenants		2.2	1.6
Increase / (decrease) in trade and other payables		1.3	(4.0)
Cash generated from operations		78.1	75.1
Tax paid in the period		(6.7)	(10.0)
Net cash from operating activities		71.4	65.1
CASH FLOWS FROM INVESTING ACTIVITIES:			
Expenditure on investment properties	8	(77.1)	(60.6)
Purchase of completed assets and land	1,8	(14.1)	(57.1)
Sale of landbank and residential landbank		-	11.2
Sale of subsidiary, net of cash in disposed assets		0.4	135.4
Sale of completed assets	11	49.2	-
Purchase of non-current financial assets		-	(129.7)
Expenditure on non-current financial assets	15	(2.7)	-
Advances received for assets held for sale		0.3	2.5
VAT/tax on purchase/sale of investment properties		1.9	(1.4)
Interests received		0.2	0.7
Net cash used in investing activities		(41.9)	(99.0)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from long-term borrowings		35.4	6.2
Repayment of long-term borrowings		(28.3)	(32.1)
Interest paid		(24.3)	(23.7)
Proceeds from issue of share capital, net of issuance costs		-	120.4
Dividend paid		(27.7)	-
Repayment of lease liability		(0.8)	(0.6)
Loan origination costs		(0.7)	(0.2)
Decrease/(Increase) in short term deposits		(5.1)	(0.2)
Dividend paid to non-controlling interest		(0.9)	(0.7)
Net cash from/(used in) financing activities		(52.4)	69.1
Net foreign exchange difference, related to cash and cash equivalents		(1.0)	(3.7)
Net increase/ (Decrease) in cash and cash equivalents		(23.9)	31.5
Cash and cash equivalents at the beginning of the period		115.1	96.6
Cash and cash equivalents at the end of the period		91.2	128.1

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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 30 September 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

TRANSACTIONS

As of 30 January 2023 the transaction of sale of the Forrest Office Debrecen building for ca. EUR 49.2 million owned by GTC FOD Property Kft., a wholly-owned subsidiary of the Company, 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 EUR 6.4 million). The transaction was subject to the satisfaction by GTC Origine Zrt. of the Acknowledgement of Foreign Investor with respect to the acquisition by the Ministry of Economic Development („FDI approval”). The transaction was terminated as the FDI approval has not been obtained from the Ministry until the long stop date.

On 12 June 2023, GTC Origine Investments Pltd, a wholly-owned subsidiary of the Company, acquired 100% holding of G-Gamma LCHD Kft. ("GTC LCHD Projekt Kft") from an investment fund related to the majority shareholder of the Company, which owns a hotel under refurbishment for a consideration of EUR 9.6 million. The transaction was accounted for as an asset deal and presented as landbank within investment properties.

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On 12 June 2023, GTC Origine Investments Pltd, a wholly-owned subsidiary of the Company, acquired 100% holding of G-Alpha VRSMRT Kft. ("GTC VRSMRT Projekt Kft") from an investment fund related to the majority shareholder of the Company for a consideration of EUR 3.5 million. The SPV owns a part of a condominium with a total area of 1,300 sqm and is designated to office project after refurbishment and fit-out works. The transaction was accounted for as an asset deal and presented as landbank within investment properties.

FINANCING

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). As of 30 September 2023, EUR 10.4 million out of this amount was drawn down.

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 17.1 million (PLN 73.3 million) including hedge component.

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. As of 30 September 2023, the full amount was drawn down.

MEMBERS OF THE GOVERNING BODIES

On 25 April 2023, Mr. Ariel Ferstman resigned from his seat on the Management Board of the Company. The resignation was 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 29 August 2023, the Company entered into a mutual employment contract termination agreement with Mr. Zoltán Fekete and János Gárdai. Mr. Fekete and Gárdai resigned from their seats on the Management Board of the Company. The resignation is effective as of 31 August 2023.

On 29 August 2023, the Supervisory Board of GTC S.A. appointed Gyula Nagy and Zsolt Farkas as members of the Management Board of GTC S.A. The appointment is effective 31 August 2023.

OTHER

On 21 June 2023, the Company's shareholders adopted a resolution regarding distribution of a dividend in the amount of PLN 132.1 million (EUR 29.7 million). The dividend, net of tax, was paid in September 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 Condensed Consolidated Interim Financial Statements for the nine-month period ended 30 September 2023 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by EU.

