

CONSOLIDATED

INTERIM REPORT

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

30 SEPTEMBER 2022

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MANAGEMENT BOARD'S REPORT

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

IN THE NINE AND THREE-MONTH PERIOD ENDED 30 SEPTEMBER 2022

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1. Introduction

The GTC Group is an experienced, established, and fully integrated, real estate company operating in the SEE region with a primary focus on Poland and Budapest and capital cities in the CEE and SEE region including Bucharest, Belgrade, Zagreb and Sofia, where it directly manages, acquires and develops 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,
Hungary,
Belgrade,
Bucharest,
Sofia
and Zagreb

As of 30 September 2022, the book value of the Group's total property portfolio was €2,382,809. The breakdown of the Group's property portfolio was as follows:

- 44 completed commercial buildings (including 3 office buildings held for sale), including 38 office buildings and 6 retail properties with a total combined commercial space of approximately 758 thousand sq m of GLA, an occupancy rate at 87% and a book value of €2,055,350 which accounts for 86% of the Group's total property portfolio;
- four office buildings under construction with a total GLA of approximately 51 thousand sq m and a book value of €84,385, which accounts for 4% of the Group's total property portfolio;
- investment landbank intended for future development with the book value of €174,485 which accounts for 7% of the Group's total property portfolio;
- residential landbank which accounts for €27,229 (including part of land in Romania held for sale in the amount of €680), which accounts for 1% of the Group's total property portfolio; and
- right of use of land under perpetual usufruct with value of €41,360 which accounts for 2% of the Group's total property portfolio.

44
completed
buildings

758 000
sq m of
GLA

4
buildings
under
construction

landbank for
future
development

Additionally, GTC holds a minority stake of 25% through notes (debt instruments and booked as a non current financial assets) issued by a Luxembourg securitisation vehicle in Kildare Innovation Campus, located outside of Dublin of the value of €115,000. The Kildare Innovation Campus 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 centre.

Also, GTC holds 34% of units in Regional Multi Asset Fund Compartment 2 of Trigal Alternative Investment Fund GP S.á.r.l. ("Fund") of the value of €12,600 (booked as a non current financial assets). The Fund is focus on commercial real estate investments in Slovenia and Croatia with a total gross asset value of €68,750. The fund expected maturity is in Q4 2028.

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

TERMS AND ABBREVIATIONS

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

- the Company or GTC** are to Globe Trade Centre S.A.;
- the Group or the 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. 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** 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

leasable area, NLA	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, building for own use, and share on equity investments. Net loan to value provides a general assessment of financial risk undertaken;
The average cost of debt; average interest rate	is calculated as a weighted average interest rate of total debt, as adjusted to reflect the impact of contracted interest rate swaps and cross-currency swaps by the Group;
EUR, € or euro	are to the single currency of the participating Member States in the Third Stage of European Economic and Monetary Union of the Treaty Establishing the European Community, as amended from time to time;
PLN or zloty	are to the lawful currency of Poland;
HUF	is to the lawful currency of Hungary;
JSE	is to the Johannesburg Stock Exchange.

PRESENTATION OF FINANCIAL INFORMATION

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

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

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

FORWARD-LOOKING STATEMENTS

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

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

The Group discloses essential risk factors that could cause its actual results to differ materially from its expectations under, Item 5. "Operating and financial review" as well as under elsewhere in this Report, and under Item 12. "Key risk factors" in the management board's report on the activities of GTC Group in the six-month periods ended 30 June 2022. These cautionary statements qualify all forward-looking statements attributable to us or persons acting on behalf of the Group. When the Group indicates that an event, condition, or circumstance could or would have an adverse effect on the Group, it means to include effects upon its business, financial situation, and results of operations.

2. Selected financial data

The following tables present the Group's selected historical financial data for the three and nine-month periods ended 30 September 2022 and 30 September 2021. The historical financial data should be read in conjunction with Item 5. "Operating and Financial Review" and the unaudited interim condensed consolidated financial statements for the nine-month period ended 30 September 2022 (including the notes thereto). The Group has derived the financial data presented in accordance with IFRS from the unaudited interim condensed consolidated financial statements for the nine-month period ended 30 September 2022.

Selected financial data presented in PLN is derived from the unaudited interim condensed consolidated financial statements for the nine-month period ended 30 September 2022 presented in accordance with IFRS and prepared in the Polish language and Polish zloty as a presentation currency.

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 thousands)	For the nine-month period ended 30 September				For the three-month period ended 30 September				
	2022		2021		2022		2021		
	€	PLN	€	PLN	€	PLN	€	PLN	
Consolidated Income Statement									
Revenue from rental activity	126,125	589,344	124,423	566,062	41,846	198,584	45,575	208,029	
Cost of operations	(34,229)	(159,942)	(31,529)	(143,441)	(11,574)	(54,902)	(11,505)	(52,516)	
Gross margin from operations	91,896	429,402	92,894	422,621	30,272	143,682	34,070	155,513	
Selling expenses	(1,151)	(5,378)	(1,183)	(5,382)	(391)	(1,854)	(422)	(1,926)	
Administrative expenses	(9,116)	(42,596)	(9,323)	(42,415)	(2,686)	(12,783)	(3,064)	(13,994)	
Profit/(loss) from revaluation/impairment of assets, net	11,514	52,820	(2,111)	(10,022)	(4,772)	(23,239)	(1,031)	(4,777)	
Financial income/(expense), net	(24,115)	(112,682)	(33,699)	(153,313)	(7,722)	(36,675)	(12,235)	(55,849)	
Net profit / (loss)	49,416	230,161	33,077	150,182	8,707	40,984	11,578	52,814	
Basic and diluted earnings per share (not in thousands)	0.08	0.39	0.07	0.30	0.01	0.07	0.02	0.11	
Weighted average number of issued ordinary shares (not in thousands)	574,255,122	574,255,122	485,555,122	485,555,122	574,255,122	574,255,122	485,555,122	485,555,122	

(in thousands)	For the nine-month period ended 30 September			
	2022		2021	
	€	PLN	€	PLN
Consolidated Cash Flow Statement				
Net cash from operating activities	65,251	304,897	76,777	349,296
Net cash used in investing activities	(99,029)	(462,733)	(339,011)	(1,542,330)
Net cash from financing activities	69,005	316,760	90,830	413,231
Cash and cash equivalents at the end of the period (includes cash related to AHFS)	128,082	623,733	99,966	463,132

(in thousands)	As at			
	30 September 2022		31 December 2021	
	€	PLN	€	PLN
Consolidated statement of financial position				
Investment property (completed and under construction)	2,043,135	9,949,659	2,062,389	9,485,752
Investment property landbank	174,485	849,707	139,843	643,194
Right of use (investment property)	40,287	196,190	38,428	176,746
Residential landbank	27,622	134,514	27,002	124,193
Assets held for sale	99,067	482,436	292,001	1,343,029
Cash and cash equivalents	127,202	619,448	87,468	402,300
Receivables from shareholders	-	-	123,425	567,681
Non-current financial assets (related to investment property) measured at fair value through profit or loss	129,725	631,735	-	-
Others	96,795	471,372	73,193	336,643
Total assets	2,738,318	13,335,061	2,843,749	13,079,538
Non-current liabilities	1,459,552	7,107,727	1,487,683	6,842,449
Current liabilities including liabilities related to assets held for sale	124,991	608,681	239,077	1,099,610
Total Equity	1,153,775	5,618,653	1,116,989	5,137,479
Share capital	12,920	57,426	11,007	48,556

3. Presentation of the Group

3.1 General information about the Group

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

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

3.2 Structure of the Group

The structure of Globe Trade Centre S.A. Capital Group as of 30 September 2022 is presented in the unaudited interim condensed consolidated financial statements for the nine-month period ended 30 September 2022 in Note 4 "*Investment in subsidiaries.*"

The following changes in the structure of the Group occurred in the nine-month period ended 30 September 2022:

- acquisition of GTC PSZTSZR Projekt Kft,
- acquisition of GTC DBRNT Projekt Kft,
- acquisition of GTC B41 d.o.o.,
- sale of Office Planet Kft.,
- sale of Commercial and Residential Ventures d.o.o. Beograd,
- sale of GTC BBC d.o.o.,
- sale of Atlas Centar d.o.o. Beograd,
- sale of Demo Invest d.o.o. Novi Beograd,
- sale of GTC Business Park d.o.o. Beograd,
- sale of GTC Medj Razvoj Nekretnina d.o.o. Beograd,
- sale of Cascade Building S.R.L.,
- establishment of wholly-owned subsidiary - GTC Flex EAD,
- establishment of wholly-owned subsidiary GTC K43-45 Property Kft.,
- establishment of wholly-owned subsidiary GTC Liffey Kft.,
- establishment of wholly-owned subsidiary GTC UK Real Estate Investments Ltd.,
- change in Glamp d.o.o. Beograd shareholder structure: now GTC S.A. holds directly 30% of shares and remaining 70% shares through a wholly-owned subsidiary GTC Hungary.

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.

4. Main events of the nine months of 2022

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 €120,386

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 held directly and indirectly 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 holds directly and indirectly 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 12 January 2022, the Group finalized the 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.

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 €7,700.

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 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 28 January 2022, Mr. Gyula Nagy resigned from his seat on the management board of the Company.

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 €9,900. The Group is refurbishing the existing buildings and once refurbished, the project will provide a 14,000 sq m new Class A office campus.

On 11 February 2022, GTC Origine Investments Pltd., a wholly-owned subsidiary of the Company, acquired from Groton Global Corp a Napred company in Belgrade holding a land plot of 19,537 sqm for a consideration of €33,800.

On 19 February 2022, the Company received notification from GTC Dutch Holdings B.V. with its registered office in Amsterdam, the Netherlands (the “Seller”, “GTC Dutch”) 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”. “Icona”) 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 shareholder’s 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 (“Transaction”). 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 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 Buyer’s voting rights were transferred to the Seller and that (ii) Buyer granted the Power of Attorney to Icona’s voting rights to the Seller.

As a result of execution of the Transaction GTC Holding Zártkörűen Működő Részvénytársaság (“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) 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, the Icona'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 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.

On 11 March 2022, Mr. Zoltán Fekete resigned from his seat on the supervisory board of the Company. The resignation is effective immediately.

On 11 March 2022, GTC Dutch Holdings B.V. appoints Mr. Gyula Nagy as member of the supervisory board of the Company, effective immediately.

On 17 March 2022, the supervisory board of the Company appointed Mr. Zoltán Fekete to the management board of the Company as the President of the management board, effective immediately.

In March 2022, the Group has completed a Class A office building in Budapest, Hungary – Pillar.

In March 2022, the Group commenced the development of the third building within the Matrix Office Park in Zagreb – Matrix C.

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

On 22 April 2022, Icona Securitization Opportunities Group S.à r.l. appointed Mr. Bruno Vannini as a member of the supervisory board of the Company, effective immediately.

On 13 May 2022, GTC SA signed an amendment agreement to revolving facility agreement dated 29 October 2021. As a result, the available amount of unsecured revolving credit facility was increased to €94,000.

On 18 May 2022, Globis Wrocław Sp. z o.o, a wholly-owned subsidiary of the Company, signed a prolongation of the existing facility with Santander Bank Polska Final repayment date was extended to 31 August 2025 and the outstanding balance of the loan in the amount of €13,500 will be paid as a balloon payment on the maturity date.

On 14 June 2022, the Company's shareholders adopted a resolution regarding distribution of dividend in the amount of PLN 160,800 (€34,400). Dividend was paid in October 2022.

On 14 June 2022, the Annual General Meeting with its resolution no 20 appointed Artur Kozieja as an independent member of the supervisory board for a period of three years.

