

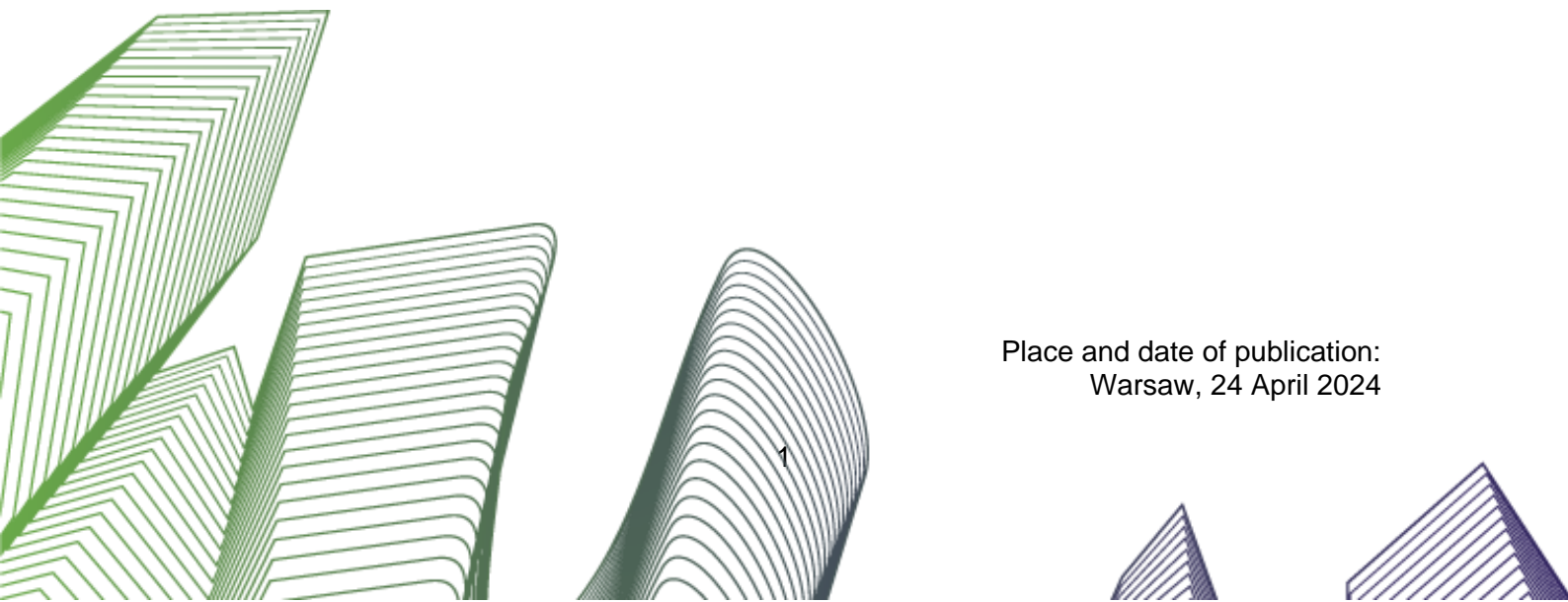


CONSOLIDATED
ANNUAL
REPORT

OF GLOBE TRADE CENTRE S.A.
CAPITAL GROUP
FOR THE FINANCIAL YEAR
ENDED 31 DECEMBER

2023

Place and date of publication:
Warsaw, 24 April 2024



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Dear Stakeholders,

despite overall challenging market conditions, the 2023 showed some signs of stabilisation, we were able to maintain stable occupancy, expand our portfolio and achieve an increase in revenues. At the end of the year, we had 87% of our commercial space occupied with an average lease term of 3.5 years and our revenues boosted by indexation increased 10% to EUR 183 million and FFO reached EUR 71 million. GTC Group is open to new opportunities and challenges that 2024 brings.

PORTFOLIO DEVELOPMENT AND MANAGEMENT

Throughout 2023, we continued to advance our business, strengthening our standing as a global purveyor of office and retail properties. In January 2023, disposal of Forest Offices Debrecen in Hungary – our A-class office located in Debrecen – generated €49m of free cash, which was reinvested into development of Center Point 3 in Budapest and acquisition of value-add properties, including Lánchíd and Vörösmarthy Office, which while redeveloped will add to our portfolio and cash flow generation.

We grew our portfolio by completion of development/redevelopment of office projects in Budapest where we completed redevelopment of two out of seven office buildings in Rose Hill Business Campus and in Zagreb where we delivered Matrix C, an A-class and green office building that offers 10,500 sq m of highly attractive office space which is already 96% occupied.

Leasing activity in the office sector reached 106,000 sq m in 2023 which allowed us to keep our office occupancy at stable 84%, with an average weighted lease term of 3.5 years. Retail sector leasing has also reached its highs with 38,100 sq m leased in 2023 which turned into an increase in occupancy to 96%. The average weighted lease term stood at healthy 3.5 years.

As a result, at the end of the year, our property portfolio remained its value and stood at EUR 2.4 billion. The Group's EPRA net asset value (NAV) now stands at EUR 1,232 million as compared to EUR 1,273 million.

FINANCIAL RESULTS

Having been appointed to the management board only during 2023, we have spent the past months gaining comprehensive view into the strength and resilience of our business model, the robust property solutions, our strong customer focus, and the exceptional team. This review resulted in a new strategic directions being drafted centred around stable growth, financial prudence and environmental sustainability with a commitment to create long-term value for its stakeholders. Group will focus on its core sectors in its core markets, however also foresees entering broadly understood living sector in its core markets but also in new strong markets with growth potential (Germany, UK) or highly rated countries to increase the overall rating of the Group.

Our future growth should be based on our core competences including construction of new real assets to earn developer's profit and adding value to the standing properties via strong asset management.

From a financial perspective, 2023 was a good year, where despite challenging market conditions we were able to record revenue growth of 10%, mostly boosted by an increase in rental revenues following the completion of Pillar in Budapest, GTC X in Belgrade, two office buildings in Rose Hill Business Campus in Budapest and Matrix C in Zagreb combined with indexation of rental rates at the European CPI. We also recorded a 4% increase in FFO to EUR 71 million.

Loss on the revaluation of standing investments was EUR 56.3 million following a slight increase in yield combined with changes in Estimated Rental Values.

In the fourth quarter of 2023, we signed a new loan for our ABC office project in Sofia in the amount of EUR 36 million, which confirms our ability to raise debt financing. We decided to dedicate majority of those new funds to dedicate towards the acquisition of green bonds issued by GTC Aurora. Our weighted average cost of debt increased slightly to 2.48% which is still below the current market interest rates.

ESG VALUES EMBEDDED IN OUR DNA

While we have many reasons to be proud of our track record and consistent ESG approach, we never forget about our responsibility to the environment and the local communities of which we are a part. GTC was the first commercial developer in Central and Eastern Europe to begin publishing reports concerning Environmental, Social and Corporate Governance. In 2023, we have already published our third consecutive ESG report.

To minimize our environmental impact, we are pursuing the ideal of sustainable construction at every stage of our projects. As much as 92% of our entire portfolio is BREEAM/LEED/DGNB certified, and we aim to have all new and existing buildings (where possible) BREEAM/LEED certified – the remainder 6% is in the certification process. These certifications symbolise sustainability through cost-saving, efficiency improvement, carbon emission reduction, and creation of healthier spaces.

Major accomplishments in 2023 included the achievement of LEED Gold certifications for the Sofia Tower, GTC X building, Mall of Sofia, and GTC Hungary's flagship project – CenterPoint I&II. We continuously monitor their data, performance, and LEED scores. Our facilities are strategically located for easy public transportation access and reduction of car commutes. We also invest in green spaces like roof gardens.

We are constantly upgrading our leased office spaces for tenant comfort, introducing amenities such as evacuation chairs, sign language interpreters, intercoms in elevators, Braille buttons, and additional ramps. Our efforts have been rewarded, with 8 buildings in Poland receiving "Building without Barriers" certificates and 13 assets in Croatia and Hungary receiving access4you® certificates.

Moreover, for the third consecutive year, GTC has been honoured with the silver EPRA Sustainability Best Practices Recommendations Award. We received this prestigious award for the implementation of environmental, social, and corporate governance reporting practices, as outlined in our 2022 ESG Report. It confirms the high ESG standards implemented by the Group on a CEE scale.

THANK YOU FOR BEING A PART OF OUR JOURNEY

We would like to thank all our stakeholders and business partners for their trust and faith in the GTC Group's performance. We would also like to express gratitude to our employees – it is your engagement, experience, positive energy and extensive sector knowledge that makes GTC so versatile and successful. The pivotal role of our workforce in accomplishing our strategic goals cannot be overstated.

We remain keenly aware of the persistent hurdles posed by the uncertain macroeconomic landscape. Consequently, we pledge to uphold a prudent strategy regarding financial leverage, safeguarding the resilience of our balance sheet. Our success, as well as our readiness to solve problems and meet challenges, would not be possible without the constant support of our employees, tenants, banks, and bondholders. Whatever 2024 brings, we know we can rely on you, and we are looking forward to our future shared accomplishments.

*Sincerely,
Members of the management board
Globe Trade Centre S.A.*



Gyula Nagy
Chief Executive Officer



Zsolt Farkas
Chief Operating Officer



MANAGEMENT BOARD'S REPORT
ON THE ACTIVITIES OF GLOBE TRADE CENTRE S.A. CAPITAL GROUP
IN THE FINANCIAL YEAR ENDED **31 DECEMBER 2023**

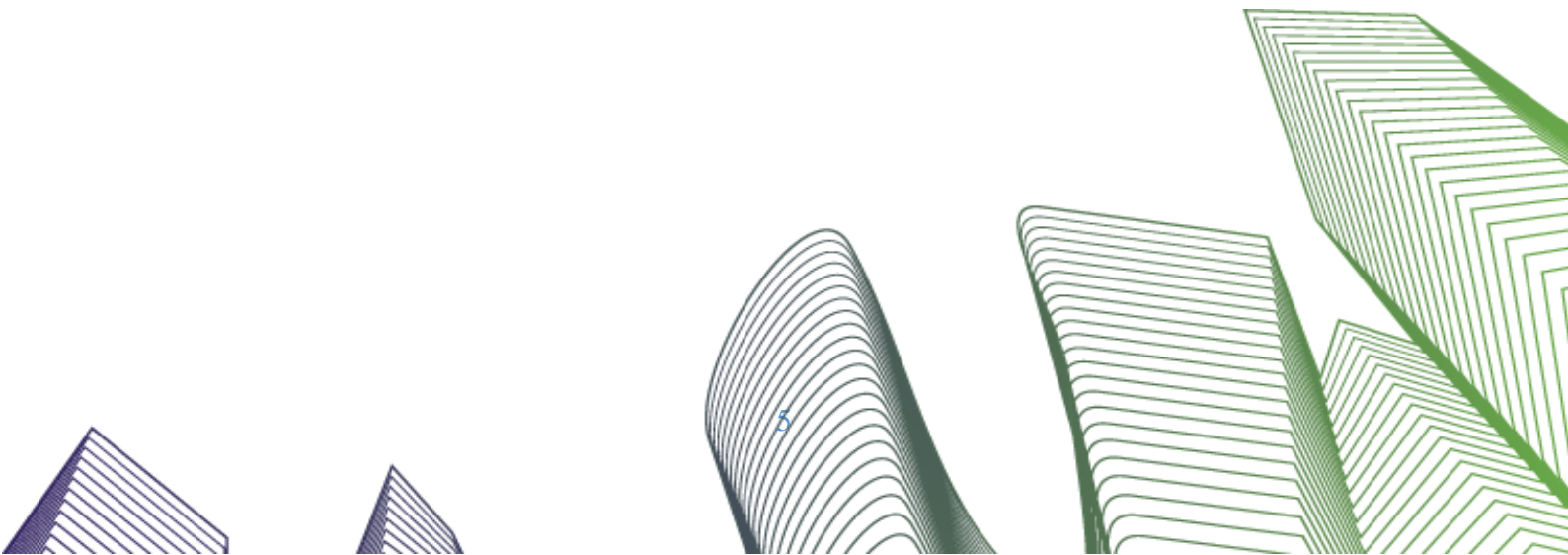


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1. Introduction

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

GTC GROUP:

Poland
Budapest
Belgrade
Bucharest
Sofia
Zagreb

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

PRESENTATION OF FINANCIAL INFORMATION

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

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

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

PRESENTATION OF PROPERTY INFORMATION

The properties' valuation is based on the value that the Group presents in its consolidated financial statements. The occupancy rate given for each of the markets is as of 31 December 2023. Information on properties is presented pro-rata to the Group's holding rights of each of the properties.

INDUSTRY AND MARKET DATA

In this Report the Group sets out information relating to its business and the markets in which it operates and in which its competitors operate. The information regarding the markets, their potential, macroeconomic situation, occupancy rates, rental rates, and other industry data relating to the Group's markets are based on data and reports compiled by various third-party entities. The information included in that section is not expressed in thousand and is prepared by Jones Lang LaSalle IP, Inc („JLL”) and iO Partners. It is based on material that JLL believes to be reliable. While every effort has been made to ensure its accuracy, GTC cannot offer any warranty that contains no factual errors.

Moreover, in numerous cases, the Group has made statements in this Report regarding the industry in which it operates based on its own experience and examining market conditions. The Group cannot guarantee that any of these assumptions properly reflect the Group's understanding of the markets in which it operates. Its internal surveys have not been verified by any independent sources.

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 4. Operating and financial review* and under *Item 17. Key risk factors*, and elsewhere in this report. 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. Presentation of the Group

2.1 General information about the Group

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

As of 31 December 2023, the book value of the Group's total property portfolio including non-current financial assets (related to investment property) was €2,449.2.

As of 31 December 2023, the book value of the Group's property portfolio was €2,314.1. The breakdown of the Group's property portfolio was as follows:

- 46 completed commercial buildings, including 40 office buildings and 6 retail properties with a total combined commercial space of approximately 753 thousand sq m of GLA, an occupancy rate at 87% and a book value of €2,007.4 which accounts for 87% of the Group's total property portfolio;

- three office projects under construction with a total GLA of approximately 51 thousand sq m and a book value of €67.5, which accounts for 3% of the Group's total property portfolio;
- investment landbank intended for future development (including 1 land plot in Poland and 1 plot in Budapest held for sale in the amount of €13.6) with the book value of €172.0 which accounts for 7% of the Group's total property portfolio;
- residential landbank with book value of €26.2, which accounts for 1% of the Group's total property portfolio; and
- right of use of land under perpetual usufruct, including assets held for sale with value of €41.0 (including €1 from residential landbank) which accounts for 2% of the Group's total property portfolio.

46 completed buildings	753,000 sq m of GLA	3 projects under construction	€159m landbank for future development
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Additionally, GTC holds non-current financial assets in the amount of €135.1 mainly including:

- 25% of notes issued to finance Kildare Innovation Campus (technology campus) project, which currently comprises nine completed buildings with the total GLA of approximately 102 thousand sq m (the project extends over 72 ha of which 34 ha are undeveloped). Fair value of these notes as 31 December 2023 amounted to €119.1, which accounts for 5% of the Group's total property portfolio including non-current financial assets;
- 34% of units in Regional Multi Asset Fund Compartment 2 of Trigal Alternative Investment Fund GP S.á.r.l., which holds 4 completed commercial buildings including 3 office buildings and 1 retail property with a total combined commercial space of approximately 41 thousand sq m of GLA. Fair value of these units amounted to €13.9, which accounts for 1% of the Group's total property portfolio including non-current financial assets.

2.2 Main events of 2023

TRANSACTIONS

As of 30 January 2023, the transaction of sale of the Forrest Offices Debrecen building for ca. €49.2 owned by GTC FOD Property Kft., a wholly-owned subsidiary of the Company, was completed.

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

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

On 6 December 2023, GTC Origine Investments Pltd, a wholly-owned subsidiary of the Company, signed a conditional sale and purchase agreement concerning the sale of GTC LCHD Projekt Kft, the owner of a real property located in Budapest. The sale price under the Agreement is €13.2. If the conditions to close the transaction are not met until 28 June 2024 the transaction may be cancelled.

DEVELOPMENTS

In the third quarter of 2023, GTC Group completed Matrix C building in Zagreb, offering 10,500 sq m of A-class office space. As of 31 December 2023 building had 95% occupancy.

In the third quarter of 2023, GTC Group completed redevelopment of 2 office buildings in Ross Hill Campus (Budapest). As of 31 December 2023 buildings had 100% occupancy.

FINANCING ACTIVITIES

In April 2023, Seven Gardens d.o.o., a wholly-owned subsidiary of the Company, signed €14 loan agreement with Erste&Steiermarkische Bank d.d. with a maturity of five years following the end of construction period (the latest repayment date is June 2029). As of 31 December 2023, €13.1 out of this amount was drawn down.