All the financial data is presented in EUR and expressed in millions unless indicated otherwise.

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 Condensed Consolidated Interim 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.

As of 30 September 2023, the Group's net working capital (defined as current assets less current liabilities) amounted to EUR 50 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 under 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.

During the nine-month period ended 30 September 2023 fair value (Level 1, quoted market prices¹) of green bonds maturing in 2026 (XS2356039268) decreased from EUR 367 million to EUR 331 million (carrying value as of 30 September 2023 amounts to EUR 498.3 million).

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

¹ <https://www.boerse-frankfurt.de/bond/xs2356039268-gtc-aurora-luxembourg-s-a-2-25-21-26/price-history/historical-prices-and-volumes>

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

The accounting policies adopted in the preparation of the Condensed Consolidated Interim 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 7 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 on the Condensed Consolidated Interim Financial Statements.

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.

4. Investments in subsidiaries

The Group structure is consistent with presented in the Group's annual consolidated financial statements for the year ended 31 December 2022 (see note 8 to the consolidated financial statements for 2022) except for the following changes occurred in the nine-month period ended 30 September 2023:

- Liquidation of GTC Konstancja Sp. z o.o. (wholly-owned subsidiary of GTC S.A. seated in Poland)
- Liquidation of GTC Karkonoska Sp. z o.o. (wholly-owned subsidiary of GTC S.A. seated in Poland)
- Establishment of GTC Matrix Future d.o.o. (wholly-owned subsidiary of GTC S.A. seated in Croatia)
- Liquidation of GML American Regency Pipera S.R.L.(subsidiary with 75% shares owned by GTC S.A. seated in Romania)
- Sale of Deco Intermed S.R.L.(subsidiary with 66.7% of shares owned by GTC S.A. seated in Romania)
- Acquisition of GTC VRSMRT Projekt Kft. (wholly-owned subsidiary of GTC Origine Investments Pltd. seated in Hungary)
- Acquisition of GTC LCHD Projekt Kft. (wholly-owned subsidiary of GTC Origine Investments Pltd. seated in Hungary)
- Establishment of GTC MNG d.o.o. Beograd (wholly-owned subsidiary of GTC Origine Investments Pltd. seated in Serbia)

5. Segmental analysis

The operating segments are aggregated into reportable segments, taking into consideration the nature of the business, operating markets, and other factors. Operating segments are divided into geographical zones, which have common characteristics and reflect the nature of management reporting structure: Poland, Hungary, Bucharest, Belgrade, Sofia, Zagreb and others.

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Sector analysis of rental and service charge income for the nine-month and three-month periods ended 30 September 2023 and 30 September 2022 is presented below:

	Nine-month period ended 30 September		Three-month period ended 30 September	
	2023	2022	2023	2022
Rental income from office sector	61.4	58.3	21.4	18.9
Service charge revenue from office sector	21.5	18.1	7.0	6.3
Rental income from retail sector	38.1	36.2	12.7	12.1
Service charge revenue from retail sector	14.3	13.5	4.7	4.6
TOTAL	135.3	126.1	45.8	41.9

Segment analysis of rental income and costs for the nine-month and three-month periods ended 30 September 2023 and 30 September 2022 is presented below:

Portfolio	Nine-month period ended 30 September 2023				Three-month period ended 30 September 2023			
	Rental revenue	Service charge revenue	Service charge costs	Gross margin from operations	Rental revenue	Service charge revenue	Service charge costs	Gross margin from operations
Poland	38.9	15.1	(16.2)	37.8	13.0	4.9	(5.4)	12.5
Belgrade	7.6	2.5	(2.8)	7.3	2.8	0.9	(0.9)	2.8
Hungary	28.6	10.8	(12.1)	27.3	9.9	3.4	(3.9)	9.4
Bucharest	7.1	1.9	(2.4)	6.6	2.5	0.7	(0.8)	2.4
Zagreb	6.2	2.8	(3.4)	5.6	2.1	0.9	(1.2)	1.8
Sofia	11.1	2.7	(3.2)	10.6	3.8	0.9	(1.0)	3.7
Total	99.5	35.8	(40.1)	95.2	34.1	11.7	(13.2)	32.6