On 14 June 2022, the term of office of Mariusz Grendowicz as an independent member of the supervisory board of the Company has expired.

On 28 June 2022, GTC UBP Sp. z o.o., a wholly-owned subsidiary of the Company, signed with Berlin Hyp AG an amendment agreement to the bank loan agreement, according to which

a prepayment of €6,100 was made at the beginning of July 2022. The outstanding balance of the loan will be paid as the balloon payment on the maturity date

On 4 July 2022, GTC Origine Investments Pltd., a wholly-owned subsidiary of the Company, established GTC K43-45 Property Kft. in Budapest for future development project. In July 2022, GTC K43-45 Property Kft acquired a land plot in CBD in Budapest for a consideration of €6,550. The project has an existing building permit for the development of approximately 6,400 sq m of hospitality, student housing or short-term rental apartments.

On 5 July 2022, Pedja Petronijevic resigned from his seat on the management board of the Company. The resignation was effective 15 July 2022.

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 Forest Offices Debrecen, an office building owned by the subsidiary. The selling price under the agreement is HUF 19,100,000 (an equivalent of €45,200 as at 30 September 2022). The closing of the transaction is expected to take place by the end of Q4 2022.

On 28 July 2022, GTC has sold Cascade Building S.R.L., a wholly-owned subsidiary of the Company owning Cascade Office Building in Bucharest (4,211 sq m). Net proceeds from sale of subsidiary were €10,316.

On 28 July 2022, GTC signed a sale and purchase agreement concerning the sale of GTC Matrix d.o.o., a wholly-owned subsidiary of the Company. The purchase price under the Agreement shall be calculated on an enterprise value basis, based on a property value of €52,200. GTC Matrix d.o.o. portfolio consists of two A-class office buildings in Zagreb - Matrix A and B. The closing of the transaction is expected to take place by the end of Q4 2022.

In August 2022, the Management Board of GTC SA announced re-orientation of strategy of the Group, within which the Management Board decided to pursue potential new investments in certain new sectors which may diverge from the current core scope of the Company's operations (namely, the development and management of office, retail and certain other types of real estate). Potential new sectors identified for investment as part of the new strategy include:

1. investment in innovation and technology parks;
2. investment in renewable energy facilities; and
3. investment in development of PRS assets (private rented sector property - residential).

On 9 August 2022, the Company entered into an agreement concerning a transaction involving a joint venture investment into an innovation park in County Kildare, Ireland (the "Transaction"). The Transaction involves an investment of approximately €115,000 into the Kildare Innovation Campus. The project involves other international professional investors acting through a Luxemburg partnership advised by Icona Capital, an entity from the same group as GTC's minority partner (for more details please refer to note 16 in interim condensed consolidated financial statements for the nine-month period ended 30 September 2022).

On 28 August 2022, GTC Origine Investments Pltd., a wholly-owned subsidiary of the Company, acquired 34% of units in Regional Multi Asset Fund Compartment 2 of Trigal Alternative Investment Fund GP S.á.r.l. ("Fund") for consideration of €12,600 from an entity related to the Majority shareholder. The Fund is focus on commercial real estate investments in Slovenia and Croatia with a total gross asset value of €68,750. The fund expected maturity is in Q4 2028.

On 2 September 2022 GTC Dutch Holdings B.V. appoints Mr. Mariusz Grendowicz as member of the Supervisory Board of the Company, effective as of 2 September 2022.

On 12 September 2022, the Company received notification on a change in the shareholding of the Company. Pursuant to the Notification, as a result of completion of the intra-group corporate reorganization Global Debt Strategy S.à r.l. ("GDS") being a subsidiary of Alpine Holding Korlátolt Felelősségű Társaságthe ("Alpine"), directly acquired from GTC Holding control over 100% of the shares of GTC Dutch Holdings B.V. As a result of the transaction Alpine holds indirectly (i.e. through GDS, which in turn indirectly holds through GTC Dutch Holdings B.V) 43.10% of GTC's shares. For more detail please see current report no 40/2022.

On 26 September 2022, Extraordinary General Meeting of the Shareholders of the Company adopted resolution regarding the increase of the Company's share capital through the issuance of up to 125,000,000 ordinary series P bearer shares.

EVENTS THAT TOOK PLACE AFTER 30 SEPTEMBER 2022:

On 3 October 2022, GTC Matrix d.o.o., a wholly-owned subsidiary of the Company, received a loan from ERSTE bank in the amount of €31,300 as a part of the disposal process.

On 18 October 2022, dividend to shareholders was paid in the amount of €33,100.

On 4 November 2022, GTC SA prepaid 1/3 of the nominal value of its amortized bonds issued under ISIN code PLGTC0000318 in the amount of €15,600 (PLN 73,333).

On 15 November 2022, Mr. Daniel Obajtek resigned from his seat on the supervisory board of the Company, effective immediately.

5. Operating and financial review

5.1 General factors affecting operating and financial results

GENERAL FACTORS AFFECTING OPERATING AND FINANCIAL RESULTS

The key factors affecting the Group's financial and operating results are discussed below. The Management believes that the following factors and important market trends have significantly affected the Group's results of operations since the end of the period covered by the latest

published audited financial statements, and the Group expects that such factors and trends will continue to have a significant impact on the Group's results of operations in the future.

ECONOMIC CONDITIONS IN CEE AND SEE

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

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

REAL ESTATE MARKET IN CEE AND SEE

The Group derives the majority of its revenue from operations from rental activities, including rental and service revenue. For the nine-month period ended 30 September 2022 and for the nine-month period ended 30 September 2021, the Group derived 75% and 76%, respectively, of its revenues from operations as rental revenue, which significantly depends on the rental rates per sq m and occupancy rates. The amount the Group can charge for rent largely depends on the property's location and condition and is influenced by local market trends and the state of local economies. The Group's revenue from rent is particularly affected by the delivery of new rent spaces, changes in vacancy rates, and the Group's ability to implement rent increases. Rental income is also dependent upon the time of completion of the Group's development projects as well as on its ability to let such completed properties at favourable rent levels. Moreover, for the nine-month period ended 30 September 2022 and for the nine-month period ended 30 September 2021, the Group derived 25% and 24%, respectively, of its revenues from operations as service revenue, reflecting certain costs the Group passes on to its tenants.

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

REAL ESTATE VALUATION

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

The following three significant factors influence the valuation of the Group's properties: (i) the cash flow arising from operational performance, (ii) the expected rental rates, and (iii) the

capitalization rates that result from the interest rates in the market and the risk premiums applied to the Group's business.

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

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

The Group recognized a net profit from revaluation and impairment of assets of €11,514 in the nine-month period ended 30 September 2022 and €2,111 net loss from revaluation and impairment of assets in the nine-month period ended 30 September 2021.

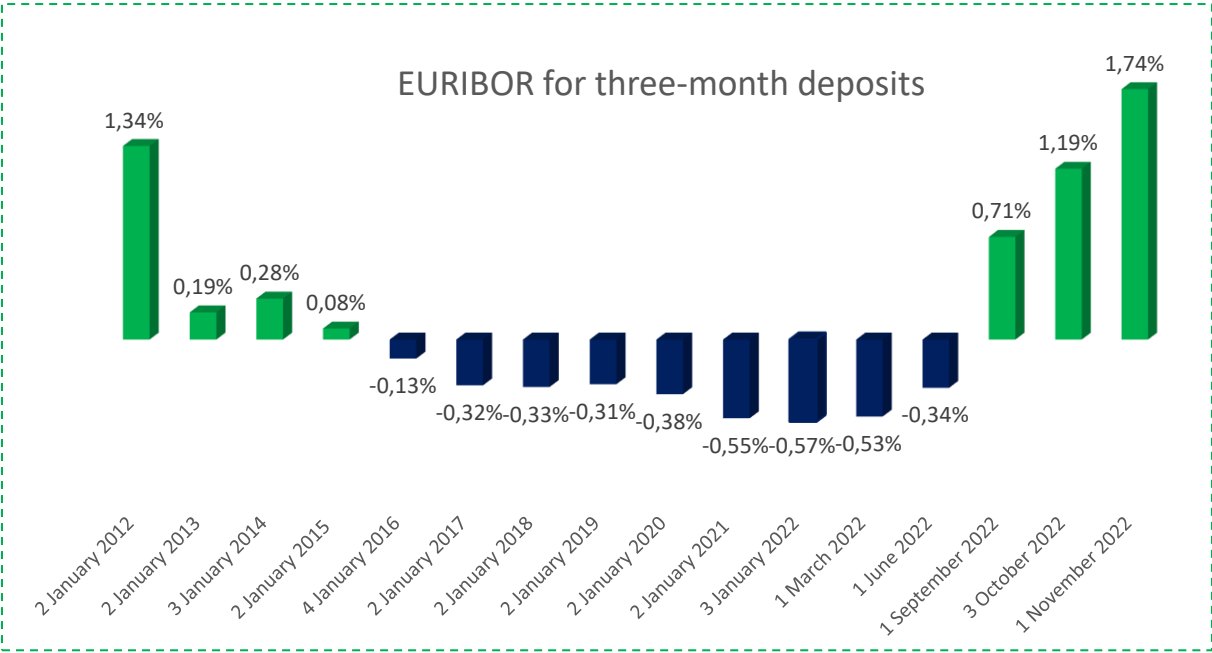
IMPACT OF INTEREST RATE MOVEMENTS

Increases in interest rates generally increase the Group's financing costs. However, as of 30 September 2022, 95% of the Group's borrowings were either based on fixed interest rate or hedged against interest rate fluctuations, mainly through interest rate swaps and cap transactions.

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

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

The graph presents EURIBOR for three-month deposits for the period between 2012 – 2022.



IMPACT OF FOREIGN EXCHANGE RATE MOVEMENTS

For nine-month periods ended 30 September 2022 and 30 September 2021, a vast majority of the Group’s revenues and costs were incurred or derived in euro. Nonetheless, the exchange rates against euro of the local currencies of the countries the Group operates in are an essential factor as the credit facilities obtained may be denominated in either euro or local currencies.

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

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

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

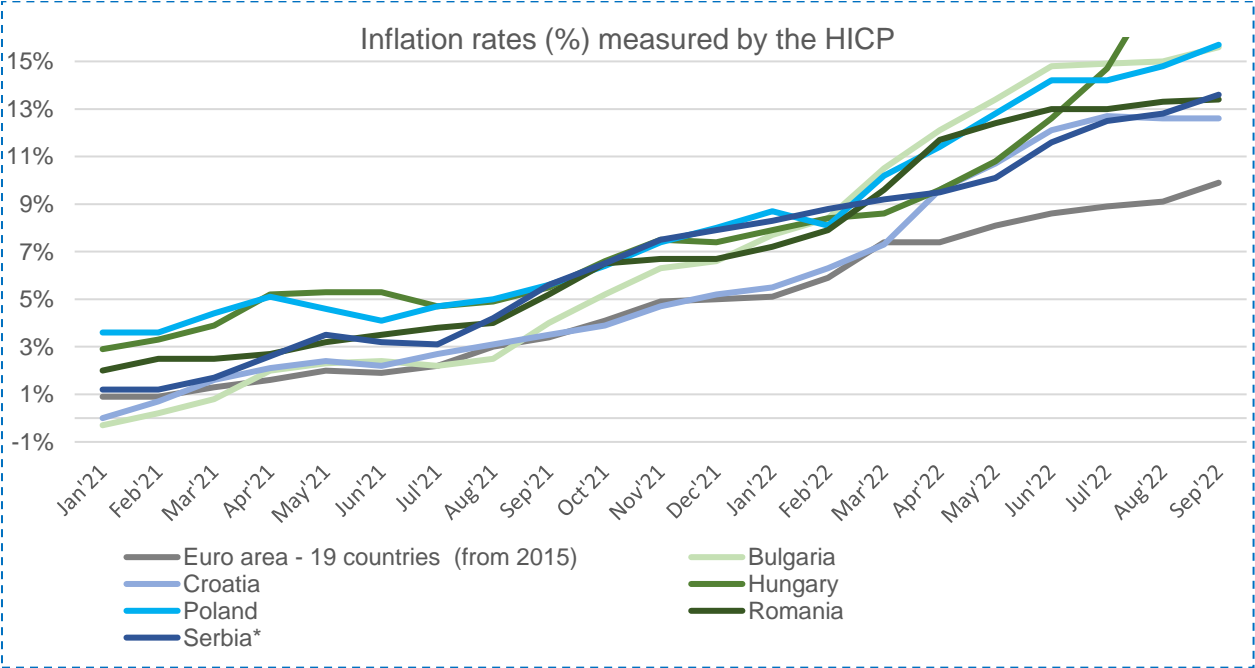
IMPACT OF INFLATION

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

The Group’s financial results are linked to the consumer price index as on one hand its rental revenue is indexed to the European CPI and on the other hand part of its debt is based on floating interest rate, which also may fluctuate as a result of the inflation. Although as of 30 September 2022, 95% of its debt is based on fixed rate or hedged against interest rate fluctuations so the exposure to the changes in interest rate is limited.

