

GLOBE TRADE CENTRE S.A.

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(Incorporated and registered in Poland with KRS No. 61500)

(Share code on the WSE: GTC.S.A)

(Share code on the JSE: GTC ISIN: PLGTC0000037)

("GTC" or "the Company")

Current report number: **34/2020**

Date: **22 December 2020**

Subject: **Events with a potential impact on GTC's consolidated financial statements for the three-month period ended 31 December 2020**

The management board of Globe Trade Centre S.A. ("GTC", the "Company") informs that based on preliminary discussions with the valuation experts commissioned to value the real estate portfolio of the GTC group, it expects that the financial results of GTC will be adversely affected and GTC will report a consolidated net loss for the three months ended 31 December 2020 due to the expected drop in valuation of the properties.

The valuation of the investment property portfolio

Since the outbreak of the coronavirus disease (COVID-19), local governments in each country where GTC operates have implemented a variety of contingency measures. Consumer behaviour and retail sales have been adversely impacted and may remain challenging in the near term until the spread of COVID-19 is effectively contained.

Due to the uncertainty regarding future operating performance as a consequence of COVID-19 and the dampened economic and operating environment in Central and Eastern Europe (CEE), it is expected that the appraised value of our investment properties as at 31 December 2020 will decrease when compared to that as at 30 September 2020. Based on the preliminary assessment by the valuation expert commissioned to value GTC group's real property portfolio, the decrease in the value of our investment properties is expected to amount to approx. EUR 74 million in the three months period ended 31 December 2020, a decline of 3.4% when compared to the appraised value of EUR 2,161 million as at 30 September 2020.

The 54% of the decline is attributed to the retail activity of the Company (approx. EUR 40 million), and in particular to Galeria Północna (located in Warsaw, Poland), Ada Mall (located in Belgrade, Serbia) and Galeria Jurajska (located in Częstochowa, Poland) and is resulting from impact of outbreak of COVID-19 related to lockdowns and multi-pronged measures to support tenants. The remaining amount of the decline in value (approx. EUR 34 million) is attributed to the office sector where we see mild softening in yields and rent conditions.

The Management Board assesses that, assuming that the decline in the value of the properties as at 31 December 2020 is recognised at the level set out above, the relevant GTC Group companies will continue to comply with the financial covenants set out in their loan agreements as at 31 December 2020.

The Company maintains a strong cash position which enables it to be compliant with the debt-service payments obligations.

GTC will continue to monitor and protect its financial and liquidity positions, both of which remain healthy as of the date of this report, and undertake mitigating steps to reduce the impact of the adverse market situation.

The information contained in this current report is based only upon the preliminary assessment made by the management board of GTC with reference to the information currently available, which has neither been reviewed nor audited by GTC's auditors.

Legal basis: Art. 17(1) of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC – inside information

Signed by:

/s/ Yovav Carmi

President of the Management Board

/s/ Ariel Alejandro Ferstman

Member of the Management Board

Warsaw, Poland

Sponsor: Investec Bank Limited