On 4 May 2023 and 6 November 2023, on the maturity dates of respective tranches, GTC S.A. repaid the last tranches of bonds issued under ISIN code PLGTC0000318 (two-third of total issue) in the amount of €34.2 (PLN 146.6) – including the hedge component. As of the publication date the bonds issued under ISIN code PLGTC0000318 are fully repaid.

In May 2023, Glamp d.o.o. Beograd, a subsidiary of the Company, signed €25 loan agreement with Erste Group Bank AG and Erste Bank AD Novi Sad with a maturity of five years from the signing date. As of 31 December 2023, the full amount was drawn down.

In December 2023, Advance Business Center EAD, a wholly-owned subsidiary of the Company, has signed €36 loan agreement with UniCredit Bulbank EAD with a maturity of five years from the signing date. As of 31 December 2023, the full amount was drawn down.

OTHERS

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

On 11 December 2023 the GTC Dutch Holdings B.V. ("GTC Dutch"), GTC Holding Zártkörűen Működő Részvénytársaság ("GTC Holding") and Icona Securitization Opportunities Group S.à r.l. ("ISO" and jointly with GTC Dutch and GTC Holding, the "Shareholders") concluded a conditional global settlement agreement aimed to unwind their cooperation with respect to the Company (GSA). Pursuant to the GSA,

the Parties agreed, among others, on the transfer of 15.7% shares in the share capital of the Company (“ISO Shares”) by ISO to GTC Dutch in connection with redemption in kind of debt instruments issued by ISO (“ISO Shares Transfer”) and on conditional termination (upon the due transfer of legal title to ISO Shares from ISO to GTC Dutch) of the following agreements:

- the shareholders’ agreement concluded among the Shareholders on 18 February 2022 which entered into force on 1 March 2022, constituting 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 on Public Offering on joint policy towards the Company and exercising of voting rights on selected matters in an agreed manner (the “SHA”); and
- the assignment agreement concluded between GTC Dutch and ISO on 18 February 2022 which entered into force on 1 March 2022, pursuant to which ISO assigned and transferred the voting rights attached to all ISO Shares to GTC Dutch and granted the power of attorney to GTC Dutch to exercise voting rights attached to all ISO Shares (the “Assignment Agreement”).

The Company was informed that the transfer of shares in accordance with the GSA did not result in any change in the number of votes in the Company held either jointly or individually by the GTC Dutch and GTC Holding as all voting rights attached to shares were already exercised by GTC Dutch under the Assignment Agreement prior to the execution of the GTC SA.

On 14 December 2023 the Company received a notification that 15 December 2023 the terms of the agreement had been met.

EVENTS THAT TOOK PLACE AFTER 31 DECEMBER 2023:

In February 2024, Dorado 1 EOOD, a wholly-owned subsidiary of the Company, has signed €55 loan agreement with DSK Bank AD and OTP Bank PLC with a maturity in March 2029. The full amount was drawn down.

In first quarter of 2024 the Broker bought back 4400 Aurora bonds and transferred to GTC Group with nominal value of €4.4 at cost of €3.9. GTC Group recognized income from buy-back of Aurora bonds in amount of €0.5.

In addition, on 13 March 2024 the Broker returned to GTC Group €12.2 in cash, including interest income of €0.4. For the remaining amount of €13.8, GTC Group and the Broker signed an amendment to extend the current agreement for a further short-term period.

2.3 Structure of the Group

The Group’s structure is presented in the Group’s annual consolidated financial statements for the year ended 31 December 2023 (see note 8 to the consolidated financial statements for 2023).

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

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

CHANGES IN THE COMPOSITION OF THE MANAGEMENT BOARD:

- on 25 April 2023:
 - Ariel Ferstman resigned from his seat on the management board of GTC S.A.;
 - Barbara Sikora was appointed to the post of Chief Financial Officer of GTC Group and a member of the management board of GTC S.A. effective from 1 May 2023;
- on 29 August 2023:
 - Zoltán Fekete and János Gárdai resigned from their seats on the management board of GTC S.A., effective from 31 August 2023;
 - Gyula Nagy was appointed to the post of Chief Executive Officer of GTC Group and a member of the management board of GTC S.A. effective from 31 August 2023;
 - Zsolt Farkas was appointed to the post of Chief Operating Officer of GTC Group and a member of the management board of GTC S.A. effective from 31 August 2023.

CHANGES THAT TOOK PLACE AFTER 31 DECEMBER 2023 IN THE COMPOSITION OF THE MANAGEMENT BOARD:

- on 18 March 2024 Barbara Sikora resigned from her seat on the management board of GTC S.A.

CHANGES IN THE COMPOSITION OF THE SUPERVISORY BOARD:

- on 2 January 2023, Otwarty Fundusz Emerytalny PZU “Złota Jesień” appointed Sławomir Niemierka;
- on 16 May 2023, Powszechne Towarzystwo Emerytalne Allianz Polska S.A. appointed Dominik Januszewski;
- on 24 August 2023, Gyula Nagy resigned from his seat on the supervisory board of the Company;
- on 24 August 2023, GTC Dutch Holdings B.V. appointed László Gut.
- on 15 December 2023, the mandate of Bruno Vanini expired, as a result of the transfer of the legal title to the shares from Icona Securitization Opportunities Group S.à r.l. to GTC Dutch Holdings B.V.

CHANGES THAT TOOK PLACE AFTER 31 DECEMBER 2023 IN THE COMPOSITION OF THE SUPERVISORY BOARD:

- on 13 March 2024, Aletheia Investment AG appointed Dr. Leonz Meyer,
- on 15 March 2024, GTC Dutch Holdings B.V. revoked Mr. Balázs Figura and Mr. Mariusz Grendowicz from the positions of members of the Supervisory Board of GTC S.A,
- on 15 March 2024, GTC Dutch Holdings B.V. appointed Dr. Tamás Sándor and Mr. Csaba Cservenák as members of the Supervisory Board of the Company.

2.5 The Group's Strategy

The Group's strategy centres around stable growth, financial prudence and environmental sustainability with a commitment to create long-term value for its stakeholders.

The Group's growth should be based on GTC 'score competences, i.e. construction of new real assets to earn developer's profit and adding value to the standing properties via strong asset management.

Core asset classes:

- Green office buildings (both newly constructed and existing ones)
- Green shopping malls (operations only)
- Broadly understood living sector (residential for sale and rent, senior living and student housing) to be newly constructed;
- Renewable energy
- Hospitality sector

Countries to operate in:

- Existing European countries of GTC presence to remain GTC's core markets
- New strong markets with growth potential (Germany, UK)
- Highly rated countries to increase the overall rating of the Group.

Portfolio management priorities:

- Active management of our portfolio to improve rental income and occupancy and maintain cost efficiency
- Repositioning of old / non energy efficient assets or the ones located in challenging (especially regional) markets
- Sale of non-core assets to unlock equity for new developments and acquisitions and increase the return on invested equity
- Selective disposals of operating commercial properties that are either capex intensive or reached a peak of the book value (fully rented with high WAIT)
- Value-add acquisitions that provide tangible potential through reletting, improvement in occupancy and rental upside and realisation of redevelopment potential
- Entering asset classes and countries which offer higher returns / further growth potential meeting investment criteria adopted by the Group

- Running at any time at least one construction in each of the countries of GTC presence
- Converting ongoing development projects and land reserves into income-generating properties

Active liabilities' management:

- Gradual exit from bond capital markets and financing investment needs from senior bank debt
- Active management of financing cost through continuous refinancing to increase the recurring return on equity
- While LTV shall be decreased in longer term interim increases of the ratio connected with capital markets exit or cash intensive developments in project's development early stages would be acceptable

Sustainability measures (ESG):

- Focus on green buildings, carbon footprint reduction, and sustainable portfolio certification to mitigate climate change
- Prioritize tenant relationships and community impact through responsible investments
- Uphold anti-corruption and anti-money laundering measures and effectively manage risks
- Actively raise employees' awareness of ESG aspects and encourage reporting of ESG-related issues
- Restrictively adhere to sanctioned countries and individuals policies
- Support initiatives in ESG area and membership on organisations which promulgate ESG ideas

Others:

- Further optimisation of overheads through processes' improvements and digitalisation
- Centralisation of selected functions and outsourcing of functions where competences are missing

ESG Policy Pillars

Environmental issues, including climate issues, are an important area of the Group management. They are included in our ESG Policy which is based on 3 pillars and 8 focus areas:

Environment: concern for the environment

We are reducing our environmental footprint. We deliver and manage green-certified buildings (saving energy and resources, lowering carbon emissions). We contribute to a circular economy.

Focus areas of the pillar:

E.1. Green Buildings

E.2. Climate Change Mitigation

Social: empowerment, respect and diversity

We deliver office and retail space where our tenants can grow. We care about the employees, who are our biggest asset. We are a good neighbour, investing in local communities.

Focus areas of the pillar:

S.1. Tenants

S.2. Employees

S.3. Communities

Governance : best governance practices

We act ethically and assure compliance of all our operations. We implement processes minimising ESG-related risks. We lead open and honest communication with all our stakeholders.

Focus areas of the pillar:

G.1. Compliance

G.2. Risk management

G.3. Transparency

Detailed description of the pillars is presented in the Group's annual report for the year ended 31 December 2022 (see item 4.5) or on the company website in ESG section.

2.6 Information on the Company's policy on sponsorship, charity, and other similar activities.

As a Group, we set ourselves ambitious business goals that we want to implement in a sustainable manner. It is a responsible task for our entire team, which is why creating a stable and motivating work environment is so important to us. All our corporate social responsibility activities are run in a coordinated manner to support local communities in which the Group operates. Such support involves:

- **Enhancement of local infrastructure**, including road and traffic infrastructure. Throughout the Group, we share the principle of taking responsibility for the space we create. The infrastructure created in connection with or for the purposes of the developments constructed is handed over to the local self-government free of charge to be used by all residents. Moreover, prior to the development of the Group's projects, public green areas (such as squares and parks) are placed on undeveloped plots or plots which will surround future developments following their completion by the Group.
- **Local initiatives**. The Group takes an active part in a great number of non-profit activities as a partner, organizer, or sponsor. We often present our projects to local communities. We actively participate in public meetings dedicated to spatial planning. The Group's regional offices know the needs of the local community and the market in which they operate best, so they decide which social topics form a priority for them. The Group participates in and supports local initiatives such as:
 - Charity donations for orphaned children and children with disabilities during holidays seasons

- support of Charity donation Croatian Red Cross;
- support of Red Cross with providing a place for blood donations;
- finance the largest campaign in Częstochowa promoting blood donation "MOTOSERCE 2024",
- support of charity organizations with providing a place in our shopping malls and office buildings for promotional activities in attracting sponsors and making people aware of their initiatives as well as humanitarian associations and charities;
- promotion of local businesses by continuously providing organic and home-made products for all visitors,
- organization of artwork competition for local elementary schools;
- free medical examination for women and men;
- organization of family picnics;
- organization of monthly garage sales;
- organization of Christmas gift collection;
- opening free parking at night due to bad weather conditions;
- tree planting campaigns;
- bridge rebuilding in a higher point in the mountain of Vitosha.

We support a foundation in Hungary, which is helping kids with disability -Első Lépések – Mozgássérült Gyermekeket Segítő Alapítvány.

Additionally, the Group conducted several local initiatives with support sports activities or participated in sponsorship :

- yoga training - promotion of active leisure time activities;
- exercise games for children during holiday;
- city games for families - promotion of outdoor activities;
- volleyball festival - promotion of a healthy lifestyle;
- Beach Volleyball tournament - Cup of Silesia;
- Open 40+ Championship in beach volleyball in Galeria Jurajska;
- the North Bridge Run ("Bieg przez Most") in Warsaw;
- Charity volleyball – JLL volleyball tournament;
- Independence Run ("Bieg Niepodległości") in Warsaw and
- Love Run race in Zagreb.

- **Embracing environmental certification.** The investments of the Company and the Group are fully compliant with LEED or BREEAM guidelines. As of 31 December 2023, approximately 92% of our properties hold a green certificate, which proves the sustainability of the properties that GTC develops and manages.

In 2023, the Group total expenses to support charities amounted to €201 thousand, including: €97 thousand for social organizations, €27 thousand for general donations, €30 thousand for sport related actions and €47 thousand for sponsorship of culture and related actions.

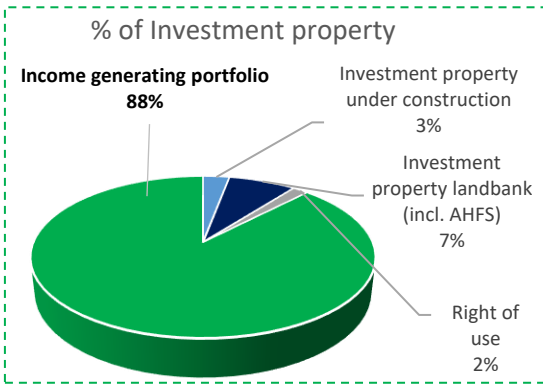
2.7 Business overview

As of 31 December 2023, the book value of the Group’s property portfolio amounted to €2,314.1 and comprised mainly commercial investment properties (including rights of use) which constituted 99% of the Group’s total property portfolio and residential landbank (including rights of use) which constituted 1% of the Group’s total property portfolio. Additionally, GTC holds non-current financial assets (related to investment properties) with the book value of €135.1 (GTC’s share).

2.7.1 Overview of the investment portfolio

INVESTMENT PORTFOLIO

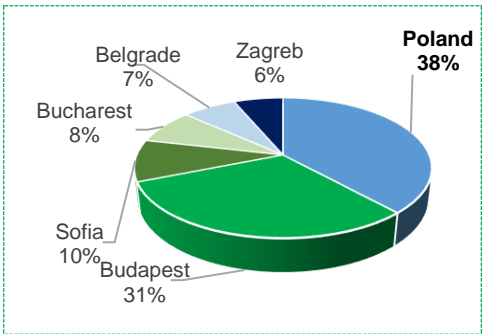
The Group is focused on commercial assets, mainly office buildings and office parks as well as retail and entertainment centers. The Group’s investment properties include income generating assets (completed properties and real estate assets held for sale), projects under construction, investment property landbank (including land held for sale) and rights of use.



2.7.1.1 Overview of income generating portfolio including real estate assets held for sale

As of 31 December 2023, the Group had 46 income generating assets with total GLA of 752,500 sq m as compared to 44 income generating assets (including 1 office asset held for sale) with 762,200 sq m as of 31 December 2022. The value of income generating assets was €2,007.4 as of 31 December 2023, as compared to €2,051 as of 31 December 2022. The average occupancy rate within the income generating portfolio was 87% as of 31 December 2023 as compared to 88% as of 31 December 2022. The portfolio was valued based on an average yield of 7.5% as of 31 December 2022 as compared to an average yield of 6.8% as of 31 December 2022. The average duration of leases in the Group’s income generating portfolio was 3.5 years as of 31 December 2023, as compared to 3.7 years as of 31 December 2022. The average rental rate was €19.3/sq m/month as of 31 December 2023 as compared to €17.5/sq m/month as of 31 December 2022.

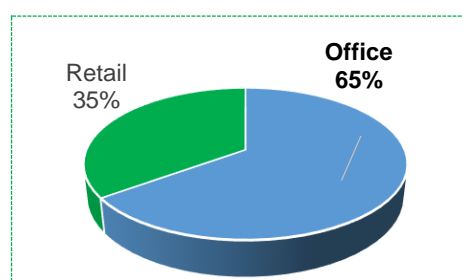
As of 31 December 2023, approximately 38% of the income generating portfolio (by value) is located in Poland, 31% in Budapest, 10% in Sofia, 8% in Bucharest, 7% in Belgrade, and 6% in Zagreb.



The following table presents income generating portfolio by country in which the Group operates as of 31 December 2023:

Location	Total gross leasable area (sq m)	% of GLA (sq m)	Average occupancy (%)	Book value (€)	% of total book value
Poland	309,100	41%	83%	768.0	38%
Budapest	209,400	28%	87%	616.1	31%
Sofia	74,700	10%	90%	193.8	10%
Bucharest	62,500	8%	77%	161.9	8%
Belgrade	51,700	7%	100%	139.5	7%
Zagreb	45,100	6%	97%	128.1	6%
Total	752,500	100%	87%	2,007.4	100%

The Group is focused on the office sector. As of 31 December 2023, office properties accounted for around 65%, and retail properties accounted for the remaining 35% of the book value of income generating portfolio, remained unchanged as compared to 31 December 2022.