Additionally, the Group operates shopping malls and part of its rent (approximately 3% of total revenues from rental activity in 2021) is based on the tenant’s turnover, which in may be dependent on the inflation. Tenants’ turnover might have an impact on the Group’s operations and financial results.

According to Eurostat, the Euro area annual inflation was 9.9% in September 2022 and is expected to further grow. The graph below presents below the Harmonized Index of Consumer Prices (HICP) in countries which Group’s operate and the Euro area. The main index reference period currently used is 2015.



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

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

AVAILABILITY OF FINANCING

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

IMPACT OF THE SITUATION IN UKRAINE ON GTC GROUP

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 30 September 2022, and 31 December 2021, the Group did not have any assets in areas of conflict.

The conflict, however, caused immediate volatility in global stock markets, and uncertainties are anticipated in relation to the cost and availability of energy and natural resources, in particular within Europe. On 5 September 2022, Russian authorities announced that the Nord Stream pipeline would remain shut down for as long as western sanctions are in place, which immediately increased energy and gas prices on international markets. The Group cannot exclude that further rapid growth of electricity and gas prices will not have a negative effect on its annual spending on service charges (which are forecasted annually at the beginning of each calendar year and settled with tenants after the closing of the year), which in addition to rental rates constitute the total cost of renting an office or retail space for the tenant.

5.2 Specific factors affecting financial and operating results

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 € 120,386.

On 12 January 2022, the Group finalized the 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. The free cash generated from this disposal net of cash in disposed assets was €125,112.

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 sq m for a consideration of €7,700.

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 €9,900. The Group is refurbishing the existing buildings and once refurbished, the project will provide a 14,000 sq m new 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 sq m for a consideration of €33,800.

In March 2022, the Group has completed a Class A office building in Budapest, Hungary – Pillar.

In March 2022, the Group commenced the development of the third building within the Matrix Office Park in Zagreb – Matrix C.

On 28 June 2022, GTC UBP Sp. z o.o., a wholly-owned subsidiary of the Company, signed with Berlin Hyp AG an amendment agreement to the bank loan agreement, according to which a prepayment of €6,100 was made at the beginning of July 2022. The outstanding balance of the loan will be paid as the balloon payment on the maturity date.

In July 2022, GTC K43-45 Property Kft, a wholly owned subsidiary of the Company, acquired a land plot in CBD in Budapest for a consideration of €6,550. The project has an existing building permit for the development of approximately 6,400 sq m of hospitality, student housing or short-term rental apartments.

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 Forest Offices Debrecen, an office building owned by the subsidiary. The selling price under the agreement is HUF 19,100,000 (an equivalent of €45,200 as at 30 September 2022). The closing of the transaction is expected to take place by the end of Q4 2022.

On 28 July 2022, GTC has sold Cascade Building S.R.L., a wholly-owned subsidiary of the Company owning Cascade Office Building in Bucharest (4,211 sq m). Net proceeds from sale of subsidiary were EUR 10,316.

On 9 August 2022, the Company entered into an agreement concerning a transaction involving a joint venture investment into an innovation park in County Kildare, Ireland (the “Transaction”). The Transaction involves an investment of approximately €115,000 into the Kildare Innovation

Campus. The project involves other international professional investors acting through a Luxemburg partnership advised by Icona Capital, an entity from the same group as GTC's minority partner (for more details please refer to note 16 in interim condensed consolidated financial statements for the nine-month period ended 30 September 2022).

On 28 August 2022, GTC Origine Investments Pltd., a wholly-owned subsidiary of the Company, acquired 34% of units in Regional Multi Asset Fund Compartment 2 of Trigal Alternative Investment Fund GP S.á.r.l. ("Fund") for consideration of €12,600 from an entity related to the Majority shareholder. The Fund is focus on commercial real estate investments in Slovenia and Croatia with a total gross asset value of €68,750. The fund expected maturity is in Q4 2028.

5.3 Presentation of differences between achieved financial results and published forecasts

The Group did not publish forecasts for the nine months of 2022 or for full year 2022.

5.4 Consolidated statement of financial position

5.4.1 Key items of the consolidated statement of financial position

INVESTMENT PROPERTY

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

RESIDENTIAL LANDBANK

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

INVESTMENT IN ASSOCIATES AND JOINT VENTURES

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

ASSETS HELD FOR SALE

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

BLOCKED DEPOSITS

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

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

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

DERIVATIVES

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

5.4.2 Financial position as of 30 September 2022 compared to 31 December 2021

ASSETS

Total assets decreased by €105,431 (4%) to €2,738,318 as of 30 September 2022 from €2,843,749 as of 31 December 2021.

The value of investment property increased by €17,247 (1%) to €2,257,907 as of 30 September 2022 from €2,240,660 as of 31 December 2021, mainly due to investment of €117,918 mostly into the acquisition of a new landbank in Serbia and three assets in Hungary and adjustment to fair value of €12,317. This increase was offset mainly by a reclassification of three office buildings – Matrix A, Matrix B, and Forest Office Debrecen in the amount of €95,860 to assets held for sale, sale of Cascade office building for the amount of €10,100 and sale of land plots in Poland for the amount of €8,887.

The value of assets held for sale decreased by €192,934 (66%) to €99,067 as of 30 September 2022 from €292,001 as of 31 December 2021, mainly as a result of the completion of the sale of Serbian entities (incl. real estate assets, cash and deposits, and other assets) offset by the reclassification of three office buildings – Matrix A, Matrix B and Forest Office Debrecen (€95,860) to assets held for sale.

The value of derivatives increased by €22,948 to €23,774 as of 30 September 2022 from €826 as of 31 December 2021, mainly attributable to the positive valuation of IRS instruments related to bank loans.

The value of non-current financial assets (related to investment property) measured at fair value through profit or loss increased by €129,725 as of 30 September 2022 from €0 as of 31 December 2021, mainly due to an investment into the Kildare Innovation Campus, Ireland in the amount of €115,000 through the issuance of notes and acquisition of units in Regional Multi Asset Fund Compartment 2 of Trigal Alternative Investment Fund GP S.á.r.l. in the amount of €12,600.

The value of receivables from shareholders decreased to €0 as of 30 September 2022 from €123,425 as of 31 December 2021, following the registration of capital increase by the National Court Register and recording proceeds in January 2022.

The value of cash and cash equivalents increased by €39,734 (45%) to €127,202 as of 30 September 2022 from €87,468 as of 31 December 2021, mainly as a result of the sale of Serbian assets and one Romanian entity (net of cash in disposed entities) of €135,429 combined with capital increase in the total amount of €120,386, partially offset by the purchase of non-current financial assets (related to investment property) measured at fair value through profit or loss in the amount of €129,725, purchase of completed assets and land in the total amount of €57,137 and expenditure on investment property of €60,623.

LIABILITIES

The value of loans and bonds decreased by €48,765 (4%) to €1,250,686 as of 30 September 2022 as compared to €1,299,451 as of 31 December 2021 mainly due to repayment of bonds and loans in the amount of €32,053 and foreign exchange gain on bonds in PLN and HUF of €22,678. The decrease was offset mainly by drawdown of a top up loan related to the completion of the Pillar project of €6,173.

The value of liabilities held for sale decreased by €151,681 (98%) to €3,150 as of 30 September 2022 from 154,831 as of 31 December 2021 following the disposal of office properties in Serbia partially offset by reclassification of Matrix to liabilities related to assets held for sale.

The value of dividend payable to shareholders increased by €33,018 as of 30 September 2022 from €0 as of 31 December 2021 following the decision of the annual Shareholder Meeting on distribution of profits from 2021. The dividend was subsequently paid on 18 October 2022.

The value of derivatives increased by €17,873 (43%) to €59,297 as of 30 September 2022 from €41,424 as of 31 December 2021 mainly due changes in fair value in relation to the cross currency interest swaps on the Hungarian bonds.

The value of trade payables and provisions decreased by €2,990 (10%) to €28,102 as of 30 September 2022 from €31,092 as of 31 December 2021, mainly due to repayment of liability related to development activity.

The value of income tax payable increased by €2,812 to €3,812 as of 30 September 2022 from €1,000 as of 31 December 2021, mainly due to the income tax payable on sale of Serbian office portfolio.

EQUITY

The value of unregistered share capital decreased to €0 as of 30 September 2022 from €120,295 as at 31 December 2021, following registration of the capital increase by National Court Register (Krajowy Rejestr Sądowy).

The value of share capital increased by €1,913 (17%) to €12,920 as of 30 September 2022 from €11,007 as at 31 December 2021, following reclassification of unregistered share capital after share capital increase was registered.

The value of share premium increased by €118,382 (22%) to €668,904 as of 30 September 2022 from €550,522 as at 31 December 2021, following the share capital increase at a price above the nominal value.

The value of accumulated profit increased by €13,739 (3%) to €515,443 as of 30 September 2022 from €501,704 as of 31 December 2021, following recognition of profit for the period, in the amount of €49,416 offset by distribution of 2021 profit in the form of dividend in the amount of €34,583.

The value of hedge reserve decreased by €22,722 (74%) to €8,181 as of 30 September 2022 from €30,903 as of 31 December 2021, mainly due to the positive revaluation of the IRS instruments related to bank loans, which resulted mainly from an increase in market interest rates.

The value of equity increased by €36,786 (3%) to €1,153,775 as of 30 September 2022 from €1,116,989 as of 31 December 2021 mainly due to recognition of profit of €49,416 and a positive change in the value of hedge reserve by €22,722. Increase was partially offset by distribution of 2021 profit in the form of dividend in the amount of €34,583.

5.5 Consolidated income statement

5.5.1 Key items of the consolidated income statement

REVENUES FROM OPERATIONS

Revenues from operations consist of:

- rental income, which consists of monthly rental payments paid by tenants of the Group's investment properties for the office or retail space rented by such tenants. Rental income is recognized as income over the lease term;
- service income, which comprises fees paid by the tenants of the Group's investment properties to cover the costs of the services provided by the Group in relation to their leases.