Portfolio	Nine-month period ended 30 September 2022				Three-month period ended 30 September 2022			
	Rental revenue	Service charge revenue	Service charge costs	Gross margin from operations	Rental revenue	Service charge revenue	Service charge costs	Gross margin from operations
Poland	37.6	13.7	(13.7)	37.6	11.9	4.6	(4.6)	11.9
Belgrade	6.2	1.7	(2.2)	5.7	1.9	0.6	(0.7)	1.8
Hungary	26.9	9.2	(9.6)	26.5	9.0	3.4	(3.6)	8.8
Bucharest	6.8	1.8	(2.5)	6.1	2.4	0.6	(0.9)	2.1
Zagreb	8.0	3.0	(3.2)	7.8	2.7	1.0	(1.1)	2.6
Sofia	9.0	2.2	(3.0)	8.2	3.1	0.7	(0.7)	3.1
Total	94.5	31.6	(34.2)	91.9	31.0	10.9	(11.6)	30.3

Segmental analysis of assets and liabilities as of 30 September 2023:

	Real estate ²	Cash and deposits	Other assets	Total assets	Loans, bonds and leases ³	Deferred tax liabilities	Other liabilities	Total liabilities
Poland	853.4	45.4	17.8	916.6	269.4	56.6	15.6	341.6
Belgrade	176.6	4.9	2.1	183.6	25.8	2.6	5.3	33.7
Hungary	734.1	20.5	22.5	777.1	266.9	20.3	14.4	301.6
Bucharest	177.3	6.8	1.4	185.5	6.8	11.7	3.3	21.8
Zagreb	133.6	7.4	12.7	153.7	54.4	16.4	7.2	78.0
Sofia	196.5	5.9	1.0	203.4	0.1	8.6	3.8	12.5
Other	32.7	0.2	0.4	33.3	2.2	-	0.5	2.7
Non allocated ⁴	-	30.1	139.9	170.0	670.6	21.7	25.7	718.0
Total	2,304.2	121.2	197.8	2,623.2	1,296.2	137.9	75.8	1,509.9

² Real estate comprise investment properties, residential landbank, assets held for sale and value of buildings and related improvements presented within property, plant and equipment (including right of use).

³ Excluding deferred issuance debt expenses.

⁴ Other assets represent mainly non-current financial assets in Ireland (EUR 119.0 million) and in Trigal Fund (EUR 13.9 million).

Loans, bonds and leases comprise mainly 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 24.0 million, related to bonds in HUF.

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Segmental analysis of assets and liabilities as of 31 December 2022:

	Real estate ²	Cash and deposits	Other assets	Total assets	Loans, bonds and leases ³	Deferred tax liabilities	Other liabilities	Total liabilities
Poland	874.1	28.3	20.9	923.3	277.7	61.3	14.7	353.7
Belgrade	175.7	4.8	2.4	182.9	0.8	3.1	8.0	11.9
Hungary	747.0	17.2	24.8	789.0	269.6	19.4	15.3	304.3
Bucharest	179.3	6.5	1.6	187.4	9.4	12.0	2.8	24.2
Zagreb	125.1	5.6	12.0	142.7	43.7	16.4	5.6	65.7
Sofia	199.4	4.6	1.2	205.2	-	8.7	6.9	15.6
Other	30.6	0.4	0.4	31.4	2.3	-	-	2.3
Non allocated ⁵	-	72.7	135.3	208.0	684.3	20.3	52.0	756.6
Total	2,331.2	140.1	198.6	2,669.9	1,287.8	141.2	105.3	1,534.3

6. Finance costs, net

Finance costs for the nine-month period ended 30 September 2023 and 30 September 2022 comprise the following amounts

	Nine-month period ended 30 September		Three-month period ended 30 September	
	2023	2022	2023	2022
Interest expenses ⁶ (including hedge effect)	22.0	21.8	7.9	7.2
Finance costs related to lease liability	1.4	1.4	0.5	0.5
Amortization of long-term borrowings' acquisition costs	1.9	1.8	0.5	0.7
Total	25.3	25.0	8.9	8.4

The weighted average interest rate (including hedges) on the Group's loans as of 30 September 2023 was 2.43% p.a. (2.21% p.a. as of 31 December 2022).

Finance income for the nine-month period ended 30 September 2023 amounted to EUR 0.6 million (EUR 0.9 million for the nine-month period ended 30 September 2022).