The following table presents income generating portfolio by sector as of 31 December 2023:

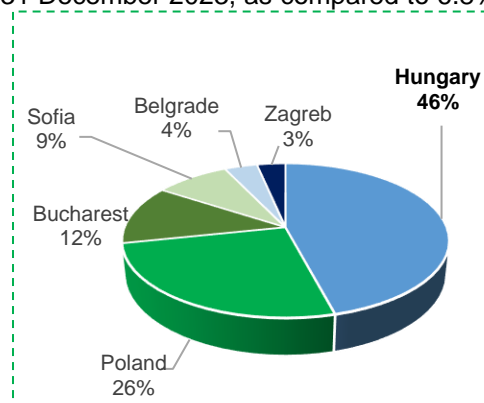
Usage type	Total gross leasable area(sq m)	% of GLA (sq m)	Average occupancy(%)	Book value (€)	% of total book value
Office	548,200	73%	84%	1,298.8	65%
Retail	204,300	27%	96%	708.6	35%
Total	752,500	100%	87%	2,007.4	100%

The Group's office buildings provide convenient space, flexible interiors and a comfortable working environment. They are located in the heart of business districts and in proximity to the most important transport routes, including international airports. All projects have earned the trust of a significant number of multinational corporations and other prestigious institutions, including ExxonMobil, evosoft, Ericsson, KEF, IBM, Allegro, MKB Bank, Rempetrol, Concentrix, UniCredit, CBRE, LOT, Deloitte, KPMG and others.

The Group's shopping centers are located in both capital cities, in one Polish secondary city as well as in Serbia, Bulgaria, Croatia and Budapest. The majority of Group's shopping centres is very highly ranked in the city of their location. Their tenants include big multinationals as well as local brands like Carrefour, Cinema City, H&M, LPP, CCC, Inditex Group and others.

2.7.1.1.1 Overview of the office portfolio

As of 31 December 2023, the Group's office portfolio comprised 40 office buildings and compared to 38 buildings (including 1 office asset held for sale) as of 31 December 2022. Total gross rentable office space was 548,200 sq m compared to 558,000 sq m as of 31 December 2022. The occupancy rate was 84% as of 31 December 2023 and remained unchanged as compared to 31 December 2022. The average duration of leases was 3.5 years at the year-end 2023, as compared to 3.7 years as of 31 December 2022. The applied average yield was 7.6% as of 31 December 2023, as compared to 6.8% as of 31 December 2022. The average rental rate generated by the office portfolio was €18.0 sq m/month as of 31 December 2023, as compared to 16.1 sq m/month as of 31 December 2022. The total value of the office portfolio as of 31 December 2023 was €1,298.8 compared to €1,330.7 as of 31 December 2022. The decrease in value is mainly attributable to decrease in the value of the income generating portfolio mostly offices in Poland and Hungary, due to a slight increase in yield combined with higher vacancy rates and changes in ERV and sale of Debrecen Offices building partially offset by completion of Matrix C office building in Zagreb and 2 office buildings in Ross Hill Campus (Budapest).



The Group's office buildings are located in Poland and Budapest and other capital cities of CEE and SEE region: Belgrade, Zagreb, Bucharest, and Sofia.

The following table presents the office portfolio by country as of 31 December 2023:

Location	Total gross		Average	Book value (€)	% of total book value
	leasable area (sq m)	% of GLA (sq m)	occupancy (%)		
Budapest	203,000	37%	87%	595.8	46%
Poland	195,500	36%	77%	335.4	26%
Bucharest	62,500	12%	77%	161.9	12%
Sofia	52,000	9%	86%	113.1	9%
Belgrade	17,700	3%	100%	49.5	4%
Zagreb	17,500	3%	96%	43.1	3%
Total	548,200	100%	84%	1,298.8	100%

2.7.1.1.1.1 Office portfolio in Budapest

The Group's total gross rentable area in Budapest comprised 203,000 sq m in thirteen office buildings located in Budapest as of 31 December 2023 as compared to 223,200 sq m in twelve office buildings (including 1 office asset held for sale) as of 31 December 2022. The occupancy rate was 87% as of 31 December 2023 as compared to 89% as of 31 December 2022. The average duration of leases was 3.6 years at the year-end as compared to 4.1 years at the year-end 2022. The applied average yield was 7.2% as of 31 December 2023, as compared to 6.1% as of 31 December 2022. The average rental rate generated by the office portfolio in Hungary was €20.3 sq m/month as of 31 December 2023 as compared to €16.4 sq m/month as of 31 December 2022. The book value of the Group's office portfolio in Hungary amounted to €595.8 as of 31 December 2023, as compared to €584.0 (€631.5 including

assets held for sale) as of 31 December 2022. This increase is attributable mainly to the completion of two office buildings in Rose Hill Campus.

The following table lists the Group's office properties located in Budapest:

Property	Location	GTC's	Total gross	Year of
		share	rentable area	
		(%)	(sq m)	
Center Point I&II	Budapest	100%	40,700	2004/2006, under redevelopment
Duna Tower	Budapest	100%	31,300	2006
GTC Metro	Budapest	100%	16,200	2010
Vaci 173-177 ¹	Budapest	100%	6,400	-
Vaci Greens D	Budapest	100%	15,600	2018
Ericsson Headquarter evosoft Hungary Ltd.	Budapest	100%	21,100	2017
Headquarter	Budapest	100%	20,700	2020
V188	Budapest	100%	15,000	2001
Döbrentei ¹	Budapest	100%	2,300	-
Pillar	Budapest	100%	29,100	2022
Rose Hill Campus ²	Budapest	100%	4,600	2023
		Total	203,000	

¹ Property acquired as landbank for future development, with a small office building located on the plot.

² Two refurbished office building with 4,600 sq. m, additional 11,400 sq. m under redevelopment.

2.7.1.1.1.2 Office portfolio in Poland

The total gross rentable area in Poland comprised 195,500 sq m in 16 office buildings located in Warsaw, Kraków, Łódź, Katowice, Poznań and Wrocław and remained unchanged from 31 December 2022. The average occupancy rate was at the level of 77% as of 31 December 2023, as compared to 80% as of 31 December 2022. The average duration of leases was 2.8 years at the year-end as compared to 3.0 years at the year-end 2022. Applied average yield was at the level of 8.3% as of 31 December 2023 as compared to 7.7% as of 31 December 2022. The average rental rate generated by the office portfolio in Poland was at the level of €15.5/sq m/month in 2023, as compared to €14.7/sq m/month as of 31 December 2022. The book value of the office portfolio in Poland amounted to €335.4 as of 31 December 2022, as compared to €356.4 as of 31 December 2022. The decrease in value reflects a decrease in occupancy rate and increase in applied yield.

The following table lists the Group's office properties located in Poland:

Property	Location	GTC's	Total gross	Year of
		share	rentable area	completion
		(%)	(sq m)	
Galileo	Kraków	100%	10,600	2003
Globis Poznań	Poznań	100%	13,800	2003
Newton	Kraków	100%	10,800	2007
Edison	Kraków	100%	10,900	2007
Nothus	Warsaw	100%	9,550	2007
Zephirus	Warsaw	100%	9,550	2008
Globis Wrocław	Wrocław	100%	16,100	2008
University Business Park A	Łódź	100%	20,150	2010
Francuska Office Centre A&B	Katowice	100%	23,000	2010
Sterlinga Business Center	Łódź	100%	13,400	2010
Corius	Warsaw	100%	9,600	2011
Pixel	Poznań	100%	14,400	2013
Pascal	Kraków	100%	5,900	2014
University Business Park B	Łódź	100%	20,150	2016
Artico	Warsaw	100%	7,600	2017
		Total	195,500	

2.7.1.1.1.3 Office portfolio in Sofia

The Group's total gross rentable area in Sofia comprised 52,000 sq m in four office buildings as of 31 December 2023, unchanged from 31 December 2022. The occupancy rate of the Group's office portfolio in Sofia was 86% as of 31 December 2023, as compared to 89% as of 31 December 2022. The average duration of leases was 4.4 years at the year-end, as compared to 3.4 years at the year-end 2022. The applied average yield was 7.8% as of 31 December 2023, as compared to 7.9% as of 31 December 2022. The average rental rate generated by the office portfolio in Sofia was at the level of €16.5/sq m/month as of 31 December 2023, as compared to €16.0/sq m/month as of 31 December 2022. Book value of the Group's office portfolio in Sofia amounted to €113.1 as of 31 December 2023 compared to €113.6 as of 31 December 2022.

The following table lists the Group's office investment properties located in Sofia:

Property	GTC's	Total gross	Year of
	share	rentable area	completion
	(%)	(sq m)	
Advance Business Center I	100%	16,000	2019
Advance Business Center II	100%	17,800	2020
Sofia Tower	100%	10,400	2006
Sofia Tower 2	100%	7,800	2022
		Total	52,000

2.7.1.1.1.4 Office portfolio in Bucharest

The Group's total gross rentable area in Bucharest comprised 62,500 sq m in four office buildings as of 31 December 2023, unchanged from 31 December 2022. The occupancy rate was 82% as of 31 December 2023, as compared to 74% in 2022. The average duration of leases was 3.7 years at the year-end, as compared to 4.0 years at the year-end 2022. The applied average yield was 7.3% as of 31 December 2023, as compared to 6.3% as of 31 December 2022. The average rental rate generated by the office portfolio in Bucharest was at the level of €19.4/sq m/month in 2023, as compared to €18.8/sq m/month as of 31 December 2022. Book value of the Group's office portfolio in Bucharest amounted to €161.9 as of 31 December 2022, compared to €163.8 as of 31 December 2022.

The following table lists the Group's office properties located in Bucharest:

Property	GTC's share	Total gross rentable area	Year of completion
	(%)	(sq m)	
Premium Plaza	100%	8,500	2008
City Gate	100%	47,600	2009
Premium Point	100%	6,400	2009
Total		62,500	

2.7.1.1.1.5 Office portfolio in Belgrade

The Group's total gross rentable area in Belgrade comprises 17,700 sq m in one office building as of 31 December 2023, unchanged from 31 December 2022. The occupancy rate was at the level of 100% as of 31 December 2023 as compared to 94% as of 31 December 2022. The average duration of leases was 4.9 years at the year-end, as compared to 5.8 years at the year-end 2022. The applied average yield was 7.7% as of 31 December 2023, as compared to 7.2% as of 31 December 2022. The average rental rate generated by the office portfolio in Belgrade was at €18.4/sq m/month as of 31 December 2023 as compared to €18.0/sq m/month as of 31 December 2022. The book value of the Group's office portfolio in Belgrade amounted to €49.5 as of 31 December 2023 compared to €50.4 as of 31 December 2022.

The following table lists the Group's office properties located in Belgrade:

Property	GTC's share	Total gross rentable area	Year of completion
	(%)	(sq m)	
GTC X	100%	17,700	2022
Total		17,700	

2.7.1.1.1.6 Office portfolio in Zagreb

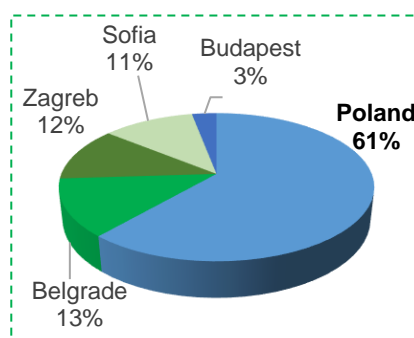
The Group's total gross rentable area in Zagreb comprises 17,500 sq m in two offices building as of 31 December 2023 as compared to 6,900 sq m in one office building. The occupancy rate of the Group's office portfolio in Zagreb was 95% as of 31 December 2023, as compared to 96% as of 31 December 2022. The average duration of leases was 4.2 years at the year-end, as compared to 2.9 years at the year-end 2022. The applied average yield was 7.6% as of 31 December 2023 as compared to 8.4% as of 31 December 2022. The average rental rate generated by the office portfolio in Zagreb was at the level of €16.3/sq m/month as of 31 December 2023, as compared to €15.5/sq m/month as of 31 December 2022. Book value of the Group's office portfolio in Zagreb amounted to €43.1 as of 31 December 2022 compared to €14.8 as of 31 December 2021. The increase in value was attributed to the completion of Matrix C.

The following table lists the Group's office investment properties located in Zagreb:

Property	GTC's share (%)	Total gross rentable area (sq m)	Year of completion
Avenue Centre	70%	6,900	2007
Matix C	100%	10,600	2023
Total		17,500	

2.7.1.1.2 Overview of the retail portfolio

As of 31 December 2023, the Group's retail properties comprised six shopping centres with a total gross rentable area of 204,300 sq m, as compared to 204,200 sq m as of 31 December 2022. The occupancy rate was 96% as of 31 December 2023 and 31 December 2022. The average duration of leases was 3.5 years at the year end, as compared to 3.7 years as of 31 December 2022. The applied average yield was 7.4% as of 31 December 2023, as compared to 6.9% as of 31 December 2022. The average rental rate in the retail portfolio was €22,2 sq m/month as of 31 December 2023, as compared to €21,0/sq m/month as of 31 December 2022. The total value of retail investment properties as of 31 December 2023 was €708.6 compared to €719.9 as of 31 December 2022. The decrease in value was attributed mainly to the increase of yield.



The following table presents the retail portfolio by country as of 31 December 2023:

Location	Total gross leasable area (sq m)	% of total retail portfolio (%)	Average occupancy (%)	Book value (€)	% of total book value
Poland	113,600	56%	95%	432.6	61%
Belgrade	33,900	17%	99%	90.0	13%
Zagreb	27,600	13%	99%	85.0	12%
Sofia	22,700	11%	99%	80.7	11%
Budapest	6,500	3%	96%	20.3	3%
Total	204,300	100%	96%	708.6	100%

2.7.1.1.2.1 Retail portfolio in Poland

The total gross rentable retail space in Poland comprised 113,600 sq m in two retail schemes located in Warsaw and Częstochowa as of 31 December 2023, unchanged from 31 December 2022. The average occupancy rate was 95% as of 31 December 2023 and as of 31 December 2022. The average duration of leases was 3.0 years at the year-end, a compared to 3.3 years at the year-end 2022. The applied average yield was 6.6% as of 31 December 2023, as compared to 6.2% as of 31 December 2022. The average rental rate generated by the retail portfolio in Poland was €22.1/sq m/month as of 31 December 2023, as compared to €21.5/sq m/month as of 31 December 2022. The book value of the Group's retail portfolio in Poland amounted to €432.6 as of 31 December 2023, as compared to €442.7 as of 31 December 2022. The decrease in value was attributed mainly to the increase of yield.

The following table lists the Group's retail properties located in Poland:

Property	Location	GTC's share (%)	Total gross rentable area (sq m)	Year of completion
Galeria Jurajska	Częstochowa	100%	48,600	2009
Galeria Północna	Warsaw	100%	65,000	2017
		Total	113,600	

2.7.1.1.2.2 Retail portfolio in Belgrade

The total gross rentable retail space in Belgrade comprised 33,900 sq m in one shopping mall as of 31 December 2023, unchanged from 31 December 2022. The average occupancy rate was 99% as of 31 December 2023, as compared to 100% as of 31 December 2022. The average duration of leases was 3.8 years at the year-end, as compared to 4.4 years at the year-end 2022. The applied average yield was 9.0% as of 31 December 2023, as compared to 8.5% as of 31 December 2022. The average rental rate generated by the retail portfolio in Belgrade was at €19.9/ sq m/month as of 31 December 2023, as compared to €18.7/ sq m/month as of 31 December 2022. Book value of the Group's retail portfolio in Belgrade amounted to €90.0 as of 31 December 2023 unchanged from 31 December 2022.

The following table lists the Group's retail properties located in Belgrade:

Property	GTC's share (%)	Total gross rentable area (sq m)	Year of completion
Ada Mall	100%	33,900	2019
	Total	33,900	

2.7.1.1.2.3 Retail portfolio in Zagreb

The Group's total gross rentable retail space in Zagreb comprised 27,600 sq m in one retail scheme as of 31 December 2023, unchanged from 31 December 2022. The occupancy rate was 99% as of 31 December 2023, as compared to 98% as of 31 December 2022. The average duration of leases was 4.3 years at the year-end, as compared to 4.0 years at the year-end 2022. The applied average yield was 9.1% as of 31 December 2023, as compared to 8.3% as of 31 December 2022. The average rental rate generated by the retail portfolio in Zagreb was €23.8/sq m/month as of 31 December 2023, as compared to 21.7/sq m/month as of 31 December 2022. Book value of the Group's retail portfolio in Zagreb amounted to €85.0 as of 31 December 2023 compared to €84.8 as of 31 December 2022.