COST OF OPERATIONS

Costs of operations consist of:

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

GROSS MARGIN FROM OPERATIONS

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

SELLING EXPENSES

Selling expenses include:

- brokerage and similar fees incurred to originate the lease or sale of space;
- marketing and advertising costs; and
- payroll and related expenses directly related to leasing or sales personnel.

ADMINISTRATION EXPENSES

Administration expenses include:

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

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

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

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

FINANCIAL INCOME / (EXPENSE), NET

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

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

TAXATION

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

5.5.2 Comparison of financial results for the nine-month period ended 30 September 2022 with the result for the corresponding period of 2021

REVENUES FROM RENTAL ACTIVITY

Rental and service revenues increased by €1,702 (1%) to €126,125 in the nine-month period ended 30 September 2022 compared to €124,423 in the nine-month period ended 30 September 2021. The Group recognized an increase in rental revenues following acquisition of income generating properties and the completion of Pillar in the amount of €13,100 and an increase in rental revenues from the retail portfolio in the amount of €10,100 as a result of the end of the Covid-19 related discounts and measures taken to help the retail tenants, as well as an increase in an average rental rate following the indexation of its rental rates to the European CPI. The increase was partially offset by a decrease in rental revenues following the sale of Serbian office portfolio in the first quarter of 2022 and Cascade office building in the third quarter of 2022 of €19,015 and due to a slight decline in average occupancy rate of the office portfolio in Poland and Romania.

COST OF RENTAL ACTIVITY

Service cost increased by €2,700 (9%) to €34,229 in the nine-month period ended 30 September 2022 as compared to €31,529 in the nine-month period ended 30 September 2021. The Group recognized an increase in service costs following acquisition of income generating properties and completion of Pillar of €4,100 and an increase in service cost in shopping centers of €1,300 and offices of €1,300 coming from inflation increase of operational costs. The increase was partially offset by a decrease in the service costs due to the sale of Serbian office portfolio in the first quarter of 2022 and Cascade office building in the third quarter of 2022 of €4,000.

GROSS MARGIN FROM OPERATIONS

Gross margin (profit) from operations decreased by €998 (1%) to €91,896 in the nine-month period ended 30 September 2022 as compared to €92,894 in the nine-month period ended 30 September 2021, mainly resulting from an increase in the service charge cost due to acquisitions of properties, slight decline in an average occupancy rate in Poland and Romania combined with a loss in rental and service revenues due to the sale of Serbian office portfolio.

The gross margin on rental activities in the nine-month period ended 30 September 2022 was 73% compared to 75% in the nine-month period ended 30 September 2021.

ADMINISTRATION EXPENSES

Administration expenses (before provision for the share-based program) increased by €1,681 (19%) to €10,526 in the nine-month period ended 30 September 2022 from €8,845 in the nine-month period ended 30 September 2021 mainly due to an increase in the remuneration expenses and an increase in audit, IT services and other advisory expenses. Mark-to-market of the share-based program resulted in a reversal of share-based provision of €1,410 in the nine-month period ended 30 September 2022 compared to the provision of €478 recognized

in the nine-month period ended 30 September 2021. The above factors resulted in a decrease of administration expenses of €207 (2%) to €9,116 in the nine-month period ended 30 September 2022 from €9,323 in the nine-month period ended 30 September 2021.

PROFIT FROM THE REVALUATION/IMPAIRMENT OF ASSETS

Net profit from the revaluation of the assets amounted to €11,514 in the nine-month period ended 30 September 2022, compared to a net loss of €2,111 in the nine-month period ended 30 September 2021. Net profit from the revaluation of the investment properties is driven mainly by progress on the leasing and development of GTC X (project under construction, Belgrade, Serbia) and completion of Pillar (Budapest, Hungary) as well as the planned disposal of our assets held for sale in Croatia.

FOREIGN EXCHANGE GAIN (LOSS), NET

Foreign exchange loss amounted to €2,518 in the nine-month period ended 30 September 2022, compared to a foreign exchange loss of €438 in the nine-month period ended 30 September 2021.

FINANCE INCOME

Finance income amounted to €928 in the nine-month period ended 30 September 2022 as compared to €223 in the nine-month period ended 30 September 2021.

FINANCE COST

Finance cost decreased by €8,879 (26%) to €25,043 in the nine-month period ended 30 September 2022 as compared to €33,922 in the nine-month period ended 30 September 2021. The weighted average interest rate (including hedges) as of 30 September 2022 was 2.18%.

PROFIT / (LOSS) BEFORE TAX

Profit before tax was €65,146 in the nine-month period ended 30 September 2022, compared to a profit before tax of €45,797 in the nine-month period ended 30 September 2021. This mainly resulted from profit from revaluation/impairment of assets of €11,514 and lower finance cost by €8,879. The increase was partially offset by higher foreign exchange differences loss by €2,080.

TAXATION

Tax amounted to €15,730 in the nine-month period ended 30 September 2022, compared to a tax of €12,720 in the nine-month period ended 30 September 2021. Taxation consists mainly of €13,032 current tax expenses and €2,698 of deferred tax expenses.

NET PROFIT / (LOSS)

Net profit increased by €16,339 (49%) to €49,416 in the nine-month period ended 30 September 2022, compared to a net profit of €33,077 in the nine-month period ended 30 September 2021. This mainly resulted from profit from revaluation of assets of €11,514 and lower finance cost by €8,879, partially offset by an increase in foreign exchange differences loss by €2,080.

5.5.3 Comparison of financial results for the three-month period ended 30 September 2022 with the result for the corresponding period of 2021

REVENUES FROM RENTAL ACTIVITY

Rental and service revenues decreased by €3,729 (8%) to €41,846 in the three-month period ended 30 September 2022 compared to €45,575 in the three-month period ended 30 September 2021. The Group recognized a decrease in rental revenues following the sale of Serbian office portfolio in the first quarter and Cascade office building in the third quarter of 2022 of €6,500 and due to a slight decline in an average occupancy rate in the office portfolio in Poland. The decrease was partially offset by acquisition of income generating properties and the completion of Pillar in the amount of €900 and an increase in rental revenues as from shopping centers in the amount of €1,700 as a result of the end of the Covid-19 related discounts and measures taken to help the retail tenants, as well as an increase in average rental rate following the indexation of its rental rates to the European CPI.

COST OF RENTAL ACTIVITY

Service cost remained virtually unchanged at €11,574 in the three-month period ended 30 September 2022 as compared to €11,505 in the three-month period ended 30 September 2021. The Group recognized an increase in service costs following acquisition of income generating properties and completion of Pillar of €1,100 and increase in service costs in offices of €500 and a slight increase of the costs due to the inflationary pressure. The increase was partially offset by a decrease in the service costs due to the sale of Serbian office portfolio in the first quarter and Cascade office building in the third quarter of 2022 of €1,300.

GROSS MARGIN FROM OPERATIONS

Gross margin (profit) from operations decreased by €3,798 (11%) to €30,272 in the three-month period ended 30 September 2022 as compared to €34,070 in the three-month period ended 30 September 2021, which reflects mainly from an increase in the service charge cost due to acquisitions of properties and an increase in service cost coming from inflation increase of operational costs and slight decline in an average occupancy rate combined with a loss in rental and service revenues due to the sale of Serbian office portfolio.

The gross margin on rental activities in the three-month period ended 30 September 2022 was 72% compared to 75% in the three-month period ended 30 September 2021.

ADMINISTRATION EXPENSES

Administration expenses (before provision for the share-based program) increased by €721 (25%) to €3,599 in the three-month period ended 30 September 2022 from €2,878 in the three-month period ended 30 September 2021 mainly due to an increase in audit and legal services and other advisory expenses. Mark-to-market of the share-based program resulted in a reversal of share-based provision of €913 in the three-month period ended 30 September 2022 compared to the provision of €186 recognized in the three-month period ended 30 September 2021. The above factors resulted in a decrease of administration expenses of €378 (12%) to €2,686 in the three-month period ended 30 September 2022 from €3,064 in the three-month period ended 30 September 2021.

LOSS FROM THE REVALUATION/IMPAIRMENT OF ASSETS

Net loss from the revaluation/impairment of the assets amounted to €4,772 in the three-month period ended 30 September 2022, compared to a net loss of €1,031 in the three-month period ended 30 September 2021. Net loss from the revaluation of the investment properties is driven mainly by capitalized expenditures during third quarter on the existing office portfolio.

FOREIGN EXCHANGE GAIN (LOSS), NET

Foreign exchange differences loss amounted to €1,065 in the three-month period ended 30 September 2022, compared to a foreign exchange loss of €289 in the three-month period ended 30 September 2021.

FINANCE INCOME

Finance income amounted to €731 in the three-month period ended 30 September 2022 as compared to €73 in the three-month period ended 30 September 2021.

FINANCE COST

Finance cost decreased by €3,855 (31%) to €8,453 in the three-month period ended 30 September 2022 as compared to €12,308 in the three-month period ended 30 September 2021. The weighted average interest rate (including hedges) as of 30 September 2022 was 2.18%.

PROFIT / (LOSS) BEFORE TAX

Profit before tax was €13,346 in the three-month period ended 30 September 2022, compared to a profit before tax of €16,789 in the three-month period ended 30 September 2021. This mainly resulted from decrease in gross margin by €3,798, combined with increased loss from revaluation/impairment of assets by €3,741, partially offset by decrease in finance cost by €3,855.

TAXATION

Tax amounted to €4,639 in the three-month period ended 30 September 2022, compared to a tax of €5,211 in the three-month period ended 30 September 2021. Taxation consists mainly of €1,167 of current tax expenses and €3,472 of deferred tax expense.

NET PROFIT / (LOSS)

Net profit decreased by €2,871 (25%) to €8,707 in the three-month period ended 30 September 2022, compared to a net profit of €11,578 in the three-month period ended 30 September 2021. This mainly resulted from a decrease in gross margin by €3,798, combined with increased loss from revaluation/impairment of assets by €3,741, partially offset by decrease in finance cost by €3,855 and decrease in tax expense of €572.

5.6 Consolidated cash flow statement

5.6.1 Key items from consolidated cash flow statement

NET CASH FROM (USED IN) OPERATING ACTIVITIES

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

NET CASH FROM (USED IN) INVESTING ACTIVITIES

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

NET CASH FROM (USED IN) FINANCING ACTIVITIES

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

CASH AND CASH EQUIVALENTS

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

5.6.2 Cash flow analysis

The table below presents an extract of the cash flow for the nine-month periods ended 30 September 2022 and 2021:

	<u>Nine-month period ended</u>	
	<u>30 Sep. 2022</u>	<u>30 Sep. 2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net cash from operating activities	65,251	76,777
CASH FLOWS FROM INVESTING ACTIVITIES:		
Expenditure on investment property and property, plant and equipment	(60,623)	(68,182)
Purchase of completed assets and land, residential land	(57,137)	(273,689)
Sale of landbank, residential landbank or subsidiaries (net of cash in disposed entities)	146,586	595
Purchase of non-current financial assets	(129,725)	-
Decrease in short term deposits designated for investment	-	922
Advances received for assets held for sale	2,500	1,080
VAT/tax on purchase/sale of investment property	(1,351)	247
Interest received	721	16
Net cash used in investing activities	(99,029)	(339,011)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	6,173	699,123
Repayment of long-term borrowings	(32,053)	(580,179)
Interest paid and other financing breaking fees	(23,707)	(26,350)
Proceeds from issue of share capital, net of issuance costs	120,386	-
Repayment of a lease liability	(557)	(516)
Loans origination payment	(236)	(7,561)
Decrease/(Increase) in short term deposits	(248)	6,313
Dividend paid to minority	(753)	-
Net cash from financing activities	69,005	90,830
Net foreign exchange difference	(3,778)	(626)
Net increase/ (decrease) in cash and cash equivalents	31,449	(172,030)
Cash and cash equivalents at the beginning of the period	96,633	271,996
Cash and cash equivalents at the end of the period	128,082	99,966

Net cash flow from operating activities decreased to €65,251 in the nine-month period ended 30 September 2022 from €76,777 in the nine-month period ended 30 September 2021. The decrease resulted from the tax paid and income loss due to the sale of office portfolio in Serbia partially offset by the completion and acquisition of the income generated properties in Hungary.

