



GLOBE TRADE CENTRE S.A.

UNAUDITED INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD
ENDED 31 MARCH 2022
TOGETHER WITH INDEPENDENT AUDITORS' REVIEW REPORT

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Financial Position
as of 31 March 2022
(in thousands of Euro)

		31 March 2022 (unaudited)	31 December 2021 (audited)
	Note		
ASSETS			
Non-current assets			
Investment property	8	2,319,177	2,240,660
Residential landbank		27,293	27,002
Property, plant and equipment		7,895	7,834
Blocked deposits	10	12,021	11,078
Deferred tax asset		3,850	3,786
Derivatives	11	8,433	826
Other non-current assets		158	163
		2,378,827	2,291,349
Loan granted to non-controlling interest partner	9	10,696	10,628
		2,389,523	2,301,977
Current assets			
Accounts receivables		7,662	6,161
Accrued income		3,602	3,448
Receivables from shareholders	19	-	123,425
VAT and other tax receivable	12	1,743	2,957
Income tax receivable		335	456
Prepayments, deferred expenses and other receivables	17	16,917	11,515
Short-term blocked deposits	10	13,235	14,341
Cash and cash equivalents		277,584	87,468
		321,078	249,771
Assets held for sale	16	4,504	292,001
		325,582	541,772
TOTAL ASSETS		2,715,105	2,843,749

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Financial Position
as of 31 March 2022
(in thousands of Euro)

		31 March 2022 (unaudited)	31 December 2021 (audited)
	Note		
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	19	12,920	11,007
Share premium	19	668,904	550,522
Unregistered share capital increase	19	-	120,295
Capital reserve		(49,489)	(49,489)
Hedge reserve		(24,307)	(30,903)
Foreign currency translation		(2,694)	(2,570)
Accumulated profit		516,618	501,704
		1,121,952	1,100,566
Non-controlling interest	9	16,733	16,423
Total Equity		1,138,685	1,116,989
Non-current liabilities			
Long-term portion of long-term borrowing	14	1,251,562	1,255,114
Lease liability	15	40,876	38,767
Deposits from tenants		12,021	11,078
Long term payable		2,494	2,426
Provision for share based payment		995	1,410
Derivatives	11	39,536	38,743
Provision for deferred tax liability		136,718	140,145
		1,484,202	1,487,683
Current liabilities			
Current portion of long-term borrowing	14	47,905	44,337
Current portion of lease liabilities	15	212	198
Trade payables and provisions	13	27,644	31,092
Deposits from tenants		2,327	1,932
VAT and other taxes payable		1,822	2,222
Income tax payable		8,796	1,000
Derivatives	11	1,464	2,681
Advances received		1,919	784
		92,089	84,246
Liabilities related to assets held for sale	16	129	154,831
		92,218	239,077
TOTAL EQUITY AND LIABILITIES		2,715,105	2,843,749

Globe Trade Centre S.A.
Interim Condensed Consolidated Income Statement
for the three-month period ended 31 March 2022
(in thousands of Euro)

		Three-month period ended 31 March 2022 (unaudited)	Three-month period ended 31 March 2021 (unaudited)
	Note		
Rental revenue	5	31,322	27,984
Service charge revenue	5	10,443	9,243
Service charge costs	5	(11,471)	(9,761)
Gross margin from operations		30,294	27,466
Selling expenses		(392)	(364)
Administration expenses	6	(3,221)	(2,980)
Profit/(loss) from revaluation / impairment of assets	8	3,063	(2,594)
Other income		35	118
Other expenses		(665)	(179)
Profit/(loss) from continuing operations before tax and finance income / expense		29,114	21,467
Foreign exchange differences gain / (loss), net		(1,145)	(368)
Finance income		71	74
Finance cost	7	(8,117)	(8,564)
Profit/(loss) before tax		19,923	12,609
Taxation	18	(4,699)	(3,903)
Profit /(loss) for the period		15,224	8,706
Attributable to:			
Equity holders of the Company		14,914	8,462
Non-controlling interest	9	310	244
Basic earnings / (losses) per share (in Euro)	20	0.03	0.02

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Comprehensive Income
for the three-month period ended 31 March 2022
(In thousands of Euro)

	Three-month period ended 31 March 2022 (unaudited)	Three-month period ended 31 March 2021 (unaudited)
Profit I/(loss) for the period	15,224	8,706
<i>Net other comprehensive income for the period, net of tax not to be reclassified to profit or loss in subsequent periods</i>	-	-
Gain/(Loss) on hedge transactions	7,901	(9,118)
Income tax	(1,305)	626
Net gain/(loss) on hedge transactions	6,596	(8,492)
Foreign currency translation	(124)	(77)
<i>Net other comprehensive income for the period, net of tax to be reclassified to profit or loss in subsequent periods</i>	6,472	(8,569)
Total comprehensive income/(loss) for the period, net of tax	21,696	137
Attributable to:		
Equity holders of the Company	21,386	(107)
Non-controlling interest	310	244

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Changes in Equity
for the three-month period ended 31 March 2022
(In thousands of Euro)

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

	Share capital	Share premium	Unregistered share capital increase	Capital reserve	Hedge reserve	Foreign currency translation reserve	Accumulated profit	Total	Non-controlling interest	Total
Balance as of 1 January 2021	11,007	550,522	-	(49,489)	(11,930)	(2,553)	460,053	957,610	16,538	974,148
Other comprehensive income	-	-	-	-	(8,492)	(77)	-	(8,569)	-	(8,569)
Profit for the period ended 31 March 2021	-	-	-	-	-	-	8,462	8,462	244	8,706
Total comprehensive income / (loss) for the period	-	-	-	-	(8,492)	(77)	8,462	(107)	244	137
Balance as of 31 March 2021 (unaudited)	11,007	550,522	-	(49,489)	(20,422)	(2,630)	468,515	957,503	16,782	974,285

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Cash Flows
for the three-month period ended 31 March 2022
(In thousands of Euro)

		Three-month period ended 31 March 2022 (unaudited)	Three-month period ended 31 March 2021 (unaudited)
	Note		
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit/ (loss) before tax		19,923	12,609
Adjustments for:			
Loss/(profit) from revaluation/impairment of assets and residential projects	8	(3,063)	2,594
Foreign exchange differences loss, net		1,145	368
Finance income		(71)	(74)
Finance cost	7	8,117	8,564
Provision for share based payment loss/(profit)	6	(415)	250
Depreciation		121	181
Operating cash before working capital changes		25,757	24,492
Decrease / (increase) in accounts receivables and prepayments and other current assets		(2,042)	(2,072)
Decrease / (increase) in advances received		1,135	740
Increase / (decrease) in deposits from tenants		1,338	1,054
Increase / (decrease) in trade and other payables		(2,784)	(559)
Cash generated from operations		23,404	23,655
Tax paid in the period		(1,633)	(1,403)
Net cash from operating activities		21,771	22,252
CASH FLOWS FROM INVESTING ACTIVITIES:			
Expenditure on investment property and property, plant and equipment	8	(29,938)	(22,332)
Purchase of completed assets and land	8	(50,356)	-
Sale of residential landbank	16	1,073	-
Sale of subsidiary, net of cash in disposed assets	16	125,112	-
Advances received for assets held for sale	16	-	1,080
VAT/tax on purchase/sale of investment property		1,214	1,297
Interest received		3	6
Net cash from/(used in) investing activities		47,108	(19,949)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from long-term borrowings	14	432	103,883
Repayment of long-term borrowings	14	(3,358)	(111,821)
Interest paid and other financing breaking fees		(4,924)	(9,194)
Proceeds from issue of share capital, net of issuance costs	1,19	120,386	-
Repayment of lease liability	15	(525)	(516)
Loans origination payment		-	(780)
Decrease/(Increase) in short term deposits		163	(1,131)
Net cash from /(used in) financing activities		112,174	(19,559)
Net foreign exchange difference		(102)	(686)
Net increase/ (Decrease) in cash and cash equivalents		180,951	(17,942)
Cash and cash equivalents at the beginning of the period		96,633	271,996
Cash and cash equivalents at the end of the period		277,584	254,054