⁵ Other assets represent mainly non-current financial assets in Ireland (EUR 117.6 million) and in Trigal Fund (EUR 12.6 million). Loans, bonds and leases comprise mainly 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 46.8 million, related to bonds in HUF.

⁶ Comprise interest expenses on financial liabilities that are not fair valued through profit or loss, banking costs and other charges.

7. 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 30 September 2023 is presented below:

	Euro Structor d.o.o.
NCI share in equity	25.0
Loans granted to NCI	11.4
Total as of 30 September 2023 (unaudited)	36.4
NCI share in profit / (loss)	1.4

8. Investment Properties

Investment properties that are owned by the Group are office and commercial space, including properties 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 semi-annually 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.

Investment properties can be split up as follows:

	30 September 2023 <i>unaudited</i>	31 December 2022 <i>audited</i>
Completed investment properties	2,002.2	2,002.9
Investment properties under construction	60.8	51.5
Investment properties landbank	158.9	150.4
Right of use of lands under perpetual usufruct (IFRS 16)	38.0	38.9
Total	2,259.9	2,243.7

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The movement in investment properties for the periods ended 30 September 2023 and 31 December 2022 were as follows:

	Right of use of lands under perpetual usufruct (IFRS 16)	Completed investment properties	Investment properties under construction	Landbank	Total
Carrying amount as of 1 January 2022	38.4	1,930.0	132.4	139.8	2,240.6
Capitalised expenditures	-	17.0	72.4	2.7	92.1
Purchase of completed assets, investment properties under construction and land	-	8.0	10.2	40.3	58.5
Reclassification ⁷	-	182.3	(161.2)	(21.1)	-
Adjustment to fair value / (impairment)	-	(25.3)	(2.3)	0.7	(26.9)
Revaluation of right of use of lands under perpetual usufruct	(0.5)	-	-	-	(0.5)
Reclassified to assets held for sale	(1.4)	(47.7)	-	(3.2)	(52.3)
Increase/(Decrease)	2.4	-	-	-	2.4
Disposal of land ⁸	-	-	-	(8.8)	(8.8)
Sale of completed building ⁹	-	(61.4)	-	-	(61.4)
Carrying amount as of 31 December 2022	38.9	2,002.9	51.5	150.4	2,243.7
Capitalised expenditures	-	17.7	41.9	5.0	64.6
Purchase of land ¹⁰	-	-	-	13.1	13.1
Reclassification ¹¹	-	43.7	(31.3)	(12.4)	-
Prepaid right of use of lands under perpetual usufruct	(0.4)	-	-	-	(0.4)
Adjustment to fair value / (impairment)	-	(59.7)	(1.3)	2.8	(58.2)
Revaluation of right of use of lands under perpetual usufruct	(0.8)	-	-	-	(0.8)
Reclassified to assets for own use	-	(2.4)	-	-	(2.4)
Increase/(Decrease)	0.2	-	-	-	0.2
Foreign exchange differences	0.1	-	-	-	0.1
Carrying amount as of 30 September 2023	38.0	2,002.2	60.8	158.9	2,259.9

⁷ Completion of Pillar building in Hungary in Q1 2022 (EUR 112m), GTC X 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).

⁸ Sale of land plots in Poland.

⁹ Sale of Cascade and Matrix buildings.

¹⁰ Further details in note 1 *Principal activities*.

¹¹ Completion of a part of Rose Hill project (EUR 20.6m) in Budapest (Hungary) in Q2 2023 and Matrix C (EUR 23.1m) in Zagreb (Croatia) in Q3 2023. Moreover, commencement of G-Delta Andrassy project in Budapest (transfer from landbank to under construction) in Q2 2023.

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Profit/(loss) from revaluation consists the following:

	Nine-month period ended 30 September		Three-month period ended 30 September	
	2023	2022	2023	2022
Adjustment to fair value of completed investment properties	(59.7)	2.1	(5.1)	(4.0)
Adjustment to the fair value of investment properties under construction	(1.3)	8.6	(0.1)	0.1
Adjustment to the fair value of landbank	2.8	1.7	(0.5)	(0.2)
Total adjustment to fair value / (impairment) of investment properties	(58.2)	12.4	(5.7)	(4.1)
Adjustment to fair value of assets held for sale and other	2.5	(0.1)	-	(0.2)
Impairment of residential landbank	(0.5)	(0.3)	(0.1)	(0.3)
Revaluation of right of use of lands under perpetual usufruct (including residential landbank)	(0.9)	(0.5)	-	(0.2)
Total recognised in profit or loss	(57.1)	11.5	(5.8)	(4.8)