Net cash flow used in investing activities amounted to €99,029 in the nine-month period ended 30 September 2022 compared to €339,011 in the nine-month period ended 30 September 2021. Cash flow used in investing activities is mainly composed of purchase of non-current financial assets of €129,725, expenditure on investment properties and land of €60,623, and purchase of completed assets and land of €57,137, partially offset by sale of landbank, Serbian and Romanian subsidiaries (net of cash in disposed entities) of €146,586.

Net cash flow from financing activities amounted to €69,005 in the nine-month period ended 30 September 2022, compared to €90,830 of cash flow from financing activities in the nine-month period ended 30 September 2021. Cash flow from financing activities mainly composed of (i) proceeds from issue of share capital, net of issuance costs of €120,386; (ii) repayment of long-term borrowings of €32,053 and (iii) interest paid and other financing breaking fees in the amount of €23,707.

Cash and cash equivalents as of 30 September 2022 amounted to €128,082 (including AHFS of €880) compared to €99,966 as of 30 September 2021. The Group keeps its cash in the form of current accounts and bank deposits.

5.7 Future liquidity and capital resources

As of 30 September 2022, the Group believes that its cash balances, cash generated from disposal of properties, cash generated from leasing activities of its investment properties, and cash available under its existing and future loan facilities as well as revolving credit facility will fund its needs.

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

As of 30 September 2022, the Group's non-current liabilities amounted to €1,459,552 compared to €1,487,683 as of 31 December 2021.

The Group's total debt from long and short-term loans and borrowings as of 30 September 2022 amounted to €1,250,686, as compared to €1,441,403, including loans related to assets held for sale of €141,952 (net of deferred issuance debt expenses) as of 31 December 2021. The weighted average interest rate (including hedges) as of 30 September 2022 was 2.18%.

The Group's loans and borrowings are mainly denominated in Euro. Debt in other currencies includes bonds (series maturing in 2022-2023) in PLN and green bonds issued by Hungarian subsidiary in HUF (series maturing in 2027-2031), which are hedged through cross currency interest rate swaps following the hedging policy of the Group.

The Group's net loan-to-value ratio amounted to 44.3% as of 30 September 2022 (includes non-current financial assets), compared to 52.5% as of 31 December 2021. The Group's long-term strategy is to keep its loan-to-value ratio at a level of 40%; however, in case of acquisitions, the Company may deviate temporarily.

As of 30 September 2022, 95% of the Group's loans (by value) were based on the fixed interest rate or hedged against interest fluctuations, mainly through interest rate swaps and cap transactions.

AVAILABILITY OF FINANCING

In the CEE and SEE markets, real estate development companies, including the companies of the Group, usually finance their real estate projects with proceeds from the issue of the bonds, proceeds from bank loans, loans extended by their holding companies. The availability and cost of procuring financing are of material importance to the implementation of the Group's projects and for the Group's development prospects and its ability to repay existing debt. Finally, the availability and cost of financing may impact the Group's development dynamics and the Group's cash flow and net profit.

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

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

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

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

As of 30 September 2022, 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 2022, the Group did not grant guarantees where the total value is material.

As of 30 September 2022 and 30 September 2021 there were no guarantees given to third parties. As of 30 September 2022, the guarantees granted amounted to €0.

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

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

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

The following table presents the Company's shareholders, who had no less than 5% of votes at the general meeting of GTC S.A. shareholders, as of the date of 30 September 2022.

On 12 September 2022, the Company received notification on a change in the shareholding of the Company. Pursuant to the Notification, as a result of completion of the intra-group corporate reorganization Global Debt Strategy S.à r.l. ("GDS") being a subsidiary of Alpine Holding Korlátolt Felelősségű Társaságthe ("Alpine"), directly acquired from GTC Holding control over 100% of the shares of GTC Dutch Holdings B.V. As a result of the transaction Alpine holds indirectly (i.e. through GDS, which in turn indirectly holds through GTC Dutch Holdings B.V) 43.10% of GTC's shares. For more detail please see current report no 40/2022.

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

Shareholder	Number of shares and rights to the shares held (not in thousand)	% of share capital	Number of votes (not in thousand)	% of votes	Change in number of shares since 30 June 2022 (not in thousand)
GTC Dutch Holdings B.V. ¹	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
OFE PZU Złota Jesień	53,500,000	9.32%	53,500,000	9.32%	No change
AVIVA OFE Aviva Santander	47,364,000	8.25%	47,364,000	8.25%	No change
Other shareholders	113,862,242	19.82%	113,862,242	19.82%	No change
Total	574,255,122	100.00%	574,255,122	100.00%	No change

¹ Ultimate shareholder of GTC Dutch Holding B.V. and GTC Holding Zrt. is Optimum Venture 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.

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.

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

SHARES HELD BY MEMBERS OF THE MANAGEMENT BOARD

The following table presents shares owned directly or indirectly by members of the Company's management board of the date of publication of this interim report, and changes in their holdings since the date of publication of the Group's last financial report (interim report for the six-month period ended 30 June 2022) as of 24 August 2022.

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

Management board member	Balance as of 15 November 2022 (not in thousand)	The nominal value of shares in PLN (not in thousand)	Change since 24 August 2022 (not in thousand)
Zoltán Fekete	0	0	No change
Ariel Ferstman	5,240	524	No change
János Gárdai	0	0	No change
Total	5,240	524	

SHARES OF GTC HELD BY MEMBERS OF THE SUPERVISORY BOARD

The following table presents shares owned directly or indirectly by members of the Company's supervisory board of the date of publication of this interim report, and changes in their holdings since the date of publication of the Group's last financial report (interim report for the six-month period ended 30 June 2022) as of 24 August 2022.

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

Members of supervisory board	Balance as of 15 November 2022 (not in thousand)	The nominal value of shares in PLN (not in thousand)	Change since 24 August 2022
János Péter Bartha	0	0	No change
Lóránt Dudás	0	0	No change
Balázs Figura	0	0	No change
Mariusz Grendowicz ¹	13,348	1,335	No change
Artur Koziejka	0	0	No change
Marcin Murawski	0	0	No change
Gyula Nagy	0	0	No change
Daniel Obajtek	0	0	No change
Bálint Szécsényi	0	0	No change
Bruno Vannini	0	0	No change
Total	13,348	1,335	

¹ change since 2 September 2022

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 the total value of the liabilities or claims is 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 the total value of liabilities or claims is material.



GLOBE TRADE CENTRE S.A.

UNAUDITED INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD
ENDED 30 SEPTEMBER 2022
TOGETHER WITH INDEPENDENT AUDITORS' REVIEW REPORT

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Financial Position
as of 30 September 2022
(in thousands of Euro)

	Note	30 September 2022 (unaudited)	31 December 2021 (audited)
ASSETS			
Non-current assets			
Investment property	8	2,257,907	2,240,660
Residential landbank		27,622	27,002
Property, plant and equipment		7,393	7,834
Blocked deposits		12,193	11,078
Deferred tax asset		3,636	3,786
Derivatives	10	19,539	826
Non-current financial assets (related to investment property) measured at fair value through profit or loss	16	129,725	-
Other non-current assets		141	163
		2,458,156	2,291,349
Loan granted to non-controlling interest partner	9	10,835	10,628
		2,468,991	2,301,977
Current assets			
Accounts receivables		7,149	6,161
Accrued income		3,087	3,448
Receivables from shareholders	15	-	123,425
VAT and other tax receivable		4,308	2,957
Income tax receivable		567	456
Prepayments, deferred expenses and other receivables		10,814	11,515
Derivatives	10	4,235	-
Short-term blocked deposits		12,898	14,341
Cash and cash equivalents		127,202	87,468
		170,260	249,771
Assets held for sale	13	99,067	292,001
		269,327	541,772
TOTAL ASSETS		2,738,318	2,843,749

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Financial Position
as of 30 September 2022
(in thousands of Euro)

	Note	30 September 2022 (unaudited)	31 December 2021 (audited)
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	15	12,920	11,007
Share premium	15	668,904	550,522
Unregistered share capital increase	15	-	120,295
Capital reserve		(49,489)	(49,489)
Hedge reserve		(8,181)	(30,903)
Foreign currency translation		(2,586)	(2,570)
Accumulated profit		515,443	501,704
		1,137,011	1,100,566
Non-controlling interest	9	16,764	16,423
Total Equity		1,153,775	1,116,989
Non-current liabilities			
Long-term portion of long-term borrowing	11	1,204,916	1,255,114
Lease liability	12	39,703	38,767
Deposits from tenants		12,193	11,078
Long term payable		2,500	2,426
Provision for share based payment		-	1,410
Derivatives	10	56,006	38,743
Deferred tax liabilities		144,234	140,145
		1,459,552	1,487,683
Current liabilities			
Current portion of long-term borrowing	11	45,770	44,337
Current portion of lease liabilities	12	202	198
Trade payables and provisions		28,102	31,092
Dividend payable to shareholders	15	33,018	-
Deposits from tenants		1,801	1,932
VAT and other taxes payable		1,791	2,222
Income tax payable		3,812	1,000
Derivatives	10	3,291	2,681
Advances received		4,054	784
		121,841	84,246
Liabilities related to assets held for sale	13	3,150	154,831
		124,991	239,077
TOTAL EQUITY AND LIABILITIES		2,738,318	2,843,749

Globe Trade Centre S.A.
Interim Condensed Consolidated Income Statement
for the nine-month period ended 30 September 2022
(in thousands of Euro)

	Note	Nine-month period ended 30 September 2022 (unaudited)	Nine-month period ended 30 September 2021 (unaudited)	Three-month period ended 30 September 2022 (unaudited)	Three-month period ended 30 September 2021 (unaudited)
Rental revenue	5	94,504	94,615	30,969	34,832
Service charge revenue	5	31,621	29,808	10,877	10,743
Service charge costs	5	(34,229)	(31,529)	(11,574)	(11,505)
Gross margin from operations		91,896	92,894	30,272	34,070
Selling expenses		(1,151)	(1,183)	(391)	(422)
Administration expenses	6	(9,116)	(9,323)	(2,686)	(3,064)
Profit/(loss) from revaluation / impairment of assets	8	11,514	(2,111)	(4,772)	(1,031)
Other income		825	306	265	65
Other expenses		(2,189)	(649)	(555)	(305)
Profit from continuing operations before tax and finance income / expense		91,779	79,934	22,133	29,313
Foreign exchange gain / (loss), net		(2,518)	(438)	(1,065)	(289)
Finance income		928	223	731	73
Finance cost	7	(25,043)	(33,922)	(8,453)	(12,308)
Profit before tax		65,146	45,797	13,346	16,789
Taxation	14	(15,730)	(12,720)	(4,639)	(5,211)
Profit for the period		49,416	33,077	8,707	11,578
Attributable to:					
Equity holders of the Company		48,322	32,272	8,369	11,312
Non-controlling interest	9	1,094	805	338	266
Basic earnings per share (in Euro)	17	0.08	0.07	0.01	0.02

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Comprehensive Income
for the nine-month period ended 30 September 2022
(In thousands of Euro)