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Cash Flows
for the three-month period ended 31 March 2022
(in thousands of Euro)

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at 31 March 2022 and 31 December 2021:

	31 March 2022	31 December 2021
Cash at banks and on hand	277,584	87,468
Cash at banks related to assets held for sale	-	9,165
Cash and cash equivalents at the end of the period	277,584	96,633

1. Principal activities

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

As of 31 March 2022, the majority shareholder of the Company is GTC Holding Zrt., which holds directly and indirectly 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. However, based on the power of attorney granted to GTC Dutch Holdings B.V. (“GTC Dutch”) by Icona Securitization Opportunities Group S.A R.L. (“Icona”), GTC Holding Zrt. also exercises, through GTC Dutch, voting rights from 90,176,000 shares belonging to Icona. As a result, GTC Holding Zrt. is entitled to 359,528,880 votes in GTC S.A. representing 62.61% of the total number of votes in the Company.

GTC Holding Zrt. owns its shares in the Company through its direct holding of 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. and indirectly, through GTC Dutch, which holds 247,461,591 shares in the Company representing 43.10% of the Company’s share capital, entitling however to 337,637,591 votes in the Company, representing 58.80% of the total number of votes in GTC S.A. (including the right to votes from the shares belonging to Icona).

Since 1 March 2022, Icona holds directly 90,176,000 representing 15.70% of the share capital of the Company with reservations that all its voting rights were transferred to GTC Dutch and that Icona granted the power of attorney to its voting rights to GTC Dutch. Additionally, GTC Holding Zrt., GTC Dutch and Icona are acting in concert based on the agreement concerning joint policy towards the Company and exercising of voting rights on selected matters at the general meeting of the Company in an agreed manner.

EVENTS IN THE PERIOD

On 4 January 2022, National Court Register registered the amendment to the Company’s articles of association regarding the increase of the Company’s share capital through the issuance of ordinary series O bearer shares. On 10-11 January 2022, the Group recorded proceeds from issue of share capital (net of issuance costs) in amount of EUR 120.4 millions.

1. Principal activities (continued)

On 10 January 2022, the Company received notifications from GTC Holding Zrt and GTC Dutch Holdings B.V regarding a change in the total number of votes in the Company resulting from issue of 88,700,000 ordinary O series shares and registration of the increase in the Company's share capital. Before the abovementioned change, GTC Holding Zrt jointly held 320,466,380 shares in the Company, entitling to 320,466,380 votes in the Company, representing 66% of the share capital of the Company and carried the right to 66% of the total number of votes in the Company. After the abovementioned change, GTC Holding Zrt jointly holds 359,528,880 shares in the Company, entitling to 359,528,880 votes in the Company, representing 62.61% of the share capital of the Company and carrying the right to 62.61% of the total number of votes in the Company.

On 21 January 2022, the management board of the Warsaw Stock Exchange (WSE) adopted resolution regarding the admission and introduction to stock exchange trading on the main market of the WSE of 88,700,000 ordinary bearer series O shares in the Company with a nominal value of PLN 0.10 each, according to which the management board of the WSE stated that the series O shares are admitted to trading on the main market and resolved to introduce them to stock exchange trading on 26 January 2022.

On 12 January 2022, GTC Group finalized sale of the entire share capital of Serbian subsidiaries: Atlas Centar d.o.o. Beograd ("Atlas Centar"), Demo Invest d.o.o. Novi Beograd ("Demo Invest"), GTC BBC d.o.o. ("BBC"), GTC Business Park d.o.o. Beograd ("Business Park"), GTC Medjunarodni Razvoj Nekretnina d.o.o. Beograd ("GTC MRN") and Commercial and Residential Ventures d.o.o. Beograd ("CRV"), following the satisfaction of customary conditions precedent. For details please refer to note 16.

On 13 January 2022, GTC Origine Investments Pltd, a wholly-owned subsidiary of the Company, acquired 100% holding of G-Zeta DBRNT Kft. from a company related to the majority shareholder of the Company, which owns an existing office building on the Danube riverbank with GLA of 2,540 sqm for a consideration of EUR 7.7 million.

On 14 January 2022, GTC entered into a mutual employment contract termination agreement with Mr. Yovav Carmi, former President of the Management Board. Subsequently, Mr Carmi resigned from his seat on the Management Board of the Company and other subsidiaries.

On 28 January 2022, Mr. Gyula Nagy resigned from his seat on the Management Board of the Company.

1. Principal activities (continued)

On 4 February 2022, GTC Origine Investments Pltd, a wholly-owned subsidiary of the Company, acquired 100% holding of G-Epsilon PSZTSZR Kft. from a company related to the majority shareholder of the Company, which owns a land plot of 25,330 sqm in Budapest with existing six old buildings for a consideration of EUR 9.9 million. The Group plans to refurbish the existing buildings and provide a 14,000 sqm new green certified Class A office campus.

On 11 February 2022, GTC Origine Investments Pltd., a wholly-owned subsidiary of the Company, acquired from Groton Global Corp Napred company in Belgrade holding a land plot of 19,537 sqm for a consideration of EUR 33.8 million.

On 19 February 2022, the Company received notification from GTC Dutch Holdings B.V. with its registered office in Amsterdam, the Netherlands (the “Seller”) and Icona Securitization Opportunities Group S.à r.l. acting on behalf of its compartment Central European Investments with its registered office in Luxembourg, Grand Duchy of Luxembourg (the “Buyer”) that the Seller and the Buyer entered into a preliminary share purchase agreement relating to the acquisition by the Buyer from the Seller of 15.7% of the shares in the Company. However, pursuant to the notification, the Buyer and the Seller agreed that the shareholders’ agreement will constitute an acting in concert agreement within the meaning of Articles 87(1)(5) and 87(1)(6) in connection with Article 87(3) of the Act of 29 July 2005 on Public Offerings and the Conditions for the Introduction of Financial Instruments to the Organised Trading System and Public Companies (the “Act on Public Offering”) on joint policy towards the Company and exercising of voting rights on selected matters in an agreed manner. Also, pursuant to the assignment agreement, the Buyer will, among others, transfer to the Seller its voting rights attached to the Shares and grant the power of attorney to exercise voting rights attached to the shares. The assignment agreement expires in case either call or put option under the call and put option agreement is exercised and/or in case of a material default under the transaction documentation. On 1 March 2022, the Company received notification that the transaction was completed, and the Buyer acquired 15.7% of the shares in the Company.