Assumptions used in the fair value valuations of completed assets as of 30 September 2023:

Portfolio	Book value	GLA thousand	Average Occupancy	Actual Average rent	Average ERV ¹²	Average Yield ¹³
	€'000 000	sqm	%	Euro/ sqm/m	Euro/ sqm/m	%
Poland retail	434.1	114	93%	21.7	22.4	6.3%
Poland office	339.5	195	77%	16.1	14.1	8.5%
Belgrade retail	89.5	34	100%	19.5	21.1	8.9%
Belgrade office	49.4	18	100%	18.4	18.2	7.7%
Hungary office	593.8	203	86%	19.0	16.6	6.7%
Hungary retail	20.1	6	97%	20.0	18.2	7.6%
Bucharest office	161.9	62	77%	19.2	18.5	7.3%
Zagreb retail	84.5	28	97%	23.2	22.3	8.9%
Zagreb office	38.1	18	96%	16.6	14.9	8.3%
Sofia office	110.3	52	90%	16.1	15.5	8.1%
Sofia retail	81.0	23	98%	23.8	23.9	7.9%
Total	2,002.2	753	87%	18.9	17.5	7.4%

¹² 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).

¹³ Average yield is calculated as in-place rent divided by fair value of asset.

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

Portfolio	Book value	GLA thousand	Average Occupancy	Actual Average rent	Average ERV ¹	Average Yield ¹²
	€'000 000	sqm	%	Euro/ sqm/m	Euro/ sqm/m	%
Poland retail	442.7	114	95%	21.5	21.6	6.2%
Poland office	356.4	195	80%	14.7	14.2	7.7%
Belgrade retail	90.0	34	100%	18.7	21.0	8.5%
Belgrade office	50.4	18	94%	18.0	18.2	7.2%
Hungary office	584.0	198	87%	16.8	16.3	6.0%
Hungary retail	20.7	6	89%	18.1	18.5	6.0%
Bucharest office	163.8	62	74%	18.8	17.8	6.3%
Zagreb retail	84.8	28	98%	21.7	22.3	8.3%
Zagreb office	14.8	7	96%	15.5	14.9	8.4%
Sofia office	113.6	52	89%	16.0	15.3	7.9%
Sofia retail	81.7	23	97%	22.3	23.1	7.2%
Total	2,002.9	737	87%	17.7	17.3	6.8%

Information regarding investment properties under construction:

	30 September 2023	31 December 2022	Estimated area (GLA) thousand sqm
Budapest (Center Point III)	36.0	19.5	36
Budapest (G-Delta Andrassy)	18.4	-	4
Budapest (Rose Hill Business Campus)	6.4	17.0	11
Zagreb (Matrix C)	-	15.0	-
Total	60.8	51.5	51

Information regarding book value of investment properties landbank for construction:

	30 September 2023	31 December 2022
Poland	44.5	38.8
Hungary	56.4	55.1
Serbia	35.8	34.5
Romania	7.5	7.4
Bulgaria	4.0	4.1
Croatia	10.7	10.5
Total	158.9	150.4

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9. Derivatives

The Group holds instruments (i.e. IRS, CAP and cross-currency interest rate SWAP) that hedge the risk connected with fluctuations of interest rates and currencies rates. The instruments hedge interest and foreign exchange rates on loans and bonds for periods of 2-10 years.

Derivatives are presented in financial statements as below:

	30 September 2023 <i>unaudited</i>	31 December 2022 <i>audited</i>
Non-current assets	8.1	17.1
Current assets	12.8	7.8
Non-current liabilities	(24.0)	(46.8)
Current liabilities	(0.7)	(2.2)
Total	(3.8)	(24.1)

The movements in derivatives for the periods ended 30 September 2023 and 31 December 2022 were as follows:

	30 September 2023 <i>unaudited</i>	31 December 2022 <i>audited</i>
Fair value as of the beginning of the year	(24.1)	(40.6)
Charged to other comprehensive income	13.5	27.5
Charged to profit or loss ¹⁴	6.8	(11.0)
Fair value as of the end of the period	(3.8)	(24.1)

The movements in hedge reserve presented in equity for the periods ended 30 September 2023 and 31 December 2022 were as follows:

	30 September 2023 <i>unaudited</i>	31 December 2022 <i>audited</i>
Hedge reserve as of the beginning of the year	(7.5)	(30.9)
Charged to other comprehensive income	20.3	16.5
Realized in the period (charged to profit or loss) ¹⁵	(6.8)	11.0
Total impact on other comprehensive income	13.5	27.5
Income tax on hedge transactions	(1.0)	(4.1)
Hedge reserve as of the end of the year	5.0	(7.5)

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 flow 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 IRSs and CAPs 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.