The following table lists the Group's retail properties located in Zagreb:

Property	GTC's share (%)	Total gross rentable area (sq m)	Year of completion
Avenue Mall Zagreb	70%	27,600	2007
	Total	27,600	

2.7.1.1.2.4 Retail portfolio in Sofia

The Group's total gross rentable retail space in Sofia comprises 22,700 sq m in one retail scheme as of 31 December 2023, unchanged from 31 December 2022. The occupancy rate was 99% as of 31 December 2023, as compared to 97% as of 31 December 2022. The average duration of leases was 3.9 years at the year-end, as compared to 4.1 years at the year-end 2022. The applied average yield was 8.1% as of 31 December 2023, as compared to 7.2% as of 31 December 2022. The average rental rate generated by the retail portfolio in Sofia was €24.4 /sq m/month as of 31 December 2023, as compared to €22.3/sq m/month as of 31 December 2022. The book value of the Group's retail portfolio in Sofia amounted to €80.7 as of 31 December 2023 as compared to €81.7 as of 31 December 2022.

The following table lists the Group's retail properties located in Sofia:

Property	GTC's share (%)	Total gross rentable area (sq m)	Year of completion
Mall of Sofia	100%	22,700	2006
Total		22,700	

2.7.1.1.2.5 Retail portfolio in Budapest

The Group's total gross rentable retail space in Budapest comprises 6,500 sq m in one retail scheme as of 31 December 2023, unchanged from 31 December 2022. The occupancy rate was 96% as of 31 December 2023, as compared to 89% as of 31 December 2022. The average duration of leases was 6.1 years at the year-end, as compared to 4.9 years at the year-end 2022. The applied average yield was 7.8% as of 31 December 2023, as compared to 6.0% as of 31 December 2022. The average rental rate generated by the retail portfolio in Budapest was at €20.9/sq m/month as of 31 December 2023, as compared to €18.1/sq m/month as of 31 December 2022. The book value of the Group's retail portfolio in Budapest amounted to €20.3 thousand as of 31 December 2023 as compared to €20.7 as of 31 December 2022.

The following table lists the Group's retail properties located in Budapest.

Property	GTC's share (%)	Total gross rentable area (sq m)	Year of completion
Hegyvidék Office and Retail Center	100%	6,500	2012
Total		6,500	

2.7.1.2 Overview of properties under construction

As of 31 December 2023, the Group had three office projects under construction with a total gross rentable area of 51,000 sq m and a book value of €67.5, which constituted 3% of the Group's total property portfolio (by value). As of 31 December 2022, the Group had three office projects (Center Point 3, Matrix C and Rose Hill Campus) with a total gross rentable area of 61,200 sq m and a book value of €51.5.

The following table lists the Group's properties under construction: All of them are located in Budapest, Hungary.

Property	Segment	GTC's share	Total gross leasable area (sq m)	Expected completion
Center Point 3	office	100%	36,000	Q3 2025
Rose Hill Campus ¹	office	100%	11,400	Q4 2024
Andrassy	office	100%	3,600	Q3 2024
Total			51,000	

¹ 11,400 sq. m under redevelopment and additional two refurbished office building with 4,600 sq. m.

2.7.1.3 Overview of investment property landbank

As of 31 December 2023, the Group the value of land plots classified as "Investment property landbank" and designated for future commercial development amounted to €158.5 and the land bank's held for sale amounted to €13.6. As of 31 December 2022, the Group the value of land plots classified as "Investment property landbank" and designated for future commercial development amounted to €150.4 and the land bank's held for sale amounted to €51.6. Property landbank constituted 7% of the Group's total property portfolio (by value). The majority of the landbank is located in Warsaw, Belgarde and Budapest.

Rich investment property landbank designated for future development allows the Group to execute projects in countries / cities with the highest demand and best achievable returns in a given moment.

2.7.1.4 Rights of use – investment property

As of 31 December 2023, the Group's right of use of lands under perpetual usufruct amounted to €40.0 which constituted 2% of the Group's total property portfolio, as compared to €38.9 as of 31 December 2022. The rights of use of lands under perpetual usufruct comprised the right of use of investment property landbank in the value of €17.9 and of completed investment property in the value of €22.1.

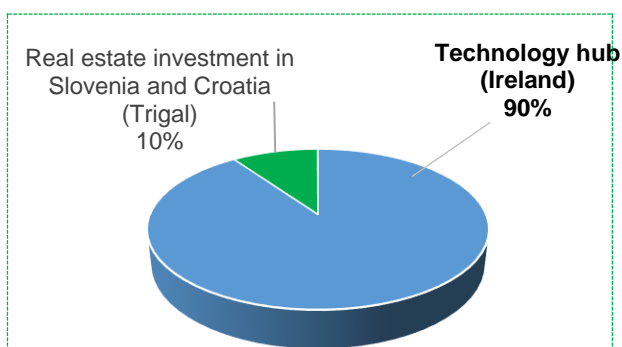
2.7.2 Residential landbank

As of 31 December 2023, the Group held a residential landbank (including the right of use of residential landbank of €1.0) with a total value of €27.2 which constituted 1% of the Group's total property portfolio, as compared to €26.6 as of 31 December 2022.

2.7.3 Non-current financial assets (related to investment property)

As of 31 December 2023, the Group held non-current financial assets (related to investment property) measured at fair value through profit or loss with a total value of €135.1.

GTC invested through a debt instrument into 25% of a technology campus in Irland. The instrument is accounted for as a non-current financial asset and valued of €119.1 as of 31 December 2023. Furthermore, the Group holds rights to 34% units in the Trigal fund holding 4 completed commercial buildings. The book value of this GTC's investment (accounted for as a non-current financial assets) as of 31 December 2024 amounted to €13.9.



The fair value of non-current financial assets was as follows:

	31 December 2023	31 December 2022
Notes in technology hub (Ireland)	119.1	117.6
Real estate investments in Slovenia and Croatia (Trigal)	13.9	12.6
Others	2.1	0.1
Total	135.1	130.3

2.7.3.1. THE TECHNOLOGY HUB

On 9 August 2022, a subsidiary of the Company invested via a debt instrument into a joint investment into the innovation park in County Kildare, Ireland (further Kildare Innovation Campus or “KIC”). The idea of the project is to build a database centre with power capacity of 179 MWs. GTC’s investment comprised acquiring upfront notes in the value of €115 and in accordance with the investment documentations GTC is obliged to further invest up to agreed amount of ca. €9 to cover the costs indicated in the business plan and comprising such costs as permitting, financing, capex as well as operating costs of the business. As of 31 December 2023 the Company has already additionally invested €4 which were spent in accordance with the business plan as indicated above.

The investment was executed by acquisition of 25% of notes (debt instrument) issued by a Luxembourg securitization vehicle, a financial instrument which gives the right to return at the exit from the project and dependent on the future net available proceeds derived from the project, including a promote mechanism. The maturity date for these notes is 9 August 2032. GTC expects to execute a cash inflow from the project at the maturity date or at an early exit date.

The investment is treated as joint investment due to the following GTC has indirect economical rights through their notes protected by the GTC’s consent to the reserved matters such as material deviation from the business plan, partial or total disposal of material assets [transfer of units] etc. This debt instrument does not meet the SPPI test therefore it is measured at fair value through profit or loss.

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 KIC currently generates around €3.7 gross rental income per annum from the rental of the office and warehouse space and parking spaces on the KIC grounds.

A masterplan was permitted whereby the site and the campus are planned to be converted into a Life Science and Technology campus with a total of approximately 148,000 sq m. The planning permit was issued initially on 7 September 2023 and was finalized on 22 January 2024.

In January 2024 the contract with a major client was signed for the full capacity of the project (179MW).

The next milestones for the project include completion of site highways and infrastructure works as well as power infrastructure works by 26 February 2028 (Phase 1).

GTC’s investment is protected by customary investor protection mechanisms in the case of certain significant project milestones are not achieved in a satisfactory manner.

The fair value the GTC's share in the consolidated financial statement amounted to €119.1.

2.7.3.2. REAL ESTATES IN SLOVENIA AND CROATIA

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 the consideration of €12.6 from an entity related to the Majority shareholder. The Fund is focused on commercial real estate investments in Slovenia and Croatia and expected maturity is in Q4 2028. The fair value the GTC's share in the consolidated financial statement amounted to €13.9.

The following table lists real estate investments of the Fund in Slovenia and Croatia:

Property	City/Country	Type	GTC's share (%)	Total gross rentable area (sq m)	Year of completion
Feniks Building	Ljubljana, Slovenia	Office	34%	14,685	2007
Point Shopping Center	Zagreb, Croatia	Retail	34%	13,644	2013
Rezidenca Building (Loma Center)	Ljubljana, Slovenia	Mixed-use	34%	8,043	2006
Kare A Building (Krdu Building)	Kranj, Slovenia	office	34%	4,928	2007
			Total	41,300	

2.8 Overview of the markets on which the Group operates¹

This market commentary was prepared by Jones Lang LaSalle IP, Inc. and iO Partners. It is based on material that we believe to be reliable. Whilst every effort has been made to ensure its accuracy, we cannot offer any warranty that it contains no factual errors. We would like to be told of any such errors in order to correct them. Please note, that the presented market commentaries are based on information available to us as of 31 December 2023.

Market conditions introductory note: Transactions across markets and sectors remain low, for a variety of reasons. The full implications of wars in the Middle East and Ukraine are unknown. Instability in these regions and beyond may compound already difficult real estate market conditions. This is likely to be exacerbated when coupled with inflationary pressures and other factors impacting the global economy, including the cost and availability of debt. The combination heightens the potential for volatility and quick changes in consumer and investor behaviours. In recognition of the potential for market conditions to change rapidly, we highlight the critical importance of the report date and confirm the conclusions in our report are valid at that date only.

2.8.1 Office market

Following another year of transition for office occupiers in 2023, there are signs of a gradual improvement in demand with many companies reach an equilibrium in office attendance or advance

their objectives in driving higher office utilization. Over 80% of employees globally are back in the office at least one day a week, compared to 61% a year ago, with most employees now working from the office an average of 3.1 days per week. Attendance rates have increased consistently over the last year even among the earlier adopters of remote-first policies.

For real estate occupiers, we see 2024 as a year to further solidify workplace policies and align portfolio strategies to new ways of working and revised growth trajectories. Occupiers are working to upgrade existing facilities and refine space requirements – location, quality, design and amenities – to make the office “commute-worthy,” support return-to-office mandates, strengthen employee engagement, and ultimately drive performance. There will also be a mindset shift, as corporate real estate leaders move from operating static assets to managing dynamic workplaces, and occupancy levels and business requirements change within any given day or week. Technology will be more critical in 2024 than ever before, as organizations test and learn from AI pilots and strive to harness and leverage the wealth of workplace data across their portfolios.

One area in particular we see ramping up further in 2024 is occupiers' focus on sustainability. More than 50% of the world's largest companies by market capitalization have announced science-based targets that link their future building demand to a carbon commitment. Regulations and corporate disclosure requirements around sustainability are further mounting, driving companies (and investors) into greener buildings. Yet, most of demand for low carbon workspace will not be met with existing stock or the current development pipeline by 2030.

In Warsaw, the total office stock stood at 6.2 million sq m at the end of Q4 2023 of which 431,500 sq m were owner-occupied. In 2023, developers delivered just over 60,000 sq m in Warsaw, which is in stark contrast to the results of the past few years (200,000 - 300,000 sq m). The biggest investments delivered during the year were Lakeside (22,700 sq m, Mokotów), Studio B (18,000 sq m, Centrum), and The Park 9 (11,000 sq m, Al. Jerozolimskie). At the end of 2023 there was over 230,000 sq m under construction/reconstruction.

There is no chance that market conditions will change in the coming twelve months. 2024 will be another year with a subdued new supply estimated at around 94,000 sq m (of which 15,500 sq m is renovated space).

After a rather slow start, leasing activity markedly accelerated in the second half of the year. As a result, total demand in 2023 reached 749,000 sq m, with 256,000 sq m being leased in Q4 alone. Warsaw's two central zones recorded the highest transaction volumes. In these locations tenants signed the majority of new contracts, primarily due to the relatively higher availability of new office space.

In the past year, companies in the professional services sector were the most active occupier group - accounting for over 19% of demand. Their activity was concentrated in the City Centre zone (mainly in the vicinity of the Daszyńskiego Roundabout) and CBD. Tenants in the manufacturing sector (14%) and IT sector (11%) came in second and the third.

The limited availability of new space is directly reflected in the decisions of tenants. In the past year, lease renewals accounted for 42.7% of total demand, with the fourth quarter alone accounting for over 49%. During the four quarters of 2023, the overall vacancy rate for Warsaw decreased by 1.2 percentage points to 10.4% at the end of Q4.

Due to high demand, the central zones experienced a stronger y/y decline of vacancy, i.e. from 10.5% to 8.5%. For locations outside the city centre, the vacancy rate decreased from 12.4% to 11.9% year-on-year. The downward trend will continue in 2024. The increasing demand for modern, sustainable

construction translates into a stable demand for high-quality office spaces. Due to the pandemic-induced market slowdown, newly completed projects initially recorded a high vacancy rate. Currently, buildings completed after 2019 have a vacancy rate of around 5%. On the other hand, the number of older properties facing long-term vacancies is increasing, despite competitive pricing offers.

In 2023, rents for prime office spaces in the central zones remained stable y/y, ranging from €18 to €26 / sq m/month. The last quarter of the year saw an increase in rates for non-central locations to €12 - €18 / sq m/month, due to a limited availability of new space. Another year with a new supply gap, coupled with an expected economic recovery, will result in further rent increases for prime properties. Due to high fit-out costs, the average lease term has been extended to 5-10 years, particularly in the case of new buildings. Owners of older properties demonstrate greater flexibility. New leases there are still being signed for 3-5 years, and in the case of renegotiations, for 2-5 years.

Regional cities Poland

At the end of Q4 2023, the total office stock in eight major office markets in Poland stood at 6.8 million sq m, of which 653,500 sq m were owner-occupied. In Q4 2023, 44,700 sq m was completed across eight major office markets in Poland, which brought full year total to 279,600 sq m. 2023 was the last period to record such significant level of new supply. In 2024, approximately 155,000 sq m of office space will be completed in the major regional markets in Poland. Challenging economic conditions, prolonged decision-making processes and budget cuts on the occupier side, as well as high financing costs, have caused many developers to revise their plans for 2024-25. The construction launches are largely dependent on securing key tenants, with developers focusing on leasing newly completed buildings. Furthermore, the mass introduction of hybrid work among corporate tenants has resulted in a 20-30% reduction in required space. We anticipate that lower construction activity will be the new normal for the office market for the next few years.

Office take-up remains driven by office relocations and lease renewals. Over the year, the total leasing volumes amounted to 741,000 sq m, of which ca. 210,000 sq m was transacted in Q4. Occupier activity was underpinned by a few large-scale deals > 15,000 sq m, namely Intel HQ (23,000 sq m, Gdańsk), BNY Mellon (20,300 sq m, Wrocław) and Energa (16,900 sq m, Tricity). All above-mentioned transactions were either relocations or lease renewals.

At the end of Q4, the vacancy rate for the eight major regional markets amounted to 17.5% comparing to 15.3% in Q4 2022. The overall vacancy rate is likely to increase over 2024 on the back of slow new take-up recovery and space rationalization. Occupiers in the modern business services sector are often revising their current and future space requirements, which translates into renting smaller units or maintaining the status quo, despite intensive workforce growth plans.

During the year prime rents in the biggest markets (Kraków, Wrocław, Tri-City) demonstrated an upward trend. Currently, the highest rates among the main regional cities are recorded in Kraków (€ 15.00-17.00 / sq m / month), Wrocław (€ 14.5-16.25 / sq m / month) and Poznań (€ 14.00-16.00 / sq m / month). In the short term, the upward pressure will continue in Kraków in the best locations. This is due to shortage of new, premium quality space in the city centre and ongoing flight-to quality as well as stable occupier demand. Rents across other regional markets are expected to stabilize.

Budapest

The total modern office stock in Budapest currently adds up to 4,369,900 sq m. It consists of 3,571,700 sq m of 'A' and 'B' category speculative office space as well as 798,200 sq m of owner-occupied space.

In 2023, developers handed over total 102,800 sq m office space, which is 61.5% decrease in comparison with annual completion volume of 267,500 in 2022. The three largest deliveries include the Bem Center (25,300 sq m), the Corvin Innovation Campus Phase 1 (17,520 sq m) and Roseville (15,535 sq m). At the end of 2023, there was 261,800 sq m office space under construction, which can increase the current stock by 6% in the upcoming years.

From this volume, ca. 38% is either already pre-let or developed as a built-to-suite, owner occupied project. Most of the developments are in the Pest Central South, Váci Corridor and Pest Central North submarkets.