As a result of execution of the transaction, Icona Securitization Opportunities Group S.à r.l. holds 90,176,000 ordinary bearer shares in the Company which constitute 15.7% of total votes at GTC’s general meeting, with reservations that (i) all the voting rights were transferred to the Seller and that (ii) Buyer granted the Power of Attorney to Buyer’s Voting Rights to the Seller.

1. Principal activities (continued)

As a result of execution of the Transaction GTC Holding Zrt holds jointly 269,352,880 shares of the Company, entitling to 269,352,880 votes in the Company, representing 46.9% of the share capital of the Company and carrying the right to 46.9% of the total number of votes in the Company, including:

- directly holds 21,891,289 shares of the Company, entitling to 21,891,289 votes in the Company, representing 3.8% of the share capital of the Company and carrying the right to 3.8% of the total number of votes in the Company; and
- indirectly (i.e. through GTC Dutch Holdings B.V.) holds 247,461,591 shares of the Company, entitling to 247,461,591 votes in the Company, representing 43.1% of the share capital of the Company and carrying the right to 43.1% of the total number of votes in the Company.

In addition, GTC Holding Zrt also holds indirectly, through GTC Dutch Holdings B.V., the Buyer's Voting Rights, i.e. the right to exercise 90,176,000 votes in the Company, entitling to 15.7% of the total number of votes in the Company.

Since 1 March 2022, GTC Holding Zrt, GTC Dutch Holdings B.V. and Icona Securitization Opportunities Group S.à r.l. 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.

On 17 March 2022, the supervisory board of the Company appointed Zoltán Fekete as the President of the Management Board of the Company, effective immediately.

Impact of the situation in Ukraine on GTC Group

On 24 February 2022, Russian forces entered Ukraine and military conflict ensued. At the time these financial statements were prepared the extent of the conflict and its longer-term impact are unknown. The conflict caused immediate volatility in global stock markets and uncertainties are anticipated in relation to the cost and availability of energy and natural resources, particularly within Europe. Significant economic sanctions have been imposed against Russia by the European Union. The direct impact on the real estate markets where the Company operates is yet unknown. At this stage, there is no evidence that transaction activity within the Markets that the Company operates and the sentiment of buyers or sellers has changed. As of March 31 2022 and December 31 2021, the Group did not have any assets on areas of conflict.

2. Basis of preparation

The Interim Condensed Consolidated Financial Statements for the three-month period ended 31 March 2022 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by EU.

At the date of authorisation of these consolidated financial statements, taking into account the EU's ongoing process of IFRS endorsement and the nature of the Group's activities, there is no significant difference between International Financial Reporting Standards applying to these consolidated financial statements and International Financial Reporting Standards endorsed by the European Union. The new standards which have been issued but are not effective yet in the financial year beginning on 1 January 2022 have been presented in the Group's consolidated financial statements for the year ended 31 December 2021 (note 6).

The Interim Condensed Consolidated Financial Statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's consolidated financial statements and the notes thereto for the year ended 31 December 2021, which were authorized for issue on 5 April 2022. 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: 1) prices (rental income) are denominated in euro; 2) all borrowings are denominated in euro or hedged to euro through swap instruments.

The financial statements of those companies prepared in their functional currencies are included in the consolidated financial statements by translation into Euro using appropriate exchange rates outlined in IAS 21. Assets and liabilities are translated at the period end exchange rate, while income and expenses are translated at average exchange rates for the period. All resulting exchange differences are classified in equity as "Foreign currency translation" without affecting earnings for the period.

As of 31 March 2022, the Group's net working capital (defined as current assets less current liabilities) amounted to EUR 233.4 million.

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

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

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021 (see Note 7 to the consolidated financial statements for 2021) except for changes in the standards which became effective 1 January 2022:

- Amendments to IFRS 3 Business Combinations – amendments to standard published in May 2020 relate to the applicable references to Conceptual Framework for Financial Reporting, without changes to substance of business combinations accounting.
- Amendments to IAS 16 Property, plant and equipment – the amendment to IAS 16 prohibits an entity from deducting from the cost of an item of PPE any proceeds received from selling items produced while the entity is preparing the asset for its intended use. The proceeds from selling such items, together with the costs of producing them, are now recognized in profit or loss.
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets - the amendment to IAS 37 includes a clarification as to whether the unavoidable costs under a contract exceed the expected economic benefits.
- Annual improvements to IFRSs 2018-2020 - the annual improvements contain amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and to illustrative examples to IFRS 16 Leasing. Amendments include explanations and clarify standards guidelines to recognition and valuation.

Those amendments to the standards have no significant effect on the Group's consolidated 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.

Globe Trade Centre S.A.
Notes to the Interim Condensed Consolidated Financial Statements
for the three-month period ended 31 March 2022
(in thousands of Euro)

4. Investment in Subsidiaries

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

Subsidiaries

Name	Holding Company	Country of incorporation	31 March 2022	31 December 2021
GTC Konstancja Sp. z o.o. (1)	GTC S.A.	Poland	100%	100%
GTC Korona S.A.	GTC S.A.	Poland	100%	100%
Globis Poznań Sp. z o.o.	GTC S.A.	Poland	100%	100%
GTC Aeropark Sp. z o.o.	GTC S.A.	Poland	100%	100%
Globis Wrocław Sp. z o.o.	GTC S.A.	Poland	100%	100%
GTC Satellite Sp. z o.o.	GTC S.A.	Poland	100%	100%
GTC Sterlinga Sp. z o.o.	GTC S.A.	Poland	100%	100%
GTC Karkonoska Sp. z o.o. (1)	GTC S.A.	Poland	100%	100%
GTC Ortal Sp. z o.o.	GTC S.A.	Poland	100%	100%
Diego Sp. z o.o.	GTC S.A.	Poland	100%	100%
GTC Francuska Sp. z o.o.	GTC S.A.	Poland	100%	100%
GTC UBP Sp. z o.o.	GTC S.A.	Poland	100%	100%
GTC Pixel Sp. z o.o.	GTC S.A.	Poland	100%	100%
GTC Moderna Sp. z o.o.	GTC S.A.	Poland	100%	100%
Centrum Handlowe Wilanow Sp. z o.o.	GTC S.A.	Poland	100%	100%
GTC Management Sp. z o.o.	GTC S.A.	Poland	100%	100%
GTC Corius Sp. z o.o.	GTC S.A.	Poland	100%	100%
Centrum Światowida Sp. z o.o.	GTC S.A.	Poland	100%	100%
GTC Galeria CTWA Sp. z o.o.	GTC S.A.	Poland	100%	100%
Artico Sp. z o.o.	GTC S.A.	Poland	100%	100%
GTC Hungary Real Estate Development Company PLtd. ("GTC Hungary")	GTC S.A.	Hungary	100%	100%
GTC Duna Kft.	GTC Hungary	Hungary	100%	100%
Váci út 81-85 Kft.	GTC Hungary	Hungary	100%	100%
Riverside Apartmanok Kft. (1)	GTC Hungary	Hungary	100%	100%
Centre Point I. Kft.	Váci út 81-85 Kft.	Hungary	100%	100%
Centre Point II. Kft.	Váci út 81-85 Kft.	Hungary	100%	100%
Spiral I.Kft.	GTC Hungary	Hungary	100%	100%
Albertfalva Üzletközpont Kft.	GTC Hungary	Hungary	100%	100%
GTC Metro Kft.	GTC Hungary	Hungary	100%	100%
Kompakt Land Kft.	GTC Hungary	Hungary	100%	100%
GTC White House Kft.	GTC Hungary	Hungary	100%	100%
VRK Tower Kft.	GTC Hungary	Hungary	100%	100%

(1) Under liquidation.