¹⁴ This gain/loss mainly offsets a foreign exchange losses/gains on bonds nominated in PLN and HUF.

¹⁵ This loss mainly offsets a foreign exchange gains on bonds nominated in PLN and HUF.

10. Long-term borrowings (loans and bonds)

	30 September 2023 <i>unaudited</i>	31 December 2022 <i>audited</i>
Bonds	670.5	684.2
Bank loans	584.0	559.4
Loans from NCI	-	2.4
Long-term borrowings' acquisition costs	(6.8)	(8.1)
Total borrowings	1,247.7	1,237.9
Of which		
Long-term borrowings	1,189.5	1,189.3
Short-term borrowings	58.2	48.6
Total borrowings	1,247.7	1,237.9

Bank loans are secured with mortgages over the assets and with 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 at an agreed level Loan-to-Value and Debt Service Coverage ratios by the company that holds the project.

As at 30 September 2023, the Group complied with the financial covenants set out in the loan agreements and bonds terms.

In addition, substantially, all investment properties and investment properties under construction that were financed by lenders have been pledged. 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 EUR.

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

	30 September 2023 <i>unaudited</i>	31 December 2022 <i>audited</i>
First year ¹⁶	89	76
Second year	151	65
Third year	736	149
Fourth year	112	774
Fifth year	50	76
Thereafter	209	206
Total	1,347	1,346

¹⁶ To be repaid during 12 months from the reporting date.

11. Assets held for sale

The balances of assets held for sale as of 30 September 2023 and 31 December 2022 were as follows:

	30 September 2023 <i>unaudited</i>	31 December 2022 <i>audited</i>
Forest Office Debrecen	-	47.7
Romanian landbank	-	0.7
Landbank in Poland	3.2	3.2
Total	3.2	51.6

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 sale price (ca. EUR 49.2 million) was paid and the transaction was completed.

12. 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 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.

For the nine-month period ended 30 September 2023, the Group recognized in Hungary and Poland negative effective tax rate due to the significant unrealized foreign exchange losses reflected in corporate income tax and deferred tax calculations (prepared in local currencies).

13. Capital and Reserves

Shareholders who, as at 30 September 2023, held above 5% of the Company shares were as follows:

- GTC Dutch Holdings B.V
- Icona Securitization Opportunities Group S.A R.L.
- Otwarty Fundusz Emerytalny PZU "Złota Jesień"
- Allianz Polska Otwarty Fundusz Emerytalny.

14. Cash and cash equivalents

Cash balance mainly consists of cash at banks. Cash at banks earns interest at floating rates based on term deposits' rates. All cash and cash equivalents are available for use by the Group. GTC Group cooperates mainly with banks with investment rating above B. The major bank, where the Group deposits 18% of cash and cash equivalents and blocked deposits is a financial institution with credit rating B. Second bank with major Group's deposits (17%) is an institution with credit rating A-. The Group monitors ratings of banks and manages concentration risk by allocating deposits in multiple financial institutions (over 10).

15. Non-current financial assets measured at fair value through profit or loss

As of 30 September 2023 and 31 December 2022 the fair value of non-current financial assets were as follows:

	30 September 2023 <i>unaudited</i>	31 December 2022 <i>audited</i>
Notes (Ireland)	119.0	117.6
Units (Trigal)	13.9	12.6
ACP Fund	1.4	0.1
Total	134.3	130.3

In the nine-month period ended 30 September 2023 GTC S.A. invested additionally EUR 2.7 million, including EUR 1.4 million in the Irish project and EUR 1.3 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 recognized in the statement of profit or loss.