	Nine-month period ended 30 September 2022 (unaudited)	Nine-month period ended 30 September 2021 (unaudited)	Three-month period ended 30 September 2022 (unaudited)	Three-month period ended 30 September 2021 (unaudited)
Profit for the period	49,416	33,077	8,707	11,578
<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	26,805	(8,069)	13,068	(2,981)
Income tax	(4,083)	394	(1,893)	184
Net gain/(loss) on hedge transactions	22,722	(7,675)	11,175	(2,797)
Foreign currency translation	(16)	(103)	260	(84)
<i>Net other comprehensive income for the period, net of tax to be reclassified to profit or loss in subsequent periods</i>	22,706	(7,778)	11,435	(2,881)
Total comprehensive income/(loss) for the period, net of tax	72,122	25,299	20,142	8,697
Attributable to:				
Equity holders of the Company	71,028	24,494	19,804	8,431
Non-controlling interest	1,094	805	338	266

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Changes in Equity
for the nine-month period ended 30 September 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)	-	-	-	-	22,722	(16)	-	22,706	-	22,706
Result for the period ended 30 September 2022	-	-	-	-	-	-	48,322	48,322	1,094	49,416
Total comprehensive income / (loss) for the period	-	-	-	-	22,722	(16)	48,322	71,028	1,094	72,122
Registered share capital increase	1,913	118,382	(120,295)	-	-	-	-	-	-	-
Dividend declared	-	-	-	-	-	-	(34,583)	(34,583)	-	(34,583)
Dividend paid to minority	-	-	-	-	-	-	-	-	(753)	(753)
Balance as of 30 September 2022 (unaudited)	12,920	668,904	-	(49,489)	(8,181)	(2,586)	515,443	1,137,011	16,764	1,153,775

	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 (audited)	11,007	550,522	-	(49,489)	(11,930)	(2,553)	460,053	957,610	16,538	974,148
Other comprehensive income/(loss)	-	-	-	-	(7,675)	(103)	-	(7,778)	-	(7,778)
Profit for the period ended 30 September 2021	-	-	-	-	-	-	32,272	32,272	805	33,077
Total comprehensive income / (loss) for the period	-	-	-	-	(7,675)	(103)	32,272	24,494	805	25,299
Dividend paid to minority	-	-	-	-	-	-	-	-	(900)	(900)
Balance as of 30 September 2021 (unaudited)	11,007	550,522	-	(49,489)	(19,605)	(2,656)	492,325	982,104	16,443	998,547

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Cash Flows
for the nine-month period ended 30 September 2022
(In thousands of Euro)

	Note	Nine-month period ended 30 September 2022 (unaudited)	Nine-month period ended 30 September 2021 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit before tax		65,146	45,797
Adjustments for:			
Loss/(profit) from revaluation/impairment of assets and residential projects	8	(11,514)	2,111
Foreign exchange loss, net		2,518	438
Finance income		(928)	(223)
Finance cost	7	25,043	33,922
Provision for share based payment loss/(profit)	6	(1,410)	478
Depreciation		375	490
Operating cash before working capital changes		79,230	83,013
Increase in accounts receivables and prepayments and other current assets		(2,524)	(3,074)
Increase in advances received		942	775
Increase in deposits from tenants		1,591	2,286
Increase / (decrease) in trade and other payables		(3,967)	1,165
Cash generated from operations		75,272	84,165
Tax paid in the period		(10,021)	(7,388)
Net cash from operating activities		65,251	76,777
CASH FLOWS FROM INVESTING ACTIVITIES:			
Expenditure on investment property and property, plant and equipment	8	(60,623)	(68,182)
Purchase of completed assets and land	8	(57,137)	(260,882)
Purchase of residential landbank		-	(12,807)
Sale of landbank and residential landbank	8,13	11,157	-
Sale of subsidiary, net of cash in disposed assets	1,13	135,429	595
Purchase of non-current financial assets	16	(129,725)	-
Decrease in short term deposits designated for investment		-	922
Advances received for assets held for sale		2,500	1,080
VAT/tax on purchase/sale of investment property		(1,351)	247
Interest received		721	16
Net cash used in investing activities		(99,029)	(339,011)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from long-term borrowings	11	6,173	699,123
Repayment of long-term borrowings	11	(32,053)	(580,179)
Interest paid and other financing breaking fees		(23,707)	(26,350)
Proceeds from issue of share capital, net of issuance costs	1,15	120,386	-
Repayment of lease liability	12	(557)	(516)
Loans origination payment		(236)	(7,561)
Decrease/(Increase) in short term deposits		(248)	6,313
Dividend paid to minority		(753)	-
Net cash from financing activities		69,005	90,830
Net foreign exchange difference		(3,778)	(626)
Net increase/ (Decrease) in cash and cash equivalents		31,449	(172,030)
Cash and cash equivalents at the beginning of the period		96,633	271,996
Cash and cash equivalents at the end of the period		128,082	99,966

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Cash Flows
for the nine-month period ended 30 September 2022
(in thousands of Euro)

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at 30 September 2022 and 31 December 2021:

	30 September 2022	31 December 2021
Cash at banks and on hand	127,202	87,468
Cash at banks related to assets held for sale (note 13)	880	9,165
Cash and cash equivalents at the end of the period	128,082	96,633

Globe Trade Centre S.A.
Notes to the Interim Condensed Consolidated Financial Statements
for the nine-month period ended 30 September 2022
(In thousands of Euro)

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 2022, 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. Ultimate shareholder of GTC Dutch Holding B.V. and GTC Holding Zrt. is Optimum Venture 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.

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 Venture Private Equity Funds is entitled to 359,528,880 votes in GTC S.A. representing 62.61% of the total number of votes in the Company.

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

EVENTS IN THE PERIOD

On 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 million.

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 held, directly and indirectly, 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 holds, directly and indirectly, 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 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 13.

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 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 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 is refurbishing the existing buildings and once refurbished, the project will provide a 14,000 sqm new 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.

In March 2022, the Group has completed a Class A office building in Budapest, Hungary – Pillar.

In March 2022, the Group commenced the development of the third building within the Matrix Office Park in Zagreb – Matrix C.

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.

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

On 13 May 2022, GTC SA signed an amendment agreement to revolving facility agreement dated 29 October 2021. As a result, the available amount of unsecured revolving credit facility was increased to EUR 94 million.

On 18 May 2022, Globis Wrocław Sp. z o.o., a wholly-owned subsidiary of the Company, signed a prolongation of the existing facility with Santander Bank Polska. Final repayment date was extended to 31 August 2025 and the outstanding balance of the loan in the amount of EUR 13.5 million will be paid as a balloon payment on the maturity date.

Globe Trade Centre S.A.
Notes to the Interim Condensed Consolidated Financial Statements
for the nine-month period ended 30 September 2022
(in thousands of Euro)

1. Principal activities (continued)

On 14 June 2022, the Company's shareholders adopted a resolution regarding distribution of dividend in the amount of PLN 160.8 million (EUR 34.4 million). Dividend was paid in October 2022 (please refer to *Subsequent event note*).

On 28 June 2022, GTC UBP Sp. z o.o., a wholly-owned subsidiary of the Company, signed with Berlin Hyp AG amendment agreement to bank loan agreement, according to which a prepayment of EUR 6.1 million was made at the beginning of July 2022. The outstanding balance of the loan will be paid as the balloon payment on the maturity date.

On 4 July 2022, GTC Origine Investments Pltd., a wholly-owned subsidiary of the Company, established GTC K43-45 Property Kft. in Budapest for future development project. In July 2022, GTC K43-45 Property Kft acquired a landplot in CBD in Budapest for a consideration of EUR 6.55 million. The project has an existing building permit for the development of approximately 6,400 sqm of hospitality, student housing or short-term rental apartments.

On 5 July 2022, effective from 15 July 2022, Mr. Pedja Petronijevic resigned from his seat on the Management Board of the Company.

On 19 July 2022, GTC FOD Property Kft., a wholly-owned subsidiary of the Company, signed a sale and purchase agreement, concerning the sale of the office building owned by the subsidiary. The selling price under the agreement is HUF 19.1 billion (an equivalent of EUR 45.2 million as at 30 September 2022). The closing of the transaction is expected to take place by the end of Q4 2022.

On 28 July 2022, GTC has sold Cascade Building S.R.L., a wholly-owned subsidiary of the Company owning Cascade Office Building in Bucharest (4,211 sqm). Net proceeds from sale of subsidiary were EUR 10.3 million.

On 28 July 2022, GTC signed a sale and purchase agreement concerning the sale of GTC Matrix d.o.o., a wholly-owned subsidiary of the Company. The purchase price under the Agreement shall be calculated on an enterprise value basis, based on a property value of EUR 52.2 million. GTC Matrix d.o.o. portfolio consists of two A-class office buildings in Zagreb - Matrix A and B. The closing of the transaction is expected to take place by the end of Q4 2022.

1. Principal activities (continued)

On 10 August 2022, the Management Board of GTC S.A. announced re-orientation of strategy of the Group, within which the Management Board decided to pursue potential new investments in certain new sectors which may diverge from the current core scope of the Company's operations (namely, the development and management of office, retail and certain other types of real estate). Potential new sectors identified for investment as part of the new strategy include:

1. investment in innovation and technology parks;
2. investment in renewable energy facilities; and
3. investment in development of PRS assets (private rented sector property - residential).

On 9 August 2022, the Company entered into an agreement concerning a transaction involving a joint venture investment into an innovation park in County Kildare, Ireland (the "Transaction"). The Transaction involves an investment of approximately EUR 115 million into the Kildare Innovation Campus. The project involves other international professional investors acting through a Luxemburg partnership advised by Icona Capital, an entity from the same group as GTC's minority partner (for more details please refer to note 16).

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

On 12 September 2022, the Company received notification on a change in the shareholding of the Company. Pursuant to the Notification, as a result of completion of the intra-group corporate reorganization Global Debt Strategy S.à r.l. ("GDS") being a subsidiary of Alpine Holding Korlátolt Felelősségű Társaságthe ("Alpine"), directly acquired from GTC Holding control over 100% of the shares of GTC Dutch Holdings B.V. As a result of the transaction Alpine holds indirectly (i.e. through GDS, which in turn indirectly holds through GTC Dutch Holdings B.V) 43.10% of GTC's shares. For more details please see current report no 40/2022.

On 26 September 2022, Extraordinary General Meeting of the Shareholders of the Company adopted resolution regarding the increase of the Company's share capital through the issuance of up to 125,000,000 ordinary series P bearer shares.

1. Principal activities (continued)

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 30 September 2022 and 31 December 2021, the Group did not have any assets in areas of conflict.

2. Basis of preparation

The Interim Condensed Consolidated Financial Statements for the nine-month period ended 30 September 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.

2. Basis of preparation (continued)

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 30 September 2022, the Group’s net working capital (defined as current assets less current liabilities) amounted to EUR 144.3 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.

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

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 the 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 nine-month period ended 30 September 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	30 September 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 nine-month period ended 30 September 2022
(in thousands of Euro)

4. Investment in subsidiaries (continued)

Name	Holding Company	Country of incorporation	30 September 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	Serbia	100%	-
GTC K43-45 Property Kft. (3)	GTC Origine	Hungary	100%	-
GTC Liffey Kft. (3)	GTC Origine	Hungary	100%	-
GTC UK Real Estate Investments Ltd. (3)	GTC Origine	United Kingdom	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. (1)	GTC S.A.	Romania	-	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). There were no business combinations in place.

(3) Newly established wholly-owned subsidiary.

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4. Investment in subsidiaries (continued)

Name	Holding Company	Country of incorporation	30 September 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 (3)	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.