Globe Trade Centre S.A.
Notes to the Interim Condensed Consolidated Financial Statements
for the three-month period ended 31 March 2022
(in thousands of Euro)

4. Investment in Subsidiaries (continued)

Name	Holding Company	Country of incorporation	31 March 2022	31 December 2021
GTC Future Kft.	GTC Hungary	Hungary	100%	100%
Globe Office Investments Kft.	GTC Hungary	Hungary	100%	100%
Office Planet Kft. (1)	GTC Hungary	Hungary	-	100%
GTC Investments Sp. z.o.o.	GTC Hungary	Poland	100%	100%
GTC Univerzum Projekt Kft.	GTC Hungary	Hungary	100%	100%
GTC Origine Investments Pltd. ("GTC Origine")	GTC S.A.	Hungary	100%	100%
GTC HBK Project Kft.	GTC Origine	Hungary	100%	100%
GTC VI188 Property Kft.	GTC Origine	Hungary	100%	100%
GTC FOD Property Kft.	GTC Origine	Hungary	100%	100%
G-Delta Adrssy Kft.	GTC Origine	Hungary	100%	100%
GTC KLZ 7-10 Kft.	GTC Origine	Hungary	100%	100%
GTC PSZTSZR Projekt Kft (2)	GTC Origine	Hungary	100%	-
GTC DBRNT Projekt Kft (2)	GTC Origine	Hungary	100%	-
GTC B41 d.o.o. (2)	GTC Origine	Hungary	100%	-
GTC Nekretnine Zagreb d.o.o.	GTC S.A.	Croatia	100%	100%
Euro Structor d.o.o.	GTC S.A.	Croatia	70%	70%
Marlera Golf LD d.o.o.	GTC S.A.	Croatia	100%	100%
Nova Istra Idaeus d.o.o.	Marlera Golf LD d.o.o	Croatia	100%	100%
GTC Matrix d.o.o.	GTC S.A.	Croatia	100%	100%
GTC Seven Gardens d.o.o.	GTC S.A.	Croatia	100%	100%
Towers International Property S.R.L.	GTC S.A.	Romania	100%	100%
Green Dream S.R.L.	GTC S.A.	Romania	100%	100%
Aurora Business Complex S.R.L.	GTC S.A.	Romania	100%	100%
Cascade Building S.R.L.	GTC S.A.	Romania	100%	100%
City Gate Bucharest S.R.L.	GTC S.A.	Romania	100%	100%
Venus Commercial Center S.R.L.	GTC S.A.	Romania	100%	100%
City Gate S.R.L.	GTC S.A.	Romania	100%	100%
City Rose Park S.R.L.	GTC S.A.	Romania	100%	100%
Deco Intermed S.R.L.	GTC S.A.	Romania	66.7%	66.7%
GML American Regency Pipera S.R.L.	GTC S.A.	Romania	66.7%	66.7%

(1) Sold (please refer to note 1).

(2) Acquired (please refer to note 1).

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4. Investment in Subsidiaries (continued)

Name	Holding Company	Country of incorporation	31 March 2022	31 December 2021
NRL EAD	GTC S.A.	Bulgaria	100%	100%
Advance Business Center EAD	GTC S.A.	Bulgaria	100%	100%
GTC Yuzhen Park EAD	GTC S.A.	Bulgaria	100%	100%
Dorado 1 EOOD	GTC S.A.	Bulgaria	100%	100%
GOC EAD	GTC S.A.	Bulgaria	100%	100%
GTC Flex EAD (2)	GTC S.A.	Bulgaria	100%	-
GTC Medj Razvoj Nekretnina d.o.o. Beograd (1)	GTC S.A.	Serbia	-	100%
GTC Business Park d.o.o. Beograd (1)	GTC S.A.	Serbia	-	100%
Commercial and Residential Ventures d.o.o. Beograd (1)	GTC S.A.	Serbia	-	100%
Demo Invest d.o.o. Novi Beograd (1)	GTC S.A.	Serbia	-	100%
Atlas Centar d.o.o. Beograd (1)	GTC S.A.	Serbia	-	100%
Commercial Development d.o.o. Beograd	GTC S.A.	Serbia	100%	100%
Glamp d.o.o. Beograd	GTC S.A.	Serbia	100%	100%
GTC BBC d.o.o. (1)	GTC S.A.	Serbia	-	100%
GTC Aurora Luxembourg S.A.	GTC S.A.	Luxembourg	100%	100%
Europort Investment (Cyprus) 1 Limited	GTC S.A.	Cyprus	100%	100%

(1) Sold (please refer to note 1).

(2) Newly established wholly-owned subsidiary.

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5. Segmental analysis

Rental income divided by sectors is presented below:

	Three-month period ended 31 March 2022 (unaudited)	Three-month period ended 31 March 2021 (unaudited)
Rental income from office sector	25,659	26,457
Rental income from retail sector	16,106	10,770
TOTAL	41,765	37,227

The operating segments are aggregated into reportable segments, taking into consideration the nature of the business, operating markets, and other factors. GTC operates in six core markets: Poland, Hungary, Bucharest, Belgrade, Sofia, and Zagreb. Segment *Hungary* includes Budapest and Debrecen, in the financial statements for the three-month period ended 31 March 2021 only Budapest.

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

- a. Poland
- b. Belgrade
- c. Hungary
- d. Bucharest
- e. Zagreb
- f. Sofia
- g. Other (including Luxembourg)

Segmental analysis of rental income and costs for the three-month period ended 31 March 2022 and 31 March 2021 is presented below:

	2022			2021		
Portfolio	Revenues	Costs	Gross margin	Revenues	Costs	Gross margin
Poland	17,257	(4,803)	12,454	14,358	(4,091)	10,267
Belgrade	2,931	(708)	2,223	8,069	(2,092)	5,977
Hungary	11,549	(3,009)	8,540	4,954	(1,210)	3,744
Bucharest	2,792	(891)	1,901	4,343	(685)	3,658
Zagreb	3,558	(1,056)	2,502	3,029	(1,026)	2,003
Sofia	3,678	(1,004)	2,674	2,474	(657)	1,817
Total	41,765	(11,471)	30,294	37,227	(9,761)	27,466

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5. Segmental analysis (continued)

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

	Real estate	Cash and deposits	Other	Total assets	Loans, bonds and leases	Deferred tax liability	Other	Total liabilities
Poland	899,919	44,988	12,190	957,097	299,275	60,892	11,138	371,305
Belgrade	149,096	6,060	2,302	157,458	756	-	6,173	6,929
Hungary	735,819	23,125	19,756	778,700	266,687	18,333	12,534	297,554
Bucharest	186,848	4,439	2,443	193,730	14,905	13,185	2,152	30,242
Zagreb	162,314	9,718	11,528	183,560	43,637	17,122	4,796	65,555
Sofia	192,208	4,865	1,173	198,246	-	8,608	4,684	13,292
Other	31,797	-	54	31,851	-	-	129	129
Non allocated (*)	-	209,645	4,818	214,463	725,066	18,578	47,770	791,414
Total	2,358,001	302,840	54,264	2,715,105	1,350,326	136,718	89,376	1,576,420

(*) Loans, bonds and leases comprise mainly of bonds issued by GTC S.A., GTC Hungary and GTC Aurora Luxembourg S.A.