Demand for office space in Q4 2023 was nearly as dominant as in the previous quarter, marking one the strongest quarter since outbreak of the covid. The Hungarian office market is beginning to experience the outcome of the change in working patterns. There are notable shifts attributed to expiring leases, but the demand may also be influenced by space downsizing, showing in vacancy rate increasing. Given the uncertain market conditions and significant disparities in pricing, numerous investors are postponing office acquisitions as well.

Total demand in 2023 amounted to 464,570 sq m, while net take-up reached 238,250 sq m in the same period. The strongest occupational activity was recorded on the Váci Corridor, attracting 28% of the total demand, and it was followed by Central Pest submarket reaching 20%.

Despite healthy demand, vacancy rate has been increasing. New completions enter the market with huge amounts of available space, which is the main cause of the rise in vacancy rate. At the end of 2023, vacancy rate stood at 13.6%, growing by ca. 0.4 percentage points from Q3 and by 2.3 pps year-on-year. It is only the second time the vacancy rate climbed over 13% since 2015. The gap in vacancy rates between Class 'A' and 'B' properties disappeared, with the average vacancy rate of grade 'A' properties rising to 13.5%, which nearly surpasses the market average. Buda North submarket had the lowest vacancy rate with 8.7%, while the Periphery still lags behind the other eight submarkets with ca. 36.8%.

Average headline remained stable at €25.00/sq m/month in Budapest's premium locations, while asking rents of category 'A' buildings can vary between €14.0 - €26.0 /sq m/month. The highest rents were still reported in the CBD submarket. Service charges stagnated or decreased throughout the year due to the stabilization in energy prices and the lowering inflation rate (5.5%).

Bucharest

Bucharest modern office stock reached 3.42 million sq m at the end of 2023. During 2023 overall, 110,000 sq m were delivered in total, 11.6% below 2022 (124,500 sq m).

The pipeline for 2024 is extremely limited, with only 15,500 sq m to be delivered. This is 85% below 2023 and represents a record low. This will restrict the options available to potential tenants and increase competition for the existing projects and will also contribute to a decrease in vacancy rates in the future. The only office delivery expected for 2024 is AFI Cotroceni Loft, developed by AFI Europe as an expansion of the office component in their flagship project.

Gross demand reached a record high in 2023 of approximately 409,300 sq m, 44% over 2022. However, net demand registered a 28% decrease during the same period, to 101,400 sq m. If we consider net take-up (gross take-up without renewals), 2023 registered almost the same level as in 2022 (+1.9%) or approximately 182,000 sq m.

Renewals and renegotiations accounted for 56% of total transactions volume in 2023 or over 227,000 sq m on the back of contracts from 2018-2019, reaching maturity. Relocations inside the competitive stock came second, accounting for 20% of gross take-up. New leases and expansions accounted for approximately 15% of total demand in 2023. Floreasca-Barbu Vacarescu submarket had the largest share in total demand in 2023 (25%). In Q4 alone, gross demand reached 116,700 sq m, 9% below the previous quarter, but 37.5% over Q4 2022. However, net take-up remained low, at approximately 24,400 sq m, 12.7% below Q3 2023 and 30% below Q4 2022.

The vacancy rate reached 14.3%, at the end of 2023, increasing from 12.5% in Q4 2022. We expect that the vacancy rate will grow during the first part of 2024 and start decreasing in the second half of the year due to the lack of new deliveries.

Typical rents in Bucharest range between €14.5 and €17.5 per sq m per month. However, prime office rents increased at the end of 2023 to €22.0 per sq m but this is mostly due to adjusting to high inflation.

Belgrade

Belgrade's office market is expanding despite the country's external and internal economic challenges. The office stock in Belgrade currently stands at 1.32 million square meters. Class A and B office space has been growing at an annual rate of 10% to 15% during the last few years. As a result, class A makes up 68% and Class B 32% of the total high-quality office space. The majority of office space (around 70%) is concentrated in the Novi Beograd area (CBD) while 21% located in Belgrade's central area and the remaining 9% dispersed throughout the city.

The Belgrade office market is an attractive investment option for investors, thanks to its considerable potential stemming from the ongoing development phase. Over 160,000 square meters of office space were constructed in 2023, which is double that compared to 2022. It is anticipated that approximately 60,000 sq m will be completed in 2024, with an additional 120,000 sq m to be added in the following years.

The most significant projects of 2023 were B23 (35,000 sq m), Sava Centar (17,200 sq m) and AirPort City (14,800 sq m) in New Belgrade. Currently, there are several ongoing projects: BIGZ, Brankov, Artklasa, and Prokop are in the pipeline for 2024 totaling 83,000 sq m. This might lead to a 6% increase in existing stock in the following calendar year.

The yearly take-up in 2023 exceeded 220,000 sq m, a 4% decline comparing to 2022, though still showing a strong level of market demand. The average deal size was approximately 900 sq m. The vacancy rate was at 7.3% on average for the market while for Class A reached ca. 6.0%. It is approximately 2% higher than reported at the end of 2022 which is due to new supply.

Prime headline rents for A class range from €16.0 to €17.5 /sq m/month (up from €17.0 reported in 2022). Service charges range from €3.0 to €4.5 per square meter per month. Well-measured buildings with add-on features that increase the value for landlords are part of the market practice. Therefore, add-on considerations are important and have a substantial impact on the transacted rentals.

Zagreb

The office market in Zagreb is continuously developing and maturing. The Business District East and West, New Zagreb as well as the city center provide the majority of the office supply. A and B class offices make up approximately 1.2 million sq m of the stock. Class A represents over 56% of the existing stock while Class B provides the remaining part.

Considering the recent completions, the office supply increased by ca. 1% in 2023. Two most notable developments in 2023 were: the third phase of the Matrix Business Complex which provided 10,500 sq m and Project 75 of 3,100 sq m.

Furthermore, there are two projects in the pipeline that are expected to be completed in 2024. Both projects, Grawe Garden Center (2,100 sq m) and Buzin City Island Phases 2 and 3 (50,000 sq m) are currently under construction. The total area of the projects is approximately 73,000 sq m and has been scheduled for the next two years.

Demand was stable in 2023 with an average deal size of 590 sq m. The total gross take-up was reported at ca. 13,700 sq m. Due to limited availability of office space, the majority of leasing activity focused on the of existing agreement renewals. Moreover, coworking space is becoming to appeal businesses as a lease option. This type of office space has been growing over the past few years but still makes up a small percentage of the existing stock i.e. less than 3%.

The prime office rent remained at €15.5 per sq m pre month in 2023 while vacancy rate was below 2%.

2.8.2 Retail market

Forecasts for the next three years point to Poland outperforming and closing the gap on countries in the eurozone. Inflationary pressure is easing, but not disappearing. A challenging trading environment is still mitigating the revival of the market although this trend does seem to have bottomed out. Short and mid-term perspectives provide reasons for cautious optimism. The average annual inflation rate is anticipated to be 5.5% in 2024 and 2.7% in 2026 (Oxford Economics), down from a peak of 14.4% in 2022.

Selected retail indices:

- Cumulative 3-year retail sales growth (volume) forecast in Poland at 13% outperforms established European economies
- In 2024-2026 Polish economy is forecasted to observe a cumulative growth of 9%
- Retail confidence index at 100. Index for Poland is among highest and most rapidly recovering. Values above 100 reflect positive sentiment among retail market players.

The retail market in Poland continues to grow with over 560,000 sq m added to the stock in 2023, a +14% increase compared to the previous year and +8% with regard to the five-year average.

Macro trends have remained untouched with new supply strongly dominated by retail parks. This format now claims almost 2.9 million sq m of existing stock, accounting for some 17% of total retail space in Poland. Noteworthy, the lion's share of today's retail parks operates as local convenience shopping destinations with 23 new parks delivered in 2023 being below 10,000 sq m of GLA. This format was additionally supplied with numerous schemes of GLA below 5,000 sq m, namely convenience centres. In 2023, these totaled some 66,000 sq m GLA of new space.

The shopping centre format was boosted by almost 90,000 sq m, however majority of this space was attributable to re-openings and extensions of already existing projects, including E.Leclerc Jelenia Góra, Fort Wola and Atrium Promenada in Warsaw. New stand-alone units summed up to 51,500 sq m of GLA, over half of it being new Castorama markets.

Geographically, most of the new supply (51%) boosted the cities of below 100,000 inhabitants. This was even stronger manifested with regard to retail park segment – almost 60% of new supply within this

format was attributable to small cities and towns. On the other hand, there were cities of 200-500,000 inhabitants, where only some 7% of total 2023 new supply was delivered.

The retail market in Poland powers ahead with a significant pipeline of almost 430,000 sq m of constructed space across all formats. Undoubtedly, 2024 will again be led by retail parks and convenience centres, together accounting for over 75% of the pipeline. However, in 2024 we will also observe some shopping centre activity with re-opening of Sukcesja in Łódź and opening of Galeria Goplana in Leszno being most significant. These will be complemented by the extensions and modernisations with likes of Bonarka in Kraków and Galeria Wołomin. Additionally, works on new outlet centre - Designer Outlet Kraków launched in 2023, however the scheme is to be delivered in 2025.

Key market trends for 2024 include:

- Omnichannel. E-commerce is getting back to the long-term growth line and Poles are back to the traditional retail. Thus, seamless shopping experience across multiple channels (store, online, mobile) becomes a must
- GEN-Z shaping the retail landscape. New generation redefines the market, underlining importance of experiencing, authenticity and localism. Shopping centres are again destinations for entertainment and leisure, however in a new, technological form.
- Brands entering and expanding in Poland. The 2023, with some 25 debuts, was one of the most active years regarding the new entries. Lush, Woolworth, Popeye's, Lviv Croissants, Moschino are only selected newcomers to the market in 2023, and more are yet to come
- Breakthrough developments yet to come. With 2024 to be dominated by retail parks, new large-scale projects are already launched or will be launched soon, namely Designer Outlet Kraków and two centres by Nhood – Wilanów Park and Project Góraszka in Warsaw.

Warsaw agglomeration

At the end of 2023, the total available retail space in Warsaw for large-scale retail properties (GLA \geq 5,000 sq m) and convenience centres (2,000 \leq GLA \leq 4,999 sq m) amounted to 2,204,500 sq m, encompassing various retail formats. The shopping centre format is the leading retail format, with a market share of 63% of the total supply of retail space. Retail park and stand-alone warehouse formats follow behind with 16% and 14%, respectively. Meanwhile, the convenience and outlet centre formats each comprise 5% and 2% of the market share, respectively.

The retail market in Warsaw agglomeration has the most significant stock among the eight major agglomerations in Poland.

Shopping centres dominate the market, summing up to 1,379,500 sq m. Despite ranking fifth in terms of shopping centre space density, with 492 sq m of shopping centre space per 1,000 residents, the Warsaw agglomeration stands out with its high level of purchasing power.

The per capita annual purchasing power in the Warsaw area is €13,618, which is approximately 59% higher than the average purchasing power in Poland, amounting to €8,562.

At the end of 2023, several construction projects were underway in the Warsaw agglomeration. The largest ongoing project is the San Park Mysiadło, which is currently in the construction phase. Upcoming large-scale developments are to appear after 2026/27, namely Wilanów Park and Project Góraszka.

Prime rents in the best shopping centres in Warsaw range between €110 - €130/ sq m/ month. We have to stress that the definition "prime rents" applies to an approx. 100-metre boutique earmarked for fashion

and accessories, located prominently in the best assets in the region. Average vacancy in shopping centres in Warsaw was reported at ca. 4% in 2023.

Belgrade

Currently, the local retail market provides 421,000 sq m of total stock. With no new recent completions, the retail center scene has remained stable in Belgrade. Only renovation of the Zira Retail Center is worth to mentioned.

Furthermore, opening of 30,000 sq m new shopping center in New Belgrade in 2024 has been announced by Eurasia Trade Center. Furthermore, AVA Shopping Park is expanding by an additional 12,000 sq m. Also, the Beo Shopping Center plans to expand by ca. 4,000 sq m in 2024.

Additionally, the first retail park in Belgrade, Zemun Park, is entering a new development phase under the name Forum Park. Marera Properties, a company with a portfolio of retail properties and the Forum brand, is overseeing this project.

Currently, the average rent per square meter ranges from €26.0 to €29.0 / sq m / month in Belgrade, with the prime rent standing at €60.0.

Zagreb

The total stock of shopping centers in Zagreb remains stable at 454,000 sq m. In 2023, Park & Shop Sesvete, the newest property in the capital has been opened on the outskirts of the city. Furthermore, there is FT Park ongoing project in Zagreb's Jankomir area which will add about 10,000 sq m of new retail space by the end of 2024.

Shopping center density in Zagreb is ca. 590 sq m per 1,000 inhabitants. In recent years negotiation power in the shopping center market in Zagreb was on the tenant's side. However, with the gradual improvement of economic and market conditions, we have noted shopping centers strengthening their position in the market. This resulted in the occupier's shift to higher quality and better performing schemes.

Regarding retail centers, no significant announcements have been made while developers are mostly concentrating on renovation of their properties. The major refurbishment of Zagreb's King's Cross shopping center is planned to start in 2024. The project will extend the leasable space of the property by ca. 5,000 sq m.

Currently, average shopping center rents range from approximately €21.0 to €23.0 / sq m / month, while prime rent is €45.0 / sq m / month.

Retail Park average rents, which range from €10.0 to €12.0 per sq m per month remained stable.

Sofia

Similarly, to the last year, in the first half of 2023, the trend of the rapid development of retail parks continued, with the opening of 35,000 sq m throughout the country (including the expansion of existing parks).

At the end of 2023, there were 46 retail parks in Bulgaria, with over 410,000 sq m GLA. It is important to note that those are fairly evenly distributed across the country. The main focus of retailers is still on regional cities and smaller settlements of less than 100,000 people.

Growth in consumer demand combined with the development of commercial chains, led to a significant expansion of retail parks in small towns, with a population of 50 to 100 thousand people. It can be noted that smaller settlements, with a population of less than 30,000 people, are also actively developing in terms of retail parks at the moment.

In Sofia there are 3 retail parks, with a total GLA of 80,000 sq m, with 99% occupancy. Consumer demand is aimed at discount chains, drugstores, sports stores, supermarkets, as well as specialty furniture and home decor stores. Private brands are becoming more and more popular, as they meet the customer's expectations in terms of price to quality ratio.

The total modern stock in the country, including shopping centres, retail parks and outlet centres, has increased by 42,400 sq m during the first half of 2023. Currently it amounts to over 1,21 million sq m, out of which 548,800 sq m operating in Sofia.

With 823,400 sq m stock countrywide, the shopping centre segment have not seen any new completions over the last few years, and it will remain so for this year. The same trend will continue in 2024 as both developers and retailers focus on retail parks.

However, in the first half of 2023 not a single retail park was opened in Sofia as well. This type of projects planned for late 2024 or early 2025 have a total area of 227,400 sq m GLA. The average vacancy rate in existing retail parks is just under 5%.

2.8.3 Investment market

Poland

Office investment market has remained subdued throughout 2023. Investors committed approx. €151 million in Q4, taking the 12-month total to €427 million. This represents a decrease of 80% on FY2022, when the Warsaw HUB was acquired by Google, setting a new record for the office investment market in Poland. It was also the lowest full year result since 2009.

Almost all of office acquisitions seen in 2023 were related to Warsaw properties. The only modern office scheme transacted in regional cities was Onyx in Kraków. Interestingly, the structure of capital invested in offices was dominated by CEE investors.

The moderation in bidding intensity and the still elevated cost of debt did lead to a further upward movement in office yields. At the end of December 2023, the yield for prime Warsaw assets, with lease agreements exceeding five years, was expected to be approx. 6.00%. The prime cap rates in Kraków, which remains the core regional city, are currently estimated at approx. 7.00%.

High financing costs and uncertain sentiment influenced investors' appetites and market dynamics for retail sector in 2023 as well. Despite growing rents, turnovers, and generally good operational conditions for most retail properties, investor activity remained moderate, reflecting the very low transaction volume in the retail sector reported in 2023 - only 442 million euros.

However, it is worth noting that the entire investment market in Poland decreased by almost 70% compared to 2022, with the retail segment accounting for 30% of the total transaction volume in 2023. Thus, low trading activity aligned with broader market trends.

Currently, investor activity is mainly focused on opportunities with potential for value enhancement through refurbishments, repositioning or optimization of management.

Retail parks, convenience centres and standalone grocery stores remain of unwavering interest to both private investors and institutional capital. We observed an increase in investor activity in Q4 2023, particularly in the retail park segment, and we expect that submitted offers will translate into transactions in the first half of 2024.

The anticipated compression in interest rates in 2024 should reduce the polarization of price expectations between buyers and sellers and gradually increase the investment volume.

JLL estimates the prime shopping centre yields at ca. 6.50%. The prime cap rates for the best retail parks are currently estimated at 7.25%.