15.1 Notes (Ireland)

On 9 August 2022, a subsidiary of the Company entered into the agreement for a joint investment into the 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). The investment was executed by acquisition of 25% of notes (debt instrument) issued by a Luxembourg securitization vehicle, a financial instrument which gives the right to a variable returns subject to the future net available proceeds derived from the project.

This debt instrument do not meet the SPPI test therefore they are measured at fair value through profit or loss.

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

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 the case of certain significant project milestones are not achieved in a satisfactory manner.

As of the reporting date, the master plan which regulates the planning process for the future conversion of the site into a life science park and technology campus is under currently planning phase. The planning process' progress since last reporting period is in line with expectations and there are no further delays.

The valuation of the notes is based on a valuation of the Kildare Innovation Campus project (taking in consideration the project's risks and Group's share in net available proceeds from this project).

As of 30 June 2023, the project Kildare Innovation Campus was valued, using residual method, by Kroll Advisory (Ireland) Limited, at fair value using discounted cash flow.

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Fair value of the financial instrument is presented below:

Estimated future cash flows assuming successful completion of the project	157.6
Discount factor to reflect the risk relating to obtaining permit and its timing – 25.0%	(38.6)
Fair value of the financial instrument	119.0

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

	Total Fair Value of financial instrument	Total Fair Value of financial instrument
	<i>Increase in rent</i>	<i>Decrease in rent</i>
Change in estimated net rent by 5%	120.7	117.5
Change in estimated net rent by 10%	122.4	115.7

	Total Fair Value	Total Fair Value
	<i>Increase in permitting factor / expected capital expenditure</i>	<i>Decrease in permitting factor / expected capital expenditure</i>
Change in permitting factors by 5 p.p.	125.0	109.2
Change in permitting factors by 10 p.p.	132.8	101.3
Change in expected capital expenditure to obtain the permit by 5%	119.3	118.8
Change in expected capital expenditure to obtain the permit by 10%	119.7	118.5

15.2 Units (Trigal)

As at 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 the 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’s expected maturity is in Q4 2028.

Valuation of that asset is considered as level 3 fair value measurements.

15.3 ACP Fund

ACP Credit I SCA SICAV-RAIF (hereinafter referred as “ACP Fund”) is a reserved alternative investment fund seated in Luxemburg with 2 compartments. GTC has a total commitment of EUR 5 million in ACP Fund, and total of EUR 1.3 million was called up to end of Q3 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.

16. Earnings per share

Basic earnings per share were calculated as follows:

<i>Unaudited</i>	Nine-month period ended 30 September		Three-month period ended 30 September	
	2023	2022	2023	2022
Result for the period attributable to equity holders (Euro)	(7,400,000)	48,300,000	4,600,000	8,400,000
Weighted average number of shares for calculating basic earnings per share	574,255,122	574,255,122	574,255,122	574,255,122
Basic earnings per share (Euro)	(0.01)	0.08	0.01	0.01

There have been no potentially dilutive and dilutive instruments as at 30 September 2023 and 30 September 2022.

17. Related party transactions

There were no significant related party transactions in the nine-month period ended 30 September 2023 other than described in note 1 *Principal activities*.

18. 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.

19. Subsequent events

On 6 November 2023, on the maturity date, GTC S.A. repaid the last tranche of bonds issued under ISIN code PLGTC0000318 (one-third of the total issue) in the amount of EUR 17.1 million (PLN 73.3 million) including hedge component. As of the publication date the bonds issued under ISIN code PLGTC0000318 are fully repaid.

20. Approval of the financial statements

The interim condensed consolidated financial statements were authorised for the issue by the Management Board on 15 November 2023.



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

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

Introduction

We have reviewed the accompanying condensed consolidated interim 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 condensed consolidated interim statement of financial position as at 30 September 2023 and the condensed consolidated interim income statement for the three-month period then ended and nine-month period then ended, condensed consolidated interim statement of comprehensive income for the three-month period then ended and nine-month period then ended, the condensed consolidated interim statement of changes in equity for nine-month period then ended, the condensed consolidated interim statement of cash flows for nine-month period then ended and the related explanatory notes.

The Management Board of the Parent's Company is responsible for the preparation and presentation of these condensed consolidated interim 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 condensed consolidated interim 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 condensed consolidated interim 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 condensed consolidated interim financial statements have not been prepared, in all material respect, 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:

Piotr Wyszogrodzki
Key Registered Auditor
No. 90091

Warsaw, 15 November 2023