Segmental analysis of assets and liabilities as of 31 December 2021 is presented below:

	Real estate	Cash and deposits	Other	Total assets	Loans, bonds and leases	Deferred tax liability	Other	Total liabilities
Poland	898,827	43,450	7,456	949,733	299,946	59,706	15,244	374,896
Belgrade	381,875	18,702	3,861	404,438	146,093	3,000	9,156	158,249
Hungary	699,036	28,207	15,302	742,545	267,243	20,057	11,269	298,569
Bucharest	187,047	10,745	1,249	199,041	15,406	13,062	3,925	32,393
Zagreb	163,020	6,243	11,385	180,648	43,704	16,992	4,271	64,967
Sofia	190,516	4,477	1,589	196,582	31	8,528	3,147	11,706
Other	29,835	464	-	30,299	-	-	-	-
Non allocated (**)	-	15,700	124,763	140,463	722,410	21,800	41,770	785,980
Total	2,550,156	127,988	165,605	2,843,749	1,494,833	143,145	88,782	1,726,760

(**) In other assets are presented receivables from shareholders in the amount of 123,425 EUR. Loans, bonds and leases comprise mainly of bonds issued by GTC S.A., GTC Hungary and GTC Aurora Luxembourg S.A.

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6. Administration expenses

Administration expenses for the three-month period ended 31 March 2022 and 31 March 2021 comprises the following amounts:

	Three-month period ended 31 March 2022 (unaudited)	Three-month period ended 31 March 2021 (unaudited)
Administration expenses	3,636	2,730
Share based payment	(415)	250
Total	3,221	2,980

7. Finance costs

Finance costs for the three-month period ended 31 March 2022 and 31 March 2021 comprises the following amounts:

	Three-month period ended 31 March 2022 (unaudited)	Three-month period ended 31 March 2021 (unaudited)
Interest expenses (on financial liabilities that are not fair valued through profit or loss), banking costs and other charges	7,106	7,612
Finance costs related to lease liability	456	487
Amortization of long-term borrowings raising costs	555	465
Total	8,117	8,564

The weighted average interest rate (including hedges) on the Group's loans as of 31 March 2022 was 2.16% p.a. (2.16% p.a. as of 31 December 2021).

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8. Investment Property

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

Investment property can be split up as follows:

	31 March 2022	31 December 2021
Completed investment property	2,050,946	1,929,979
Investment property under construction	57,417	132,410
Investment property landbank at cost	169,438	139,843
Right of use of lands under perpetual usufruct	41,376	38,428
Total	2,319,177	2,240,660

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8. Investment Property (continued)

The movement in investment property for the periods ended 31 March 2022 and 31 December 2021 was as follows:

	Right of Use of land	Level 2	Level 3 at fair value	Level 3 at Cost	Total
Carrying amount as of 1 January 2021	42,679	1,202,961	736,512	142,976	2,125,128
Capitalised expenditure	-	16,091	44,070	20,471	80,632
Purchase of completed assets and land	-	310,627	-	15,457	326,084
Adjustment to fair value / (impairment)	-	(12,765)	3,399	(2,105)	(11,471)
Amortization of right of use of lands under perpetual usufruct	(416)	-	-	-	(416)
Reclassified to assets held for sale	(3,724)	-	(266,763)	(1,352)	(271,839)
Reclassified to residential landbank	-	-	-	(5,500)	(5,500)
Classified to assets for own use, net	-	(1,252)	-	-	(1,252)
Disposal of land	-	-	-	(595)	(595)
Decrease	(745)	-	-	-	(745)
Foreign exchange differences	634	-	-	-	634
Carrying amount as of 31 December 2021	38,428	1,515,662	517,218	169,352	2,240,660
Capitalised expenditure	-	3,236	3,698	15,084	22,018
Purchase of completed assets and land	-	8,029	-	43,907	51,936
Reclassification (1)	-	112,000	(112,000)	-	-
Adjustment to fair value / (impairment)	-	(2,630)	5,733	(127)	2,976
Prepaid right of use of lands under perpetual usufruct	(703)	-	-	-	(703)
Amortization of right of use of lands under perpetual usufruct	(196)	-	-	-	(196)
Reclassified to assets held for sale	-	-	-	(1,361)	(1,361)
Increase	3,943	-	-	-	3,943
Foreign exchange differences	(96)	-	-	-	(96)
Carrying amount as of 31 March 2022	41,376	1,636,297	414,649	226,855	2,319,177

(1) Completion of Pillar building in Hungary in Q1 2022 – transfer to Level 2 fair value hierarchy.

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8. Investment Property (continued)

Fair value and impairment adjustment consists of the following:

	Three-month period ended 31 March 2022 (unaudited)	Three-month period ended 31 March 2021 (unaudited)
Adjustment to fair value of completed investment properties	3,103	(3,157)
Adjustment to the fair value of investment properties under construction	31	786
Reversal of impairment/(Impairment) adjustment	(158)	(51)
Total adjustment to fair value / (impairment) of investment property	2,976	(2,422)
Adjustment to fair value/(Impairment) of assets held for sale	292	-
Amortization of right of use of lands under perpetual usufruct (including on residential landbank)	(205)	(172)
Total recognised in profit or loss	3,063	(2,594)

Reconciliation between capitalized expenditure and paid expenditure is presented below:

	Three-month period ended 31 March 2022 (unaudited)	Three-month period ended 31 March 2021 (unaudited)
Capitalized expenditure	73,954	12,965
Change in trade payables and provisions	533	5,403
Change in trade receivables	5,807	3,913
Purchase of property, plant, and equipment	-	51
Paid expenditures in line with cash flow statement	80,294	22,332

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8. Investment Property (continued)

Completed assets are valued using discounted cash flow (DCF) method.

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

Portfolio	Book value	GLA thousand	Average Occupancy	Actual Average rent	Average ERV*	Fair Value Hierarchy Level	Average Yield**
	'000 Euro	sqm	%	Euro/ sqm/m	Euro/ sqm/m		%
Poland retail	443,000	113	95%	20.5	20.7	2	6.0%
Poland office	373,639	196	86%	14.2	14.2	2	7.7%
Belgrade retail	90,700	35	97%	18.4	22.3	3	8.1%
Hungary office	626,073	223	98%	15.6	15.6	2	6.5%
Hungary retail	21,600	6	90%	17.4	18.4	2	5.6%
Bucharest office	171,985	67	66%	18.8	17.9	2	5.7%
Zagreb retail	85,400	28	99%	22.0	21.7	3	8.4%
Zagreb office	62,249	28	97%	15.2	14.7	3	8.0%
Sofia office	95,800	44	84%	14.4	14.8	3	6.7%
Sofia retail	80,500	23	95%	19.8	23.4	3	6.4%
Total	2,050,946	763	91%	16.7	16.9		6.7%

(*) ERV- Estimated Rent Value (the open market rent value that a property can be reasonably expected to attain based on characteristics such as a condition of the property, amenities, location, and local market conditions).