Hungary

The 2023 annual investment volume amounted to ca. € 610 million, the lowest annual volume since 2015, indicating a softening of ca. 30% year-over-year. The muted market performance was the result of a combination of factors, but mainly the continued pricing uncertainty and the elevated borrowing costs.

According to our views prime yields stand at 6.50 - 6.75% for offices and 6.75% - 7.25% for shopping centres.

It is no surprise that in such turbulent times local buyers are more willing to commit to acquisitions; local buyers generated nearly 90% of the 2023 volume. Although foreign capital remains interested in Hungarian assets and keeps a close eye on the market.

Looking ahead we expect institutional investors to remain cautious and private capital to keep on actively sourcing deals.

We recorded four open-market transactions in the office asset class. On top of these, additional four buildings were transacted in a closed, off-market process. That means that the 2023 office transaction volume reached € 240 million, which is ca. 22% below the 2022 volume. That said, it's important to note that nearly 40% of this amount was generated by one single transaction: the sale of H2O office building by Skanska. The brand new, core asset, situated at the centre of the Váci Corridor submarket was acquired by ERSTE Real Estate Fund at the lowest net initial yield in 2023. Hungarian buyers generated the bulk of the deals in the asset class: the Belgian developer, Atenor, sold the 15,500 sq m, recently handed over, Roseville office building to a new private Hungarian fund as well. Additional important deals in the sector included Víziváros office building, disposed by CA Immo and acquired by the Austrian FLE.

In 2023 the retail asset class generated 15% of the transaction volume. The investment activity amounted to just below €90 million, generated by 10 asset sales.

The logistics/industrial sector remained a very sought-after asset class but due to the lack of available products in the sector the annual transaction volume reached only ca of €120 million, 20% below the past 3 years' annual volumes. As availability in the Greater Budapest market is limited, investors have started to explore opportunities in the countryside as well.

Romania

The property investment volume in Romania totaled €496 million in 2023, 60% lower compared to 2022, which was a record year. Investment volumes were dominated by retail representing 57.5% followed by offices with 16.6% and industrial with 15.1% share. Investment volumes experienced a significant

increase in Q4 2023, when deals worth almost €253 million were closed, four times more than in the previous quarter, but 58% below Q4 2022.

Retail had by far the largest share in total investment volumes in Q4, with 86.6%, followed by offices, with 6.5%. By far the largest investment deal closed in 2023 was the sale of Mitiska's retail portfolio in Romania, composed of 25 retail parks across the country, with a total GLA of 132,000 sq m. The portfolio was purchased by LCP Group, part of M Core, for €219 million.

The second largest transaction of the year was the sale and leaseback of FM Logistic's warehouse portfolio, with a total area of approximately 100,000 sq m, acquired by CTP. The third largest deal in 2023 was the sale of One Herastrau Office in Bucharest to a private investor, for €21 million.

Prime yields were stable at the end of 2023 compared to the previous quarter at 7.75% for offices, shopping centres and industrial. Overall, market liquidity is expected to improve in the course of 2024, as inflation is projected to decrease and interest rates will subsequently readjust to more manageable levels. Therefore, 2024 should see an increase of total investment volumes compared to 2023.

Serbia

In 2023, Serbia exceeded initial expectations, experiencing a stronger economic upturn in the latter part of the year, notably marked by another record-breaking surge in construction outputs. Building construction remained stable at a moderate pace, whereas civil engineering experienced a significant surge, showcasing a double-digit growth rate. Although inflationary pressures have eased, aiding market stability, the persistently high interest rates continue to pose a substantial obstacle to short-term growth. CA Immo has sold Belgrade Office Park. The facility consists of two buildings totaling approximately 27,000 sq m. The vacancy rate in the facility was around 3%.

The Belgrade office portfolio of Indotek was acquired by Diófa Fund Management. Eleven premium office buildings situated in five business parks inside Belgrade's central business district - Green Heart, FortyOne, Belgrade Business Center, 19 Avenue, and House office building make up the portfolio's more than 122,000 sq m.

The on-going crisis in Ukraine has made Investors cautious. If investors are going to invest, we expect the focus to continue to be on the retail market segment in Serbia, which is currently in expansion. We would not expect significant shopping center transactions.

Croatia

Croatia has historically been one of the most active markets in the area when it comes to real estate development and investment volume. In terms of the economy, Croatia's appeal to investors has been reinforced by its membership in the EU, projected economic development, rising GDP per capita, and rising purchasing power.

The retail market's steadiness and the lowest returns in the area support this from the perspective of retail development. Taking into account pertinent assets, namely retail complexes, these schemes have also attracted investors because of the market's steadiness, restrictions on future growth, and ongoing introduction of new brands. But this wasn't always the case in the past, when over-development and unfavourable economic conditions prevailed.

With the acquisition of an office building in the Matrix Office Park in Zagreb, ALFI Real Estate Fund, a Slovenia-based investor in commercial real estate in Slovenia and Croatia, is growing its holdings in that

country. The Matrix B building has 213 parking spaces and over 10,500 sq m of leasable space. Both prime office and retail yields remain stable, and both stands at 7.50 - 8.00%.

Bulgaria

The investment volume in Bulgaria in H1 2023 reached €68.9 million, which represents a 31% decrease y-o-y (€99.3million in H1 2022). There have been five transactions in the office sector and one was related to a mixed-used property (office, retail and residential). During H1 2023, prime yields remained stable comparing to those reported at the end of 2022 for all the main segments: retail, offices and industrial i.e. 7.50%, 7.50% and 8.00% respectively.

Transactions in the office segment included those with international investors exiting from two of their investments while the sale processes of another two trophy properties in the CBD were organized by liquidators and snatched by local players. All transactions were recorded in Sofia with a single exception in Plovdiv with a small office property sold there.

The largest office transaction was the sale of Europroperty's Sofia Office Center (built-up area 24,800 sq m), bought by Everyty who have increased their presence in Bulgaria to five investment properties.

Another large transaction in the office market was the sale of Emerald Building which was the HQ of Piraeus Bank in Bulgaria. The buyer, MVF Holding is owned by a Bulgarian investor with interests in residential development, as well as casino management. The holding will most likely occupy the majority of the building.

The sale of the Telephone Palace was organized by the liquidators of an insolvent NG Property and bought by GPP Management, which is related to another participant in the casino market - Winbet.

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3. Selected financial data

The following tables present the Group's selected historical financial data for the year ended 31 December 2023 and 31 December 2022. The historical financial data should be read in conjunction with *Item 4. Operating and financial review* of this Report and the consolidated financial statements for the year ended 31 December 2023 (including the notes thereto).

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

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

(in million)	For the 12-month period ended 31 December			
	2023		2022	
	€	PLN	€	PLN
Consolidated Income Statement				
Revenues from operations	183.4	833.2	166.6	780.7
Cost of operations	(55.2)	(250.8)	(47.4)	(222.0)
Gross margin from operations	128.2	582.4	119.2	558.7
Selling expenses	(2.7)	(12.3)	(1.8)	(8.3)
Administration expenses	(20.4)	(92.7)	(15.0)	(70.5)
Loss from revaluation	(56.3)	(258.7)	(29.4)	(139.2)
Finance income/(cost), net	(33.2)	(150.8)	(31.7)	(148.6)
Net profit	12.4	53.7	24.8	115.2
Basic and diluted earnings per share (not in million)	0.02	0.08	0.04	0.19
Weighted average number of issued ordinary shares (not in million)	574,255,122	574,255,122	574,255,122	574,255,122
Consolidated Cash Flow Statement				
Net cash from operating activities	95.2	431.9	88.1	412.9
Net cash used in investing activities	(108.0)	(488.7)	(77.7)	(364.6)
Net cash from/(used in) financing activities	(42.8)	(196.7)	10.8	38.0
Cash and cash equivalents at the end of the period	60.4	262.6	115.1	539.7
As of 31 December				
	€	2023 PLN	€	2022 PLN
Consolidated statement of financial position				
Investment property (completed and under construction)	2,074.9	9,021.6	2,054.4	9,634.8
Investment property landbank	158.5	689.2	150.4	705.4
Right of use (investment property)	40.0	173.9	38.9	182.4
Residential landbank	27.2	118.3	26.6	124.8
Assets held for sale	13.6	59.1	51.6	242.2
Cash and cash equivalents	60.4	262.6	115.1	539.7
Non-current financial assets measured at fair value through profit or loss	135.1	587.4	130.3	611.3
Others	146.9	638.7	102.6	480.9
Total assets	2,656.6	11,550.8	2,669.9	12,521.5
Non-current liabilities	1,444.0	6,278.5	1,433.9	6,724.6
Current liabilities including liabilities related to assets held for sale	86.4	375.6	100.4	471.1
Total Equity	1,126.2	4,896.7	1,135.6	5,325.8
Share capital	12.9	57.4	12.9	57.4

4. Operating and financial review

4.1 General factors affecting operating and financial results

GENERAL FACTORS AFFECTING OPERATING AND FINANCIAL RESULTS

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

The key factors affecting the Group's financial and operating results are pointed below:

- the economic slowdown in CEE and SEE which may slow down the general economy in the countries where the Group operates;
- availability and cost of financing;
- impact of the supply and demand on the real estate market in CEE and SEE region;
- impact of inflation (according to Eurostat, the euro area annual inflation was 2.9% in December 2023);
- impact of interest rate movements (however, as of 31 December 2023, 97% of the Group's borrowings were either based on fixed interest rate or hedged against interest rate fluctuations, mainly through interest rate swaps and cap transactions);
- impact of foreign exchange rate movements (the vast majority of the Group's lease agreements are concluded in euro and include a clause that provides for the full indexation of the rent linked to the European Index of Consumer Prices, bonds issued in other currencies than euro were hedged against foreign exchange rate movements using cross currency SWAPs).

Similarly, as at the date of this Management report, the direct impact of the war in Ukraine on the Group's operations is not material.

4.2 Specific factors affecting financial and operating results

CORPORATE EVENTS

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

ACQUISITIONS AND DEVELOPMENTS

During the year 2023 the Group acquired:

- 100% holding of G-Alpha VRSMRT Kft., which owns a part of a condominium in Budapest with a total area of 1,300 sq m for a consideration of €3.5. The property is designated to office project

after refurbishment and fit-out works. The transaction was accounted for as an asset deal and presented as landbank within investment properties.

- 100% holding of G-Gamma LCHD Kft., which owns a hotel under refurbishment in Budapest for a consideration of €9.6. This transaction was accounted for as an asset deal and presented as landbank within the investment properties.

During the third quarter of 2023, the Group completed Matrix C office building in Zagreb and Rose Hill Business Campus, a 4,600 sq m two buildings in office complex located in Budapest.

DISPOSAL OF ASSETS/SUBSIDIARIES

During the year 2023, the Group has sold Forest Offices Debrecen building for ca. €49.2.

In December 2023, the Group signed a sale and purchase agreement concerning the sale of GTC LCHD Projekt Kft, the owner of a real property located in Budapest. The sale price under the Agreement is EUR 13.2. If the conditions to close the transaction are not met until 28 June 2024 the transaction may be cancelled.

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

During the year 2023 the Group:

- signed a loan agreement for €14 with Erste&Steiermarkische Bank d.d. (Matrix C), as of 31 December 2023, €13.1 out of this amount was drawn down;
- repaid in full bonds issued under ISIN code PLGTC0000318 (the remaining two thirds of total issue) in the amount of €34.2 (PLN 146.6) – including the hedge component;
- signed a loan agreement for €25 with Erste Group Bank AG and Erste Bank AD Novi Sad (GTC X). As of 31 December 2023, the full amount was drawn down;
- signed a loan agreement for €36 with UniCredit Bulbank EAD (ABC). As of 31 December 2023, the full amount was drawn down.

4.3 Presentation of differences between achieved financial results and published forecasts

The Group did not publish forecasts for 2023.

4.4 Statement of financial position

ASSETS

Total assets decreased by €13.3 to €2,656.6 as of 31 December 2023 from €2,669.9 as of 31 December 2022.

The value of investment property increased by €29.7 (1%) to €2,273.4 as of 31 December 2023 from €2,243.7 as of 31 December 2022, mainly due to investments into assets under construction of €85.1

and landbank in the value of €13.1. This increase was partially offset by loss from revaluation related to investment property of €57.5.

The value of assets held for sale decreased by €38.0 (74%) to €13.6 as of 31 December 2023 from €51.6 as of 31 December 2022, mainly as a result of the completion of the sale of Forest Offices Debrecen. This decrease was partially offset by reclassification of land in Budapest to assets held for sale in the amount of €10.2.

The value of cash and cash equivalents decreased by €54.7 (48%) to €60.4 as of 31 December 2023 from €115.1 as of 31 December 2022. The cash balance was decreased partially due to the following cash allocations:

- transfer to construction escrows in the amount of €19.4 for funding of assets under construction,
- transfer to green bonds acquisition escrow in the amount of €29.5.

Key cash outflows for the period were as follows:

- expenditures on investment properties of €113.7,
- acquisition of land plots in Hungary of €14.1,
- payment of dividend of €28.6,
- repayment of borrowings of €48.2,
- interest paid in the amount of €30.5,

whereas key inflows comprised:

- net cash proceeds from operating activities of €95.2
- inflow from disposal of Forest Offices Debrecen in the amount of €49.2,
- acquisition of new long-term loans of €74.1.

LIABILITIES

The value of loans and bonds increased by €36.1 (3%) to €1,274.0 as of 31 December 2023 as compared to €1,237.9 as of 31 December 2022 mainly due to proceeds from long-term borrowings in the amount of €74.1 combined with foreign exchange differences on bonds denominated in PLN and HUF of €9.9, compensated by repayments during the period in the amount of €48.2.

The value of derivatives decreased by €30.3 (62%) to €18.7 as of 31 December 2023 from €49.0 as of 31 December 2022, mainly due to change in fair value of cross-currency interest swaps on the Hungarian bonds.

The value of trade payables and provisions decreased by €8.6 (20%) to €34.0 as of 31 December 2023 from €42.6 as of 31 December 2022, mainly due to repayments of liabilities related to development activity.

EQUITY

The value of equity decreased by €9.4 (1%) to €1,126.2 as of 31 December 2023 from €1,135.6 as of 31 December 2022 mainly due to dividend of €29.7, partially offset by recognition of profit for the period in the amount of €12.4 and €8.2 gain in the value of hedge reserve.

4.5 Consolidated income statement

REVENUES FROM RENTAL ACTIVITY

Rental and service revenues increased by €16.8 (10%) to €183.4 in the year ended 31 December 2023, compared to €166.6 in the year ended 31 December 2022. The Group recognized an increase in rental revenues of €11.1 following the completion of Pillar in Budapest, GTC X in Belgrade, Rose Hill Business Campus in Budapest and Matrix C in Zagreb. The Group observed also an increase in an average rental rate following the indexation of its rental rates to the European CPI. The increase was partially compensated by a decrease in rental revenues following the sale of Forest Offices Debrecen in the first quarter of 2023 as well as Cascade and Matrix office buildings in the third and fourth quarter of 2022.

COST OF RENTAL ACTIVITY

Service costs increased by €7.8 (16%) to €55.2 in the year ended 31 December 2023, as compared to €47.4 in the year ended 31 December 2022. The Group recognized an increase in service costs following completion of Pillar, GTC X, Rose Hill Business Campus and Matrix C of €2.9 and an increase in operating costs of €6.5 coming from inflation. The increase was partially offset by a decrease in the service costs due to the sale of Cascade and Matrix office buildings in the third and fourth quarter of 2022 and Forest Offices Debrecen in the first quarter of 2023 of €1.6.

GROSS MARGIN FROM OPERATIONS

Gross margin (profit) from operations increased by €9.0 (8%) to €128.2 in the year ended 31 December 2023, as compared to €119.2 in the year ended 31 December 2022, mainly due to an increase in rental and service revenues partially offset by an increase in the service charge cost due to inflation combined with a decrease in gross margin from operations resulting from the sale of office buildings in Hungary, Romania and Croatia.

The gross margin on rental activities in the year ended 31 December 2023 was 70% compared to 72% in the year ended 31 December 2022.

ADMINISTRATION EXPENSES

Administration expenses increased by €5.4 (36%) to €20.4 in the year ended 31 December 2023, from €15.0 in the year ended 31 December 2022, mainly due to recognition of one-off payments related to the severance payments, an increase in remuneration fees and other advisory expenses.

PROFIT/(LOSS) FROM THE REVALUATION

Net loss from the revaluation of the assets amounted to €56.3 in the year ended 31 December 2023, compared to a net loss of €29.4 in the year ended 31 December 2022. Loss in the year ended 31 December 2023, is mainly due to a decrease in fair value of completed assets, mostly offices in Poland and Hungary, due to a slight increase in yield combined with higher vacancy rates and changes in ERV, combined with maintenance capex expenses which were not increasing the value of the properties.