(3) GTC S.A. holds 100% shares through a wholly-owned subsidiary GTC Hungary, which has 70% of shares and remaining 30% is held directly by GTC S.A.

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5. Segmental analysis

Rental income divided by sectors is presented below:

	Nine-month period ended 30 September 2022 (unaudited)	Nine-month period ended 30 September 2021 (unaudited)	Three-month period ended 30 September 2022 (unaudited)	Three-month period ended 30 September 2021 (unaudited)
Rental income from office sector	76,417	85,895	25,174	30,685
Rental income from retail sector	49,708	38,528	16,672	14,890
TOTAL	126,125	124,423	41,846	45,575

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

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

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

Segmental analysis of rental income and costs for the nine-month period ended 30 September 2022 and 30 September 2021 is presented below:

Portfolio	2022			2021		
	Revenues	Costs	Gross margin from operations	Revenues	Costs	Gross margin from operations
Poland	51,346	(13,788)	37,558	46,557	(12,855)	33,702
Belgrade	7,912	(2,168)	5,744	24,874	(6,017)	18,857
Hungary	36,130	(9,577)	26,553	22,624	(4,989)	17,635
Bucharest	8,555	(2,477)	6,078	11,724	(2,196)	9,528
Zagreb	10,986	(3,230)	7,756	9,600	(3,067)	6,533
Sofia	11,196	(2,989)	8,207	9,044	(2,405)	6,639
Total	126,125	(34,229)	91,896	124,423	(31,529)	92,894

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5. Segmental analysis (continued)

Segmental analysis of rental income and costs for the three-month period ended 30 September 2022 and 30 September 2021 is presented below:

Portfolio	2022			2021		
	Revenues	Costs	Gross margin from operations	Revenues	Costs	Gross margin from operations
Poland	16,559	(4,607)	11,952	16,579	(4,538)	12,041
Belgrade	2,442	(654)	1,788	8,362	(1,967)	6,395
Hungary	12,441	(3,600)	8,841	10,719	(2,224)	8,495
Bucharest	2,898	(917)	1,981	3,256	(748)	2,508
Zagreb	3,707	(1,096)	2,611	3,330	(1,019)	2,311
Sofia	3,799	(700)	3,099	3,329	(1,009)	2,320
Total	41,846	(11,574)	30,272	45,575	(11,505)	34,070

Segmental analysis of assets and liabilities as of 30 September 2022 is presented below:

	Real estate	Cash and deposits	Other	Total assets	Loans, bonds and leases	Deferred tax liability	Other	Total liabilities
Poland	894,064	42,250	19,458	955,772	279,512	62,820	14,435	356,767
Belgrade	166,454	7,195	2,392	176,041	815	1,736	6,239	8,790
Hungary	750,759	14,909	24,302	789,970	270,447	20,052	9,832	300,331
Bucharest	179,197	6,529	1,788	187,514	15,847	12,025	2,319	30,191
Zagreb	173,364	7,463	11,787	192,614	43,669	17,793	7,071	68,533
Sofia	196,766	5,297	1,367	203,430	-	8,802	2,965	11,767
Other	28,302	-	83	28,385	-	-	-	-
Non allocated (*)	-	70,107	134,485	204,592	689,061	22,237	96,866	808,164
Total	2,388,906	153,750	195,662	2,738,318	1,299,351	145,465	139,727	1,584,543

(*) Loans, bonds and leases comprise mainly of bonds issued by GTC S.A., GTC Hungary and GTC Aurora Luxembourg S.A. Other liabilities comprise mainly of derivatives payable in the amount of EUR 54,586, related to bonds in HUF, and dividend payable to shareholders in the amount of EUR 33,018.

Other assets represent mainly non-current financial assets in Ireland (EUR 117 million) and in Luxembourg (EUR 12.6 million).

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5. Segmental analysis (continued)

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 nine-month period ended 30 September 2022 and 30 September 2021 comprises the following amounts:

	Nine-month period ended 30 September 2022 (unaudited)	Nine-month period ended 30 September 2021 (unaudited)	Three-month period ended 30 September 2022 (unaudited)	Three-month period ended 30 September 2021 (unaudited)
Administration expenses	10,526	8,845	3,599	2,878
Share based payment	(1,410)	478	(913)	186
Total	9,116	9,323	2,686	3,064

7. Finance costs

Finance costs for the nine-month period ended 30 September 2022 and 30 September 2021 comprises the following amounts:

	Nine-month period ended 30 September 2022 (unaudited)	Nine-month period ended 30 September 2021 (unaudited)	Three-month period ended 30 September 2022 (unaudited)	Three-month period ended 30 September 2021 (unaudited)
Interest expenses (on financial liabilities that are not fair valued through profit or loss), banking costs and other charges	21,848	23,502	7,252	7,844
Early prepayment costs	-	5,102	-	2,566
Finance costs related to lease liability	1,397	1,459	508	484
Amortization of long-term borrowings raising costs	1,798	3,859	693	1,414
Total	25,043	33,922	8,453	12,308

The weighted average interest rate (including hedges) on the Group's loans as of 30 September 2022 was 2.18% 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:

	30 September 2022	31 December 2021
Completed investment property	1,958,750	1,929,979
Investment property under construction	84,385	132,410
Investment property landbank at cost	174,485	139,843
Right of use of lands under perpetual usufruct	40,287	38,428
Total	2,257,907	2,240,660

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8. Investment Property (continued)

The movement in investment property for the periods ended 30 September 2022 and 31 December 2021 was as follows:

	Right of Use assets (IFRS 16)	Level 2	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	-	15,657	1,449	42,293	59,399
Purchase of completed assets and land	-	8,029	-	50,490	58,519
Reclassification (1)	-	112,000	(75,500)	(36,500)	-
Adjustment to fair value / (impairment)	-	(6,598)	17,446	1,469	12,317
Prepaid right of use of lands under perpetual usufruct	(293)	-	-	-	(293)
Amortization of right of use of lands under perpetual usufruct	(421)	-	-	-	(421)
Reclassified to assets held for sale (2)	-	(45,000)	(50,860)	-	(95,860)
Increase	2,427	-	-	-	2,427
Disposal of land (3)	-	-	-	(8,887)	(8,887)
Sale of completed building (4)	-	(10,100)	-	-	(10,100)
Foreign exchange differences	146	-	-	-	146
Carrying amount as of 30 September 2022	40,287	1,589,650	409,753	218,217	2,257,907

(1) Completion of Pillar building in Hungary in Q1 2022 – transfer to Level 2 fair value hierarchy (EUR 112,000) and change in fair value hierarchy for GTC X (project in Belgrade) – from At cost to Level 3 (EUR 36,500).

(2) Please refer also to note 13 *Assets held for sale*.

(3) Sale of land plots in Poland.

(4) Sale of Cascade building – please refer also to note 1 *Principal activities*.

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

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8. Investment Property (continued)

Fair value and impairment adjustment consists of the following:

	Nine-month period ended 30 September 2022 (unaudited)	Nine-month period ended 30 September 2021 (unaudited)	Three-month period ended 30 September 2022 (unaudited)	Three-month period ended 30 September 2021 (unaudited)
Adjustment to fair value of completed investment properties	2,093	(3,677)	(4,042)	(2,640)
Adjustment to the fair value of investment properties under construction	8,560	4,106	85	3,569
Reversal of impairment/(Impairment) adjustment	1,664	(2,277)	(169)	(1,903)
Total adjustment to fair value / (impairment) of investment property	12,317	(1,848)	(4,126)	(974)
Adjustment to fair value/(Impairment) of assets held for sale	(69)	21	(171)	(4)
Impairment of residential landbank	(284)	-	(284)	-
Amortization of right of use of lands under perpetual usufruct (including on residential landbank)	(450)	(284)	(191)	(53)
Total recognised in profit or loss	11,514	(2,111)	(4,772)	(1,031)

Reconciliation between capitalized expenditure and paid expenditure is presented below:

	Nine-month period ended 30 September 2022 (unaudited)	Nine-month period ended 30 September 2021 (unaudited)
Capitalized expenditure	117,918	375,211
Change in trade payables and provisions	(763)	1,897
Change in trade receivables	(59)	9,580
Loan on acquisition GTC Univerzum Projekt Kft. (previously: Winmark Kft.)	-	(58,000)
Purchase of property, plant, and equipment	664	376
Paid expenditures in line with cash flow statement	117,760	329,064

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

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8. Investment Property (continued)

Completed assets are valued using discounted cash flow (DCF) method. Completed investment properties are externally valued by independent appraisers at year end and middle year based on open market values (RICS Standards). In Q1 and Q3 quarterly reports the Group receives letters from its external appraisers confirming that the market value of completed investment properties have not been changed comparing to previous quarter.

Assumptions used in the fair value valuations of completed assets as of 30 September 2022 are presented below:

Portfolio	Book value	GLA	Average Occupancy	Actual Average rent	Average ERV*	Fair Value Hierarchy Level	Average Yield**
	'000 Euro	'000 sqm	%	Euro/sqm/m	Euro/sqm/m		%
Poland retail	447,600	113	94%	20.8	21.1	2	6.0%
Poland office	370,738	196	77%	14.6	14.2	2	7.1%
Belgrade retail	90,700	34	98%	18.6	21.7	3	8.2%
Hungary office	586,627	198	88%	16.7	16.1	2	5.9%
Hungary retail	21,600	6	88%	18.5	17.6	2	5.9%
Bucharest office	163,085	62	74%	18.9	17.7	2	6.3%
Zagreb retail	85,800	28	98%	21.9	22.0	3	8.3%
Zagreb office	14,900	7	100%	14.9	14.9	3	8.3%
Sofia office	96,000	44	92%	14.7	14.9	3	7.4%
Sofia retail	81,700	23	97%	21.7	23.9	3	7.0%
Total	1,958,750	711	86%	17.4	17.2		6.5%

(*) 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	Average Occupancy	Actual Average rent	Average ERV*	Fair Value Hierarchy Level	Average Yield**
	'000 Euro	'000 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 30 September 2022 is presented below:

	Book value	Estimated area (GLA)
	'000 Euro	thousand sqm
Belgrade (GTC X)	40,653	17
Budapest (Rose Hill Business Campus)	18,782	15
Sofia (Sofia Tower 2)	14,300	8
Zagreb (Matrix C)	10,650	11
Total	84,385	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

Information regarding book value of investment property landbank for construction as of 30 September 2022 and 31 December 2021 is presented below:

	30 September 2022	31 December 2021
Poland	41,942	48,526
Hungary	75,666	65,846
Serbia	34,296	-
Romania	7,386	7,200
Bulgaria	4,766	4,657
Croatia	10,429	13,614
Total	174,485	139,843

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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 30 September 2022 is presented below:

	Avenue Mall	Non-core projects	Total
NCI share in equity	24,429	(7,665)	16,764
Loans received from NCI	-	8,303	8,303
Loans granted to NCI	(10,835)	-	(10,835)
Total as of 30 September 2022 <i>(unaudited)</i>	13,594	638	14,232
NCI share in profit / (loss)	1,265	(171)	1,094

10. Derivatives

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

Derivatives are presented in financial statements as below:

	30 September 2022	31 December 2021
Non-current assets	19,539	826
Current assets	4,235	-
Non-current liabilities	(56,006)	(38,743)
Current liabilities	(3,291)	(2,681)
Total	(35,523)	(40,598)

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10. Derivatives (continued)

The movement in derivatives for the periods ended 30 September 2022 and 31 December 2021 was as follows:

	30 September 2022	31 December 2021
Fair value as of the beginning of the period	(40,598)	(19,260)
Charged to other comprehensive income (*)	26,805	(20,356)
Charged to income statements (**)	(21,730)	(1,841)
Reclassified to liabilities related to assets held for sale	-	859
Fair value as of the end of the period	(35,523)	(40,598)

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

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

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

11. Long-term loans and bonds

	30 September 2022	31 December 2021
Bonds mature in 2022-2023 (Poland) (PLGTC0000318)	46,019	48,166
Green bonds mature in 2027-2030 (HU0000360102)	94,854	107,389
Green bonds mature in 2028-2031 (HU0000360284)	47,255	54,056
Green bonds mature in 2026 (XS2356039268)	500,834	503,263
Bonds 0422 (PLGTC0000292)	-	9,520
Loan from Santander (Globis Poznan)	15,851	16,323
Loan from Santander (Pixel)	18,494	19,011
Loan from Santander (Globis Wroclaw)	13,501	20,675
Loan from Berlin Hyp (Corius)	9,500	9,500
Loan from Pekao (Sterlinga)	14,219	14,613
Loan from PKO BP (Artico) (*)	12,956	13,338
Loan from Erste and Raiffeisen (Galeria Jurajska)	111,594	115,250
Loan from Berlin Hyp (UBP)	35,000	41,543
Loan from Santander (Francuska)	18,118	18,625
Loan from OTP (Centre Point)	46,507	47,862
Loan from UniCredit Bank (Pillar)	57,000	50,827
Loan from OTP (Duna)	36,065	37,116
Loan from Erste (HBK)	10,775	10,775
Loan from Erste (Váci Greens D)	23,875	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	8,303	8,760
Deferred issuance debt expenses	(8,759)	(10,324)
Total	1,250,686	1,299,451

(*) As of the date of the publication of the FS the projected DSCR in Artico was not met however it was waived by the bank.