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

Assumptions used in the fair value valuations of completed assets as of 31 December 2021 are presented below:

Portfolio	Book value	GLA thousand	Average Occupancy	Actual Average rent	Average ERV*	Fair Value Hierarchy Level	Average Yield**
	'000 Euro	sqm	%	Euro/ sqm/m	Euro/ sqm/m		%
Poland retail	443,000	113	94%	20.8	20.7	2	6.0%
Poland office	373,639	196	87%	14.2	14.2	2	7.7%
Belgrade retail	90,700	35	96%	18.0	22.3	3	7.9%
Hungary office	505,437	192	97%	15.5	15.5	2	6.7%
Hungary retail	21,600	6	90%	17.4	18.4	2	5.6%
Bucharest office	171,985	67	66%	18.2	17.9	2	5.6%
Zagreb retail	85,400	28	99%	21.3	21.7	3	8.2%
Zagreb office	61,918	28	92%	14.6	14.7	3	7.3%
Sofia office	95,800	44	84%	14.5	14.8	3	6.7%
Sofia retail	80,500	23	96%	19.7	23.4	3	6.4%
Total	1,929,979	732	90%	16.5	16.9		6.7%

(*) ERV- Estimated Rent Value (the open market rent value that a property can be reasonably expected to attain based on characteristics such as a condition of the property, amenities, location, and local market conditions).

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

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8. Investment Property (continued)

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

	Book value	Estimated area (GLA)
	'000 Euro	thousand sqm
Budapest (PSZTSZR)	18,770	15
Belgrade (GTC X)	23,889	17
Zagreb (Matrix C)	3,530	11
Sofia (Sofia Tower 2)	11,228	8
Total	57,417	51

Information regarding investment properties under construction as of 31 December 2021 is presented below:

	Book value	Estimated area (GLA)
	'000 Euro	thousand sqm
Budapest (Pillar)	102,900	29
Belgrade (GTC X)	19,951	17
Sofia (Sofia Tower 2)	9,559	8
Total	132,410	54

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8. Investment Property (continued)

Information regarding book value of investment property landbank for construction as of 31 March 2022 and 31 December 2021 is presented below:

	31 March 2022	31 December 2021
Poland	39,015	39,007
Hungary	62,797	62,496
Romania	7,284	7,200
Bulgaria	4,680	4,657
Croatia	10,402	13,614
Total	124,178	126,974

Information regarding book value of investment property landbank (long term pipeline – with no current plan for construction) as of 31 March 2022 and 31 December 2021 is presented below:

	31 March 2022	31 December 2021
Poland	8,158	9,519
Serbia	33,752	-
Hungary	3,350	3,350
Total	45,260	12,869
GRAND TOTAL	169,438	139,843

9. Non-controlling interest

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

Summarised financial information of the material non-controlling interest as of 31 March 2022 is presented below:

	Avenue Mall	Non-core projects	Total
NCI share in equity	24,283	(7,550)	16,733
Loans received from NCI	-	8,522	8,522
Loans granted to NCI	(10,696)	-	(10,696)
Total as of 31 March 2022 <i>(unaudited)</i>	13,587	972	14,559
NCI share in profit / (loss)	366	(56)	310

10. Blocked deposits

Balance of blocked deposits slightly decreased from EUR 25,419 to EUR 25,256.

Blocked deposits include deposits related to loan agreements and other contractual commitments and can be used only for certain operating activities as determined by underlying agreements.

Blocked deposits related to contractual commitments include mostly tenants' deposit account, security account, capex accounts and deposits in order to settle contractual commitments related to the construction of this project.

11. Derivatives

The Group holds instruments (IRS, CAP, currency SWAP and cross-currency interest rate SWAP) that hedge the risk involved in fluctuations of interest rate and currencies rates. The instruments hedge interest on loans for a period of 2-5 years.

The movement in derivatives for the periods ended 31 March 2022 and 31 December 2021 was as follows:

	31 March 2022	31 December 2021
Fair value as of the beginning of the period	(40,598)	(19,260)
Charged to other comprehensive income (*)	7,901	(20,356)
Charged to income statements (**)	130	(1,841)
Reclassified to liabilities related to assets held for sale	-	859
Fair value as of the end of the period	(32,567)	(40,598)

(*) Decrease is mainly attributable to the revaluation of IRS instruments related loans.

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

Derivatives are measured at fair value at each reporting date. Valuations of hedges are considered as level 2 fair value measurements.

Fair value of derivatives is measured based on the data from publicly available sources.

12. VAT and other tax receivable

VAT and other tax receivable represent VAT receivable on the purchase of assets and due to development activity. The balance of VAT and other tax receivable decreased from EUR 2,957 to EUR 1,743.

13. Trade payables and provisions

The balance of trade payables and provisions decreased from EUR 31,092 to EUR 27,644 in the period ended 31 March 2022. The majority of the payables relates to development activity.

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14. Long-term loans and bonds

	31 March 2022	31 December 2021
Bonds mature in 2022-2023 (Poland) (PLGTC0000318)	48,129	48,166
Green bonds mature in 2027-2030 (HU0000360102)	107,477	107,389
Green bonds mature in 2028-2031 (HU0000360284)	53,587	54,056
Green bonds mature in 2026 (XS2356039268)	506,217	503,263
Bonds 0422 (PLGTC0000292)	9,610	9,520
Loan from Santander (Globis Poznan)	16,165	16,323
Loan from Santander (Pixel)	18,839	19,011
Loan from Santander (Globis Wroclaw)	20,501	20,675
Loan from Berlin Hyp (Corius)	9,500	9,500
Loan from Pekao (Sterlinga)	14,481	14,613
Loan from PKO BP (Artico)	13,211	13,338
Loan from Erste and Raiffeisen (Galeria Jurajska)	114,031	115,250
Loan from Berlin Hyp (UBP)	41,325	41,543
Loan from Santander (Francuska)	18,456	18,625
Loan from OTP (Centre Point)	47,411	47,862
Loan from UniCredit Bank (Pillar)	51,260	50,827
Loan from OTP (Duna)	36,766	37,116
Loan from Erste (HBK)	10,775	10,775
Loan from Erste (Váci Greens D)	24,250	24,438
Loan from OTP (Ericsson/evosoft Hungary)	80,000	80,000
Loan from Erste (V188)	16,225	16,225
Loan from Zagrebečka Banka (Avenue Mall Zagreb)	42,500	42,500
Loans from NCI	8,522	8,760
Deferred issuance debt expenses	(9,771)	(10,324)
Total	1,299,467	1,299,451

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14. Long-term loans and bonds (continued)