FINANCE COST, NET

Finance cost, net increased by €1.5 (5%) to €33.2 in the year ended 31 December 2023 as compared to €31.7 in the year ended 31 December 2022. The increase was mainly due to an increase in the weighted average interest rate (including hedges) to 2.48% as of 31 December 2023 from 2.21% as of 31 December 2022. The marginal cost of borrowing increased to ca. 6% p.a. for new financing. The increase in interest rates resulted in an increase in the cost of the unsecured part of financing (3% of total financing).

RESULT BEFORE TAX

Profit before tax amounted to €14.4 in the year ended 31 December 2023, compared to a profit before tax of €37.6 in the year ended 31 December 2022. The decrease mainly resulted from the loss on revaluation of investment properties.

TAXATION

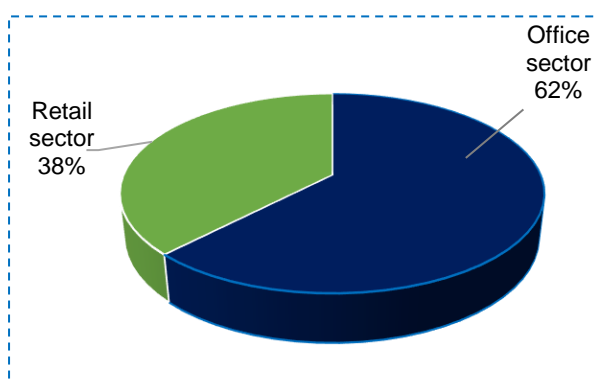
Corporate income tax in the value of €2.0 for the year ended 31 December 2023, compared to €12.8 tax in the year ended 31 December 2022, is a combination of current tax expense amounting to €6.5 and deferred tax income amounting to €4.5.

NET PROFIT

Net profit was €12.4 in the year ended 31 December 2023, compared to a net profit of €24.8 in the year ended 31 December 2022. The decrease mainly resulted from loss from revaluation.

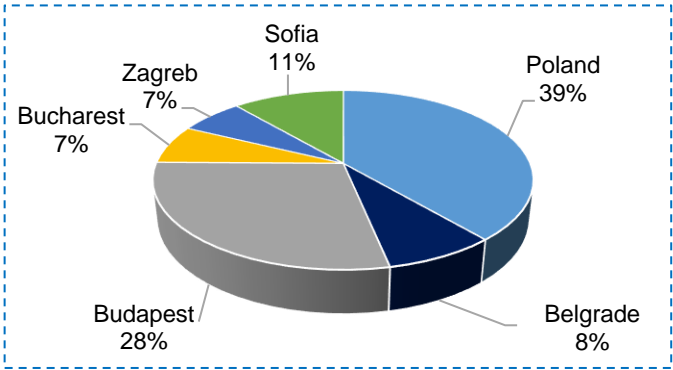
SEGMENTAL ANALYSIS OF TOTAL PORTFOLIO

Detailed description of segmental analysis of investment properties, residential landbank, assets held for sale and value of buildings (including right of use is presented under Note 14 to the consolidated financial statements for year 2023).

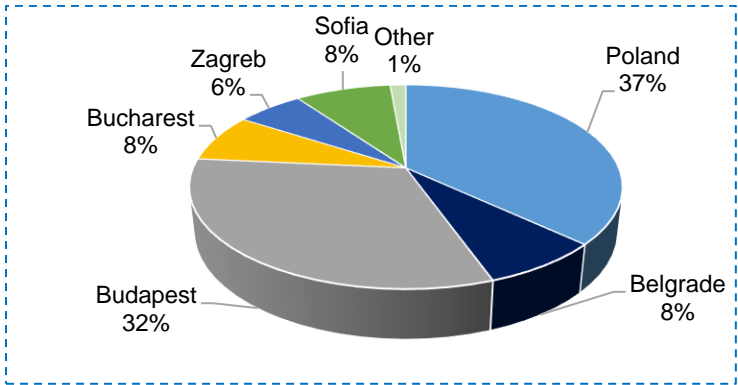


The chart presents rental income from completed properties by sector in the year ended 31 December 2023, as compared to 40% retail sector and 60% office sector in 2022.

The chart presents gross margin from operations by country in the year ended 31 December 2023, which is virtually unchanged from 2022.



The chart below presents real estate value share by country in the year ended 31 December 2023, which is virtually unchanged from 2022.



4.6 Consolidated cash flow statement

Net cash flow from operating activities was €95.2 in the year ended 31 December 2023 as compared to €88.1 in the year ended 31 December 2022. An increase of €7.1 was mainly due to a decrease in working capital changes by €2.2 and lower tax payment for the corresponding period by €3.8.

Net cash flow used in investing activities amounted to €108.0 in the year ended 31 December 2023 compared to €77.7 cash flow used in investing activities in the year ended 31 December 2022. Cash flow used in investing activities is mainly composed of expenditure on investment properties of €113.7 and acquisition of land plot in Hungary of €14.1 compensated by sale of completed assets of €49.2.

Net cash flow used in financing activities amounted to €42.8 in the year ended 31 December 2023, compared to €10.8 of cash flow from financing activities in the year ended 31 December 2022. Cash flow used in financing activities is mainly composed of proceeds from long-term borrowings of €74.1, repayment of long-term borrowings of €48.2, dividend paid of €28.6 and interest paid in the amount of €30.5.

Cash and cash equivalents as of 31 December 2023 amounted to €60.4 compared to €115.1 as of 31 December 2022. The cash balance was decreased partially due to the following cash allocations: (i) transfer to construction escrows in the amount of €19.4 for funding of assets under construction and (ii) transfer to green bonds acquisition escrow in the amount of €29.5. The Group keeps its cash on current accounts and in the form of bank deposits.

4.7 Future liquidity and capital resources

As of 31 December 2023, the Group believes that its cash balances, cash generated from disposal of properties, cash generated from renting out of its investment properties, and cash available under its existing and future loan facilities will be sufficient to fund its needs.

The Group manages its liabilities efficiently and is constantly reviewing its funding plans related to (i) developments and acquisitions of new properties, (ii) debt acquisitions and service of its existing assets portfolio, and (iii) CAPEX in its existing properties. Any cash needs are covered from operating income, new debt acquisitions and sale of operating assets or landbank.

As of 31 December 2023, the Group's non-current liabilities amounted to €1,444.0 compared to €1,433.9 as of 31 December 2022.

The Group's total debt from long and short-term loans and borrowings as of 31 December 2023 amounted to €1,274.0, as compared to €1,237.9 as of 31 December 2022.

The Group's net loan-to-value ratio amounted to 49.3% as of 31 December 2023 as compared to 45.6% as of 31 December 2022 due to decrease in value of properties following increase in yields and maintenance capex expenditures which are not translated in to increase in value combined with slightly increase in net debt.

As of 31 December 2023, 97% of the Group's loans and bonds (by value) were based on the fixed interest rate or hedged against interest fluctuations, mainly through interest rate swaps and cap transactions.

AVAILABILITY OF FINANCING

The Management has analyzed the Groups cash flow projections based on certain hypothetical defensive assumptions to assess the reasonableness of the going concern assumption given the current developments on the market.

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. Management conclusions will be updated and may change from time to time.

The Group's principal financial liabilities comprise bank and shareholders' loans, bonds, hedging instruments, trade payables, and other long-term financial liabilities. The main purpose of these financial instruments is to finance the Group's operations. The Group has various financial assets such as trade receivables, loans granted, derivatives, cash and short-term deposits.

The main risks connected with the Group's financial instruments are interest risk, liquidity risk, foreign currency risk and credit risk.

Detailed description of financial instruments and risk management is presented under *Note 34* to the consolidated financial statements for the year 2023.

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

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

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

In 2023 the Group did not grant any material guarantees. As of 31 December 2023, and 31 December 2022 there were no guarantees given to third parties.

Additionally, the typical warranties are given in connection with the sale of assets, to guarantee construction completion and to secure construction loans (cost-overruns guarantee). The risk involved in the above warranties and guarantees is very low.

7. Off balance sheet assets and liabilities

COMMITMENTS

The Group had contracted commitments in relation to future capital expenditures on investment properties, amounting to €104.7 as of 31 December 2023 (€116.5 as at 31 December 2022). These commitments are expected to be financed from available cash and current financing facilities, new external financing or future instalments under already contracted sale agreements and yet to be contracted sale agreements.

CROATIA

In relation to the Marlera Golf project in Croatia, a part of the land is leased from the State. From 2014 there is an open court case. The exposure is covered by a provision in the amount of €1.4. During 2023 there were no significant changes of the actual state.

8. Major investments, local and foreign (securities, financial instruments, intangible assets, real estate), including capital investments outside the Group and its financing method

As of 31 December 2023, the Group held a non-current financial assets (related to investment property) measured at fair value through profit or loss with a total value of €135.1. The details of those assets are provided *Item 2.7.3 non-current financial assets*.

9. Remuneration policy and human resources management

9.1 Remuneration policy

The Remuneration Policy of the Company was adopted on 14 June 2022. The Remuneration Policy governs the remuneration of the management and supervisory board members.

REMUNERATION OF THE MANAGEMENT BOARD

In accordance with the Remuneration Policy, the remuneration of the members of the management board is determined by the supervisory board and is set at a level appropriate to the roles assigned to individual persons and related responsibilities and takes into account the performance of any additional functions, qualifications and professional experience, the current market and economic situation, as well as the Company's financial and operational situation and needs.

Members of the management board are entitled to the following components of remuneration: (i) fixed remuneration; (ii) variable remuneration and related payouts; (iii) Phantom shares or other incentive programs either based on the Company's shares or the movement of prices of these shares to be established in the future by the general meeting or the supervisory board; (iv) compensation for compliance with the non-compete clause; and (v) a severance payment related to the termination of the legal relationship with the Company.

With respect to the variable components of remuneration, as defined in the Remuneration Policy, it is designed to be motivational and to reward the members of the management board for fulfilling their roles, discharging their responsibilities and delivering superior results. Variable remuneration targets and the related payouts reflect a range of expected levels of performance. Members of the management board may be entitled to Annual Performance Bonus if they achieve the minimum level of the set targets in the given financial year. The Annual Performance Bonus should amount to a particular percentage or part of the maximum bonus amount, as specified in the contract with a particular member of the management board, depending on the level of achievement of the set targets. The Annual Performance Bonus awarded to members of the management board is determined by the supervisory board.

The Annual Performance Bonus is paid after the approval of the annual financial statements by the supervisory board of the Company. As of the date of this Report, the Annual Performance Bonus for 2023 has not yet been paid.

The Company determines the remuneration system so that the total share of the variable remuneration is between 30% (thirty per cent) and 300% (three hundred per cent) of the annual fixed remuneration for a particular member of the management board. The value of the Phantom Share Programme is not taken into account in the calculation of the above proportion between the fixed and variable parts of the remuneration.

Moreover, the management board members may receive and have received in 2023 additional benefits, such as: (i) private medical care, including for family members; and (ii) the use of company cars, company telephones and other electronic devices for private purposes and the covering of their costs.

The members of the management board may also receive compensation for compliance with the non-compete clause following the end of an engagement; however, the Company has exercised its right to withdraw from such non-compete obligations and such compensation has not been paid to the former members of the management board.

During the 2023 financial year, and in line with the Company's approved *Policy regarding the remuneration of the management board members*, management board members received a base fixed remuneration as well as variable elements of the remuneration in accordance with the relevant contract concluded with the Company or other entity from the Company's capital group. One of the management board members joined the 3-year Phantom Shares program. The establishment of a link between the management board member's remuneration in a form of Phantom Shares and the increase in the Company's share prices aligns such members' personal interest with the interests of the shareholders. The implementation of the Company's strategy and commitment to long-term interests should have a positive impact on the Company's share prices, which in turn should translate into higher remuneration of the management board members. In addition, it also increases the motivation of management board members and facilitates in the Company retaining them and, as such, contributes to the stability of the Company.

REMUNERATION OF THE SUPERVISORY BOARD

Members of the supervisory board are entitled to monthly fixed remuneration for performing their functions, or if performing additional functions in a separate committee(s), they are entitled to additional monthly fixed remuneration. The amount of the above-mentioned remuneration is determined by the general meeting. There are no performance-based variable components of remuneration or financial or non-financial benefits awarded to members of the supervisory board.

In 2023, there were changes in the composition of the supervisory board. The remuneration paid to the supervisory board members was granted and paid in compliance with the Remuneration Policy as the supervisory board members were granted only fixed remuneration for holding a position on the board and, in some cases, additional remuneration for performing additional functions in a separate committee(s) of the supervisory board.

The remuneration of supervisory board is approved by general meeting of shareholders.

9.2 Incentive system

The Company has a remuneration and incentive system that consists of a bonus for meeting specific goals or objectives set by the management board or supervisory board (as the case may be) or achieving special achievements. The Company's management board members, certain key managers are also incentivized by participation in Phantom Shares program, according to which a certain number of phantom shares is vested to the employee once a year.

The Phantom Shares grant to the entitled persons a right for a settlement from the Group in the amount equal to the difference between the average closing price for the Company's shares on the Warsaw Stock Exchange during the 30-day period prior to the date of delivery to the Company of the exercise notice, and settlement price ("strike") amount per share (adjustable for dividend). The Phantom Shares are not securities convertible or exchangeable into shares in the Company, in particular, they are not options on such shares. The Phantom Shares are merely a means of calculation of deferred variable

compensation of the entitled persons, which depends on the future market price of the shares on the regulated market.

The company uses binomial model to evaluate the fair value of the phantom shares. The input data includes the date of valuation, strike price, and expiry date.

9.2.1 Phantom Shares program control system

Granting Phantom Shares to members of the management board and setting their condition is reviewed and approved by the Remuneration Committee and the supervisory board and is in accordance with the Remuneration Policy. Remuneration to other key personnel is set by the management board.

9.3 Agreements concluded between GTC and management board members

In 2023 the Company has concluded agreements with its members of the board, providing for their basic compensation, performance-related bonus, severance payment in the case of their dismissal. The management board members may be entitled to participation in the Phantom Share program. Furthermore, the agreements contain a non-competition clause and confidentiality clause. As of 31 December 2023 one member of the management board joined 3-year Phantom Shares program.

9.4 Evaluation of the remuneration policy for the realization of its objectives

The remuneration policy is consistent with the shareholders' target to have a long-term increase in shareholder value. Furthermore, it aims to provide stability in managing the Company and carrying out its policies by attracting and retaining highly skilled employees across the organization and operation countries of the Company. Such goals guarantee motivation for quality work and the good attitude of employees, stable financial results, in the long run, sound and effective risk management, supporting the implementation of the business strategy, and the reduction of conflict of interest.

9.5 Remuneration of the members of the management board and supervisory board

MANAGEMENT BOARD

The following table presents the remuneration of the members of the management board as of 31 December 2023 for the 12 months ended 31 December 2023:

Name	Periods	Fixed remuneration ¹ (€) (not in million)	Variable remuneration ² (€) (not in million)	Vested Phantom Shares (not in million)
Gyula Nagy	31 August - 31 December 2023	104 427	3 049	-
Barbara Sikora	1 May - 31 December 2023	168 000	45 000	-
Zsolt Farkas	31 August - 31 December 2023	72 000	-	-
Zoltán Fekete	1 January - 31 August 2023	254 147	1 435 895	900 000
Ariel Ferstman	1 January - 25 April 2023	115 082	580 436	-
János Gárdai	1 January - 31 August 2023	283 900	1 203 256	350 000

¹ Remuneration (or fees to entities in which the holder is key personnel) consists of payment for 2023 and success fee amounts paid for present and the past year in addition to Group's Phantom Shares program exercised during 2023, as detailed in Item 9.2. Phantom shares. Fixed remuneration includes fringe benefits.

² Related to severance payment following the mutually agreed termination and to exercised phantom shares.

SUPERVISORY BOARD

The following table presents the remuneration of the members of the supervisory board as of 31 December 2023 for the 12 months ended 31 December 2023:

Name	Periods	Remuneration (€) (not in million)
János Péter Bartha	1 January - 31 December 2023	52 333
Lóránt Dudás	1 January - 31 December 2023	27 732
Balázs Figura	1 January - 31 December 2023	27 732
Mariusz Grendowicz	1 January - 31 December 2023	31 024
László Gut	24 August - 31 December 2023	9 840
Artur Kozieja	1 January - 31 December 2023	43 865
Marcin Murawski	1 January - 31 December 2023	47 515
Gyula Nagy	1 January - 24 August 2023	17 917
Bálint Szécsényi	1 January - 31 December 2023	27 732
Bruno Vannini	1 January - 15 December 2023	26 539
Sławomir Niemierka	2 January - 31 December 2023	30 664
Dominik Januszewski	16 May - 31 December 2023	17 361

9.6 Number of employees

As of 31 December 2023 and 2022, the number of full time equivalent working employees in the Group companies was 219 and 223, respectively.