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11. Long-term loans and bonds (continued)

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

	30 September 2022	31 December 2021
Current portion of long-term loans and bonds:		
Bonds mature in 2022-2023 (Poland) (PLGTC0000318)	30,960	16,278
Green bonds mature in 2027-2030 (HU0000360102)	884	72
Green bonds mature in 2028-2031 (HU0000360284)	270	397
Green bonds mature in 2026 (XS2356039268)	3,067	5,918
Bonds 0422 (PLGTC0000292)	-	9,520
Loan from Santander (Globis Poznan)	629	629
Loan from Santander (Pixel)	690	690
Loan from Berlin Hyp (UBP)	-	870
Loan from Erste and Raiffeisen (Galeria Jurajska)	4,875	4,875
Loan from Santander (Globis Wroclaw)	-	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
Deferred issuance debt expenses	(1,274)	(1,274)
Total	45,770	44,337

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11. Long-term loans and bonds (continued)

	30 September 2022	31 December 2021
Long term portion of long-term loans and bonds:		
Bonds mature in 2022-2023 (Poland) (PLGTC0000318)	15,059	31,888
Green bonds mature in 2027-2030 (HU0000360102)	93,970	107,317
Green bonds mature in 2028-2031 (HU0000360284)	46,985	53,659
Green bonds mature in 2026 (XS2356039268)	497,767	497,345
Loan from Santander (Globis Poznan)	15,222	15,694
Loan from Santander (Pixel)	17,804	18,321
Loan from Santander (Globis Wroclaw)	13,501	19,982
Loan from Berlin Hyp (Corius)	9,500	9,500
Loan from Pekao (Sterlinga)	13,694	14,088
Loan from PKO BP (Artico)	12,446	12,828
Loan from Erste and Raiffeisen (Galeria Jurajska)	106,719	110,375
Loan from Berlin Hyp (UBP)	35,000	40,673
Loan from Santander (Francuska)	17,442	17,949
Loan from OTP (Centre Point)	44,700	46,055
Loan from OTP (Duna)	34,664	35,715
Loan from Erste (HBK)	10,775	10,775
Loan from Erste (Váci Greens D)	23,125	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)	57,000	50,827
Loan from Zagrebacka Banka (Avenue Mall Zagreb)	42,500	42,500
Loans from NCI	8,303	8,760
Deferred issuance debt expenses	(7,485)	(9,050)
Total	1,204,916	1,255,114

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11. Long-term loans and bonds (continued)

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

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

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

Bonds (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 30 September 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 30 September 2022 and 31 December 2021 was as follows:

	1 January 2022- 30 September 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	6,173	706,070
Repayments	(32,053)	(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	(1,772)	6,531
Foreign exchange differences	(22,678)	(1,264)
Balance as of end of the period (excluding deferred debt expenses)	1,259,445	1,309,775

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11. Long-term loans and bonds (continued)

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

	30 September 2022 (unaudited)	31 December 2021 (audited)
First year*	69	127(**)
Second year	79	148
Third year	156	99
Fourth year	736	144
Fifth year	108	821
Thereafter	210	236
	1,358	1,575

(*) Repaid during 12 months from reporting date.

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

12. Lease liability and Right of Use of land

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

The balance of Right of Use as of 30 September 2022 was as follows:

Country	Completed investment property	Investment property landbank at cost	Residential landbank	Property, plant and equipment	Total
Poland	13,752	18,186	-	-	31,938
Romania	7,544	-	-	-	7,544
Serbia	-	805	-	-	805
Croatia	-	-	1,073	-	1,073
Hungary	-	-	-	120	120
Balance as of 30 September 2022	21,296	18,991	1,073	120	41,480

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12. 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 30 September 2022 was as follows:

Country	Completed investment property	Investment property landbank at cost	Residential landbank	Property, plant and equipment	Total	Average Discount rate
Poland	13,752	16,526	-	-	30,278	4.2%
Romania	7,544	-	-	-	7,544	5.7%
Serbia	-	815	-	-	815	7.6%
Croatia	-	-	1,169	-	1,169	4.4%
Hungary	-	-	-	99	99	3.9%
Balance as of 30 September 2022	21,296	17,341	1,169	99	39,905	

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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12. 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 30 September 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	86	-
Recognition / (derecognition) of Right of Use asset for lands under perpetual usufruct	2,427	(745)
Amortization of right of use	(458)	(531)
Prepaid right of use of lands under perpetual usufruct	(293)	-
Reclassification to assets held for sale	-	(3,724)
Foreign exchange differences	146	548
Balance as of end of period	41,480	39,572

The movement in lease liability for the periods ended 30 September 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	86	-
Recognition / (derecognition) of lease liability for lands under perpetual usufruct	2,427	(745)
Payments of leases	(557)	(516)
Change in provision	(358)	970
Change in accrued interest	313	(658)
Reclassification to liabilities related to assets held for sale	-	(3,724)
Foreign exchange differences	(971)	584
Balance as of end of period	39,905	38,965

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

The balance of assets held for sale as of 30 September 2022 and 31 December 2021 was as follows:

	30 September 2022	31 December 2021
Serbian completed office portfolio	-	287,816
GTC Matrix d.o.o. (1)	53,387	-
Forest Office Debrecen	45,000	-
Romanian land bank	680	2,833
Croatian landbank	-	1,352
Total	99,067	292,001

(1) Balance consists mainly of completed office buildings – Matrix A and Matrix B in the value of EUR 51,600 and cash in the amount of EUR 880.

The balance of liabilities, related to assets held for sale as of 30 September 2022 and 31 December 2021 was as follows:

	30 September 2022	31 December 2021
Serbian completed office portfolio	-	153,621
GTC Matrix d.o.o.	3,150	-
Romanian landbank	-	1,080
Croatian landbank	-	130
Total	3,150	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 plots in Romania and Croatia. Net proceeds from sale of Serbian completed office portfolio were EUR 125,112 (net of cash in disposed assets).

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 in Debrecen. The closing of the transaction is expected to take place by the end of the fourth quarter of 2022 following the satisfaction of customary conditions precedent.

On 28 July 2022 the Group signed a sale and purchase agreement on the sale of the entire share capital of GTC Matrix d.o.o. The closing of the transaction is expected to take place in the fourth quarter of 2022 following the satisfaction of customary conditions precedent. (*please refer to Principal activities note*).

14. Taxation

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

15. Capital and Reserves

Shareholders who, as at 30 September 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).

DISTRIBUTION OF THE 2021 PROFIT

On 14 June 2022, the Annual General Meeting adopted a resolution regarding distribution of profit for the financial year 2021. Based on resolution EUR 34,583 (PLN 160,791) were distributed to the Company's shareholders in the form of a dividend and the remaining amount was left with the Company as retained profits. Dividend payable to shareholders as of 30 September 2022 amounted to EUR 33,018.

15. Capital and Reserves (continued)

PHANTOM SHARES

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

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

As at 30 September 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	1,033,500	2,118,600	3,152,100
6.31	118,000	309,000	427,000
6.54	150,000	-	150,000
6.70	1,350,000	-	1,350,000
6.97	525,000	-	525,000
	3,176,500	3,178,016	6,354,516

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	4,094,516
2025	2,260,000
Total	6,354,516

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	(1,126,000)
Exercised during the period	(472,000)
Number of phantom shares as of 30 September 2022	6,354,516

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

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

On 9 August 2022, the Company entered into an agreement for a joint venture investment into an innovation park in County Kildare, Ireland. This transaction involved an 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. GTC acquired financial instruments, a minority of 25% of notes (debt instruments) issued by a Luxembourg securitization vehicle, which entitle to participate in profit generated by the campus. The debt instruments do not meet SPPI test therefore they are measured at fair value.

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 6,260 gross rental income per annum. A masterplan has been prepared whereby the site and the campus are planned to be converted into a Life Science and Technology campus with a total of approximately 135,000 sq m. GTC's investment is protected by customary investor protection mechanisms in case of certain significant project milestones are not achieved in a satisfactory manner.

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

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

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17. Earnings per share

Basic earnings per share were calculated as follows:

	Nine-month period ended 30 September 2022 (unaudited)	Nine-month period ended 30 September 2021 (unaudited)	Three-month period ended 30 September 2022 (unaudited)	Three-month period ended 30 September 2021 (unaudited)
Profit / (loss) for the period attributable to equity holders (Euro)	48,322,000	32,272,000	8,369,000	11,312,000
Weighted average number of shares for calculating basic earnings per share	574,255,122	485,555,122	574,255,122	485,555,122
Basic earnings per share (Euro)	0.08	0.07	0.01	0.02

There have been no potentially dilutive instruments as at 30 September 2022 and 30 September 2021.

18. Related party transactions

All significant related party transactions were disclosed in notes 1, 9 and 15. There are no other significant related party transactions.

19. Changes in commitments, contingent assets and liabilities

There were no significant changes in commitments and contingent liabilities.

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

20. Subsequent events

On 3 October 2022, GTC Matrix d.o.o., a wholly-owned subsidiary of the Company, received loan from ERSTE bank in the amount of EUR 31.3 million as a part of the disposal process.

On 18 October 2022, dividend to shareholders was paid in the amount of EUR 33.1 million.

On 4 November 2022, GTC SA repaid bonds issued under ISIN code PLGTC0000318 (one-third of total issue) in the amount of EUR 15,600 (PLN 73,333).

21. Approval of the financial statements

The interim condensed consolidated financial statements were authorised for the issue by the Management Board on 15 November 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 30 September 2022 and the interim condensed consolidated income statements for the three-month and nine-month periods then ended, the interim condensed consolidated statements of comprehensive income for the three-month and nine-month periods then ended, and the interim condensed consolidated statement of changes in equity for the nine-month period then ended, the interim condensed consolidated statement of cash flows for the nine-month period then ended and a summary of significant accounting policies and other explanatory notes.

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

Scope of review

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

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



Conclusion

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

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

Piotr Wyszogrodzki

Key Registered Auditor
No. 90091

Warsaw, 15 November 2022