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

	31 March 2022	31 December 2021
Current portion of long-term loans and bonds:		
Bonds mature in 2022-2023 (Poland) (PLGTC0000318)	16,605	16,278
Green bonds mature in 2027-2030 (HU0000360102)	340	72
Green bonds mature in 2028-2031 (HU0000360284)	18	397
Green bonds mature in 2026 (XS2356039268)	8,731	5,918
Bonds 0422 (PLGTC0000292)	9,610	9,520
Loan from Santander (Globis Poznan)	629	629
Loan from Santander (Pixel)	690	690
Loan from Berlin Hyp (UBP)	870	870
Loan from Erste and Raiffeisen (Galeria Jurajska)	4,875	4,875
Loan from Santander (Globis Wroclaw)	693	693
Loan from Pekao (Sterlinga)	525	525
Loan from PKO BP (Artico)	510	510
Loan from Santander (Francuska)	676	676
Loan from OTP (Centre Point)	1,807	1,807
Loan from OTP (Duna)	1,401	1,401
Loan from Erste (Váci Greens D)	750	750
Loan from UniCredit Bank (Pillar)	449	-
Deferred issuance debt expenses	(1,274)	(1,274)
Total	47,905	44,337

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14. Long-term loans and bonds (continued)

	31 March 2022	31 December 2021
Long term portion of long-term loans and bonds:		
Bonds mature in 2022-2023 (Poland) (PLGTC0000318)	31,524	31,888
Green bonds mature in 2027-2030 (HU0000360102)	107,137	107,317
Green bonds mature in 2028-2031 (HU0000360284)	53,569	53,659
Green bonds mature in 2026 (XS2356039268)	497,486	497,345
Loan from Santander (Globis Poznan)	15,536	15,694
Loan from Santander (Pixel)	18,149	18,321
Loan from Santander (Globis Wroclaw)	19,808	19,982
Loan from Berlin Hyp (Corius)	9,500	9,500
Loan from Pekao (Sterlinga)	13,956	14,088
Loan from PKO BP (Artico)	12,701	12,828
Loan from Erste and Raiffeisen (Galeria Jurajska)	109,156	110,375
Loan from Berlin Hyp (UBP)	40,455	40,673
Loan from Santander (Francuska)	17,780	17,949
Loan from OTP (Centre Point)	45,604	46,055
Loan from OTP (Duna)	35,365	35,715
Loan from Erste (HBK)	10,775	10,775
Loan from Erste (Váci Greens D)	23,500	23,688
Loan from OTP (Ericsson/evosoft Hungary)	80,000	80,000
Loan from Erste (V188)	16,225	16,225
Loan from UniCredit Bank (Pillar)	50,811	50,827
Loan from Zagrebečka Banka (Avenue Mall Zagreb)	42,500	42,500
Loans from NCI	8,522	8,760
Deferred issuance debt expenses	(8,497)	(9,050)
Total	1,251,562	1,255,114

14. Long-term loans and bonds (continued)

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

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

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

Bonds (series maturing in 2022-2023) are denominated in PLN. Green Bonds (series maturing in 2027-2030) and green bonds (series maturing in 2028-2031) are denominated in HUF. All other bank loans and bonds are denominated in Euro.

As at 31 March 2022, the Group continues to comply with the financial covenants set out in their loan agreements and bonds terms.

The movement in long term loans and bonds for the periods ended 31 March 2022 and 31 December 2021 was as follows:

	1 January 2022- 31 March 2022	1 January 2021- 31 December 2021
Balance as of the beginning of the period (excluding deferred debt expenses)	1,309,775	1,268,130
Drawdowns	432	706,070
Repayments	(3,358)	(585,323)
Reclassified to liabilities related to assets held for sale	-	(142,369)
Loan on acquisition of GTC Univerzum Projekt Kft.	-	58,000
Change in accrued interest	3,206	6,531
Foreign exchange differences	(817)	(1,264)
Balance as of end of the period (excluding deferred debt expenses)	1,309,238	1,309,775

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14. Long-term loans and bonds (continued)

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

	31 March 2022 (unaudited)	31 December 2021 (audited)
First year*	67	127 ^(**)
Second year	92	148
Third year	165	99
Fourth year	83	144
Fifth year	778	821
Thereafter	234	236
	1,419	1,575

(*) Repaid during 12 months from reporting date.

(**) Including EUR 54m liabilities related to assets held for sale.

15. Lease liability and Right of Use of land

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

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

Country	Completed investment property	Investment property landbank at cost	Residential landbank	Property, plant and equipment	Total
Poland	12,879	21,358	-	-	34,237
Romania	6,383	-	-	-	6,383
Serbia	-	756	-	-	756
Croatia	-	-	1,093	-	1,093
Hungary	-	-	-	67	67
Balance as of 31 March 2022	19,262	22,114	1,093	67	42,536

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

The balance of Right of Use as of 31 December 2021 was as follows:

Country	Completed investment property	Investment property landbank at cost	Residential landbank	Property, plant and equipment	Total
Poland	10,730	21,052	-	-	31,782
Romania	6,646	-	-	-	6,646
Croatia	-	-	1,102	-	1,102
Bulgaria	-	-	-	5	5
Hungary	-	-	-	37	37
Balance as of 31 December 2021	17,376	21,052	1,102	42	39,572

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

Country	Completed investment property	Investment property landbank at cost	Residential landbank	Property, plant and equipment	Total	Average Discount rate
Poland	12,879	19,887	-	-	32,766	4.2%
Romania	6,383	-	-	-	6,383	5.7%
Serbia	-	756	-	-	756	7.6%
Croatia	-	-	1,137	-	1,137	4.4%
Hungary	-	-	-	46	46	3.9%
Balance as of 31 March 2022	19,262	20,643	1,137	46	41,088	

The balance of lease liability as of 31 December 2021 was as follows:

Country	Completed investment property	Investment property landbank at cost	Residential landbank	Property, plant and equipment	Total	Average Discount rate
Poland	10,730	20,339	-	-	31,069	4.2%
Romania	6,646	-	-	-	6,646	5.7%
Croatia	-	-	1,204	-	1,204	4.4%
Bulgaria	-	-	-	30	30	4.5%
Hungary	-	-	-	16	16	3.9%
Balance as of 31 December 2021	17,376	20,339	1,204	46	38,965	

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

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

The movement in Right of Use of land for the period ended 31 March 2022 and for the financial year ended 31 December 2021 was as follows:

	2022	2021
Balance as of beginning of period	39,572	44,024
Recognition of Right of Use asset for fixed assets	30	-
Recognition / (derecognition) of Right of Use asset for lands under perpetual usufruct	3,943	(745)
Amortization of right of use	(209)	(531)
Prepaid right of use of lands under perpetual usufruct	(703)	-
Reclassification to assets held for sale	-	(3,724)
Foreign exchange differences	(97)	548
Balance as of end of period	42,536	39,572

The movement in lease liability for the periods ended 31 March 2022 and 31 December 2021 was as follows:

	2022	2021
Balance as of beginning of period	38,965	43,054
Recognition of lease liability for fixed assets	30	-
Recognition / (derecognition) of lease liability for lands under perpetual usufruct	3,943	(745)
Payments of leases	(525)	(516)
Change in provision	(358)	970
Change in accrued interest	(563)	(658)
Reclassification to liabilities related to assets held for sale	-	(3,724)
Foreign exchange differences	(404)	584
Balance as of end of period	41,088	38,965

16. Assets held for sale and liabilities related to assets held for sale

The balance of assets held for sale as of 31 March 2022 and 31 December 2021 was as follows:

	31 March 2022	31 December 2021
Serbian completed office portfolio	-	287,816
Poland landbank	2,472	-
Romanian land bank	680	2,833
Croatian landbank	1,352	1,352
Total	4,504	292,001

The balance of liabilities, related to assets held for sale as of 31 March 2022 and 31 December 2021 was as follows:

	31 March 2022	31 December 2021
Serbian completed office portfolio	-	153,621
Romanian land bank	-	1,080
Croatian landbank	129	130
Total	129	154,831

The balance of assets held for sale and liabilities related to assets held for sale decreased significantly mainly due to the closing transaction on disposal of Serbian entities (*for details please refer to note 1*) and selling land plot in Romania. Serbian completed office portfolio was sold for EUR 125,112 (net of cash in disposed assets).

17. Prepayments, deferred expenses and other receivables

The balance of prepayments, deferred expenses and other receivables increased from EUR 11,515 to EUR 16,917 in the period ended 31 March 2022.

The majority of the increase relates to development activity.

18. Taxation

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

Effective 15 July 2016, the Polish Tax Code was amended for the General Anti-Avoidance Rule (GAAR) provisions. The new regulation requires significantly more judgement in assessment of the tax consequences of particular transactions.

Main tax changes to the Polish Corporate Income Tax effective from 1 January 2022

Withholding tax (WHT)

The package of changes introduced to the Polish tax law regulations starting from January 2022 has limited the original scope of the application of pay and refund mechanism (settlement of WHT in relation to payments exceeding PLN 2 million (EUR 0.4 million) per annum for each taxpayer). Under new rules, the conditional exemption from WHT or application of the reduced tax rate stipulated in the applicable double tax treaty (DTT) is restricted in terms of the passive payments (i.e. dividends, interest, license fees) in the amount exceeding PLN 2 million per annum made with respect to foreign related entities. In such cases the tax remitter is obliged to automatically collect the tax at a statutory domestic rate (19% or 20%) regardless of the fulfilment of the conditions allowing the application of the exemption or the reduced rate on the basis of the local law or DTT.

Group does not expect significant impact of above change on consolidated financial statements.

Limitation of tax depreciation of commercial buildings

According to general tax regulations depreciation expenses on fixed assets (buildings classified as investment property) can be tax deductible. However, from 1 January 2022 in the case of real estate companies, tax-deductible depreciation expenses rates cannot be greater than the current applied accounting depreciation expenses rates applied to the same fixed assets in a given year.

Group is in the process of assessing the tax impact of above change on consolidated financial statements.

19. Capital and Reserves

Shareholders who, as at 31 March 2022, held above 5% of the Company shares were as follows:

- GTC Dutch Holdings B.V
- Icona Securitization Opportunities Group S.A R.L.
- OFE PZU Zlota Jesien
- OFE AVIVA Santander

SHARE ISSUE

On 29 June 2021, the Annual General Meeting adopted a resolution regarding the capital increase of up to 20% of the existing share capital. As per the Annual General Meeting authorization, the Management launched the capital increase via the accelerated book building in December 2021. The subscription agreements with the shareholders participating in the offer of O series bearer shares were signed on 20-21 December 2021. As a result the Company issued 88,700,000 series O bearer shares. The capital increase and new Articles of Association were registered by the National Court Register on 4 January 2022 and the funds were transferred to the Company's account. The O series bearer shares were admitted to trading on the respective stock exchange on 26 January 2022.

As of December 31, 2021 the Group recognized receivables from shareholders in the amount of EUR 123,425 and unregistered share capital increase in the amount of EUR 120,295. Unregistered share capital increase represents value of share capital increase at the moment of signing the subscription agreements, decreased by corresponding share issue costs.

In Q1 2022 the Group reclassified unregistered share capital to share capital of EUR 1,913 and share premium of EUR 118,382 after share capital increase was registered (please refer to note 1).

PHANTOM SHARES

Certain key management personnel of the Group is entitled to specific cash payments resulting from phantom shares in the Group (the "Phantom Shares"). The company uses binomial model to evaluate the fair value of the phantom shares. The input data includes date of valuation, strike price, and expiry date.

The Phantom shares (as presented in below table) have been accounted for based on future cash settlement.

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19. Capital and Reserves (continued)

As at 31 March 2022, phantom shares issued were as follows:

Strike (PLN)	Blocked	Vested	Total
6.03	-	650,416	650,416
6.11	-	100,000	100,000
6.23	2,391,000	997,100	3,388,100
6.31	177,000	250,000	427,000
6.54	450,000	-	450,000
6.70	1,350,000	-	1,350,000
6.97	525,000	-	525,000
Total	4,893,000	1,997,516	6,890,516

The Phantom shares (as presented in above table) have been provided for assuming cash payments will be materialized, as the Company assesses that it is to be settled in cash.

Last year of exercise date	Number of phantom shares
2023	3,826,516
2025	3,064,000
Total	6,890,516

The number of phantom shares were changed as follows:

Number of phantom shares as of 1 January 2022	5,360,516
Granted during the period*	2,592,000
Expired	(590,000)
Exercised during the period	(472,000)
Number of phantom shares as of 31 March 2022	6,890,516

**In Q1 2022 new phantom share program was introduced for management and key personnel.*

20. Earnings per share

Basic earnings per share were calculated as follows:

	Three-month period ended 31 March 2022 (unaudited)	Three-month period ended 31 March 2021 (unaudited)
Profit / (loss) for the period attributable to equity holders (Euro)	14,914,000	8,462,000
Weighted average number of shares for calculating basic earnings per share	574,255,122	485,555,122
Basic earnings per share (Euro)	0.03	0.02

There have been no potentially dilutive instruments as at 31 March 2022 and 31 March 2021.

21. Changes in commitments, contingent assets and liabilities

There were no significant changes in commitments and contingent liabilities, except for certain contingent assets in a way of rental guarantees and warranties provided by Sellers, in connection with the purchase of new assets in Hungary.

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

22. Subsequent events

On 18 April 2022, GTC SA repaid all bonds issued under ISIN code PLGTC0000292 (full redemption). The original nominal value was EUR 9,440.

23. Approval of the financial statements

The interim condensed consolidated financial statements were authorised for the issue by the Management Board on 18 May 2022.



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

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

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Globe Trade Centre S.A. Group (hereinafter called "the Group"), having Globe Trade Centre S.A. as its parent company (hereinafter called "the Parent Company"), with its registered office in Warsaw, Komitetu Obrony Robotników 45A Street, comprising the interim condensed consolidated statement of financial position as at 31 March 2022 and the interim condensed consolidated income statement, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity, the interim condensed consolidated statement of cash flows for the period from 1 January to 31 March 2022 and a summary of significant accounting policies and other explanatory notes.

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

Scope of review

We conducted our review in accordance with 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 as the National Standard on Review Engagements 2410. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

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



Conclusion

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

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

Piotr Wyszogrodzki

Key Registered Auditor
No. 90091

Warsaw, 18 May 2022