9.7 Training policy

The Company offers its employees various forms to raise professional qualifications. The key strategic training and workshops are conducted by external companies. Such training opportunities focus mainly on market and product knowledge, marketing, processes, and IT applications competencies, asset management, legal, tax, and accounting. The Company believes that such training is increasing the employee's commitment to the performance of business tasks, improving his/her skills, and maintaining high customer service quality.

9.8 Information on any liabilities arising from pension and similar benefits for former members of the management board and the supervisory board

There are no liabilities arising from pension and similar benefits for former members of the management board and the supervisory board.

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

The following table presents shares owned directly or indirectly by members of the Company's management board and supervisory board of the date of publication of this interim report, and changes in their holdings since the date of publication of the Group's last financial report (quarterly report for the three and nine-month periods ended 30 September 2023) on 15 November 2023. The information included in the table below is based on information received from members of the management board and supervisory board.

	Balance as of 23 April 2024 (not in million)	The nominal value of shares in PLN (not in million)	Change since 15 November 2023 (not in million)
Management board members			
Barbara Sikora ¹	0	0	No change
Gyula Nagy	0	0	No change
Zsolt Farkas	0	0	No change
Total Management board members	0	0	

Supervisory board members			
János Péter Bartha	0	0	No change
Csaba Cservenák ²	0	0	No change
Lóránt Dudás	0	0	No change
Balázs Figura ³	0	0	No change
Mariusz Grendowicz ³	13,348	1,335	No change
László Gut	0	0	No change
Artur Kozieja	0	0	No change
Dr. Leonz Meyer ⁴	0	0	No change
Marcin Murawski	0	0	No change
Bálint Szécsényi	0	0	No change
Dr.Tamás Sándor ²	0	0	No change
Bruno Vannini ⁵	0	0	No change
Stawomir Niemierka	0	0	No change
Dominik Januszewski	0	0	No change
Total Supervisory board members	13,348	1,335	

¹Balance as of 18 March 2024

² Change since 15 March 2024

³ Balance as of 15 March 2024

⁴ Change since 13 March 2024

⁵ Balance as of 15 December 2023

Detailed description of changes in composition of the management board and supervisory board is presented under *item 2.4* this Report.

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

The Group presents information on the material transactions that the Company, or its subsidiaries, concluded with a related party in the consolidated financial statements for the financial year ended 31 December 2023 in Note 32 Related Party Transactions.

In 2023, the Group did not conduct any material transactions with the related parties that are not based on arm's length basis.

However, in 2023, the Group acquired two assets for the total consideration of €13.1 from companies related to the majority shareholder of the Company. For further details please refer to *Item 2.2 Main events in 2023*.

12. Information on signed and terminated loan agreements within a given year

In April 2023, Seven Gardens d.o.o., a wholly-owned subsidiary of the Company, has signed €14 loan agreement with Erste & Steiermarkische Bank d.d. with a maturity of five years following the end of construction period (latest repayment date is June 2029). As of 31 December 2023, €13.1 out of this amount was drawn down.

On 4 May 2023, on the maturity date, GTC S.A. repaid partially bonds issued under ISIN code PLGTC0000318 (one third of total issue) in the amount of €17.1 (PLN 73.3) including the hedge component.

In May 2023, Glamp d.o.o. Beograd, a subsidiary of the Company, has signed €25 loan agreement with Erste Group Bank AG and Erste Bank AD Novi Sad with a maturity of five years from the signing date. As of 31 December 2023, the full amount was drawn down.

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

In November 2023 GTC S.A. cancelled in full revolving credit facility agreement in the amount of € 94.

In December 2023, Advance Business Center EAD, a wholly-owned subsidiary of the Company, has signed €36 loan agreement with UniCredit Bulbank EAD with a maturity of five years from the signing date. As of 31 December 2023, the full amount was drawn down.

All signed in year 2023 loan agreements are denominated in euro and interest is based on margin plus Euribor. The weighted average on the Group's long term debt and bonds as of 31 December 2023 amounted to 2.48% p.a.

13. Information on contracts of which the Company is aware of (including those concluded after the balance sheet date) which could result in a change in the shareholding structure in the future

On 27 December 2023, GTC Group received two notifications from GTC Dutch Holdings B.V. and GTC Holding Zártkörűen Működő Részvénytársaság regarding establishment of pledge on 337,637,591 Company's shares and 21,891,289 Company's shares, respectively.

14. 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 material individual or group proceedings before a court or public authority involving Globe Trade Centre SA or its subsidiaries.

15. Material contracts signed during the year, including insurance contracts and co-operation contracts

There are no material contracts signed during the year 2023.

16. Agreements with an entity certified to execute an audit of the financial statements

In February 2022 the Company entered into an agreement with PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k., with headquarters located in Warsaw, („PwC”), for performance of the audit of the standalone financial statements of Globe Trade Centre S.A. and the consolidated financial statements of Globe Trade Centre Group for the financial years ended 31 December 2022-2024. Additionally to that agreement, the Group entered into various agreements with PwC in the countries of the relevant Group’s subsidiaries.

The independent external auditor was selected by the resolution of the Company's supervisory board dated 9 February 2022.

The following summary presents a list of services provided by PwC as well as remuneration for the services in the periods of 12 months ended on 31 December 2023 and 31 December 2022.

	For year ended	
	31 December 2023	31 December 2022
	€ thousand	€ thousand
Fee for audit and review of financial statements	840	769
Assessment of the remuneration report of the management board and the supervisory board, and other assurance and related services	14	35
Total	854	804

17. Key risk factors

RISK FACTORS RELATED TO THE GROUP’S BUSINESS

Risk	Description	Risk management method
Risk of unfavourable macroeconomic trends	The Group is affected by macroeconomic conditions, especially overall conditions in the EU and national and local economies, such as growth in gross domestic product, inflation, changes in interest rates, and unemployment rates. Unfavourable macroeconomic trends combined with	<ul style="list-style-type: none">▪ Ongoing monitoring of market and macroeconomic conditions;▪ securing rental income by the execution of long-term lease agreements with indexed rent rates;

	<p>instability of financial markets may have a negative impact on Group's operations, rental income, the market value of the Group's properties, as well as the availability and cost of debt financing.</p>	<ul style="list-style-type: none"> ▪ constant analysis of the behaviour and needs of the tenants; ▪ making decisions on new projects based on current and estimated market conditions; ▪ maintaining sufficient level of cash and available credit limits.
<p>Geopolitical risk</p>	<p>Geopolitical factors, including the war in Ukraine, the economic sanctions imposed on Russia and Belarus, conflict in the Middle East, as well as general political uncertainty may, combined with a number of other macroeconomic and geopolitical factors, may negatively affect the Group's operations and financial results. The continuation of the war in Ukraine, its intensification, or its expansion may result in further disruption in supply chains, a limited availability of subcontractors and a general increase in the prices of materials, along with an increase of energy prices.</p>	<ul style="list-style-type: none"> ▪ Ongoing monitoring the geopolitical situation in terms of its potential impact on the Group, individual projects and the Group's long-term investment plans; ▪ as at the date of this Report, the Group has not identified specific risks that directly result from the war in Ukraine and/or in the Middle East on the Group's operations, financial results or development process.
<p>Risks related to the implementation of strategy</p>	<p>The Group may be unable to implement its strategy in part or in full and there can be no assurance that the implementation of the Group's strategy would achieve its goals. The success of the Group's strategy relies, in part, on various assumptions and contingencies (e.g. with respect to the level of profitability of any acquisition targets, investment criteria that have been developed by the Group, and the valuation of a project) which may prove to be partially or wholly incorrect or inaccurate resulting in a lower than expected return on investment. There is a risk that the Group will not be able to identify and secure new investments at attractive prices and on favourable terms and conditions that will satisfy its rate of return objectives and realise their values. Consequently, the Group may not be able to acquire properties and develop planned projects, and acquisitions may not actually generate the expected income. The Group may also fail to achieve its goals due to internal and external factors of regulatory, legal, financial, social or operational natures, some of which may be beyond the Group's control, such as volatile market conditions,</p>	<ul style="list-style-type: none"> ▪ Experienced, goal-oriented management for the Group; ▪ qualified team of specialists; ▪ monitoring market conditions (both global and regional) and other factors that are relevant for the achievement of the strategic goals of the Group; ▪ periodic verification of key strategic goals; ▪ cooperating with renowned brokers and agents as well as reputable legal, tax, commercial and technical advisors in the due diligence process and in the process of new investment acquisitions.

	a lack of capital resources needed for expansion and the changing price and availability of investment targets in the relevant markets, as well as changes to laws.	
Risk related to investments in new sectors and new markets	<p>The Group decided to pursue potential new investments in certain new sectors and geographical regions, including: (i) innovation and technology parks; (ii) renewable energy facilities (iii) hospitality sector; and (iv) broadly understood living sector, covering PRS, senior living and student housing properties. No assurance can be given that investments in such new sectors may achieve the expected returns and increase the Group's profitability. The success of investments in new sectors and in new markets depends, to a significant extent, on possessing good knowledge of a given market and/or sector and ability to locate and acquire properties at attractive prices and on favourable terms and conditions, and more experienced commercial real estate developers that have operated in such sectors for longer periods may have an advantage over the Group and constitute significant competition for the Group. Moreover, the successful implementation of the Group's new strategy may result in certain changes to the Group's property portfolio, including its geographic composition and composition by asset classes (i.e. retail, office, residential and other properties) and as a result, various measures of the Group's business and recurring cash flows derived from rental income</p>	<ul style="list-style-type: none"> ▪ Investing in new sectors on a small scale (such investments do not constitute more than 10% of the Group's assets); ▪ investing as a minority shareholder in investment platforms with experienced developers and financial investors; ▪ conducting comprehensive analyses of new sectors and markets; ▪ cooperating with local specialists familiar with the conditions of a given market; ▪ conducting a detailed due diligence prior to making a decision on whether to proceed with a new project.
Risk related to changes in tenant and consumer preferences	<p>A noticeable change in the typical work model resulting in a growing share of employees working in a hybrid mode combining work from home with office work, or working only from home (strengthened by changes in the labour law introduced in Poland), as well as changes in shopping preferences combined with the growing significance of online shopping instead of conventional shopping may lead to reduced demand for office and retail space, which, in turn, may cause reduced or negative rental returns and profits and as</p>	<ul style="list-style-type: none"> ▪ Conducting ongoing analyses of the latest trends based on industry reports and own analyses of consumer preferences; ▪ developing ability to flexibly respond to changing consumer and tenant preferences; ▪ attempting to secure high-quality projects that are attractive to tenants;

	a result could have a material adverse effect on the Group's business, financial condition and results of operations.	<ul style="list-style-type: none"> ▪ improving amenities for tenants and implementing tenant-friendly solutions in buildings ▪ adapting the Group's strategy in accordance with the changing market trends and situation
Risk related to the development process	<p>The Group is exposed to risks related to development processes, including, among others, a contractor's bankruptcy, claims and legal disputes with subcontractors, delays in work, the improper quality of work, increased prices of materials and labour, and shortages of qualified teams of professionals. Failure in any of these respects may negatively affect the Group's reputation and the marketability of the completed properties. The construction of the Group's projects may also be delayed or otherwise negatively affected by other factors over which the Group has limited or no control, such as acts of nature, industrial accidents, changes in applicable laws, and increases in the cost of external financing. Additionally, no assurances can be given that permits or other decisions required from various authorities in connection with existing or new development projects will be obtained by the Group in a timely manner. Such decisions may be challenged by third parties, which may result in delays in the development timetable, failing to meet deadlines and/or an investment being abandoned. The Group's land may also require rezoning or a new or amended local spatial development plan or planning permission. Obtaining the required permissions cannot be guaranteed, and the Group has encountered such difficulties in the past.</p>	<ul style="list-style-type: none"> ▪ Cooperating with renowned and experienced contractors, subcontractors and suppliers; ▪ checking the financial condition and technical capabilities of a contractor or supplier prior to signing contracts; ▪ applying mechanisms in construction contracts protecting investors (e.g. lump sum remuneration, indemnification regarding subcontractors, obligation to provide respective bank guarantees or other collateral securing the proper performance of work and guarantee periods); ▪ conducting ongoing supervision over construction projects by project managers; ▪ conducting detailed analyses of the zoning designation of land prior to acquisition; ▪ developing experience in obtaining permits from major cities in Poland; ▪ cooperating with experienced external architectural and urban planning studios as well as specialists in the fields of planning and administrative procedures. ▪
Risk of not adjusting the Group's properties to climate changes, sustainability criteria and not reducing its impact on the environment	<p>The Group is required to adapt to adopted EU legal acts in the area of ESG, to meet multiple sustainability criteria, and to take actions aimed at reducing the environmental impact of the Group's operations. There is a risk that the adaptation of the Group's buildings to be net zero effective as well as actions taken by the Group to improve building efficiency may require significant capital expenditures and in some cases could be difficult to</p>	<ul style="list-style-type: none"> ▪ Focusing on a thorough analysis of the environmental impact of the operation of the Group's buildings; ▪ continuously improving the monitoring and management of buildings based on the most recognised environmental certification systems such as BREEAM or LEED;

implement. One cannot rule out that, for the purpose of the reduction of their carbon footprint, tenants will be looking for space that provides a low carbon footprint or will limit their office space or put a great importance to work from home (in an effort to generate less or even no carbon emissions) instead of working from office, which may lead to reduced demand for office space and have a negative impact on the rental returns and profitability of the Group. There is a risk that buildings that do not meet sustainability criteria will not be attractive either to tenants or potential purchasers and, as a consequence, the sale of such buildings may be difficult, or the price offered for such buildings will not be satisfactory to the Group. Also, the observed changes in the climate (in particular, changes in the average air temperature in the region in which the Group operates) may require changes in the operation of the Group's properties as well as its equipment (including, for instance, changing air conditioners, replacing old lighting with LED, etc.). Not making these changes in a timely manner could create a competitive disadvantage and a decrease in rental revenue as well as influence bankability of the investment properties held by the Group.;

- reducing the Group's carbon footprint primarily by ensuring the energy efficiency of buildings and investing in energy from renewable sources;
- using green energy from certified sources in all buildings in Hungary, Poland, Romania and Croatia, and partially in Bulgaria;
- supporting local communities and educational and cultural activities by working with over a hundred organisations, including NGOs, schools and universities;
- delivering new buildings, and acquiring and managing assets with a focus on environmental protection.

LEGAL AND REGULATORY RISKS

Risk	Description	Risk management method
Risk of changes in laws	The Group's operations are subject to various regulations in Poland, Hungary, Romania, Croatia, Serbia, Bulgaria and other jurisdictions in which the Group conducts business activities (including fire and safety requirements, environmental regulations, labour laws and land zoning) and is exposed to the risk of changes to laws in such jurisdictions. New, or amendments to existing, laws, rules, regulations or ordinances could require significant unanticipated expenditures or impose additional obligations and/or restrictions on the use of the Group's properties and/or its operations.	<ul style="list-style-type: none"> ▪ Ongoing monitoring of changes in laws applicable to the Group's operations (while still in the legislative process) so that new requirements can be quickly implemented in the Group's operation; ▪ cooperating with renowned legal advisors in the jurisdictions where the Group conducts business activities.

Risk of changes in tax laws or their interpretation

Taking into account that the tax regulations in the countries in which the Group operates, including Poland, are complex and subject to frequent changes, and the approaches of the various tax authorities are not uniform and consistent, the Group is exposed to the risk that tax authorities will employ a different interpretation of tax laws that apply to the Group, which may prove unfavourable to the Group. No assurance can be given that specific tax interpretations already obtained and applied by the Group will not be changed or challenged. There is also the risk that new tax law regulations will be introduced, which may result in greater costs due to circumstances related to complying with the changed or new regulations. Moreover, in relation to the cross-border nature of the Group's business, international agreements, including double tax treaties which apply to members of the Group, may also have an effect on the Group companies' business.

- Monitoring changes in tax law applicable to the Group's operations;
- obtaining a tax interpretation in the case of any uncertainty concerning the tax treatment of a given transaction and conducting the transaction in line with such interpretation;
- hiring experienced accountants and financial specialists;
- cooperating with renowned legal and tax advisors.

Risk of legal disputes

The Group may face claims and may be held liable in connection with incidents occurring on its construction sites, such as accidents, injuries or fatalities of its employees, contractors or visitors to the sites. Claims may also be brought against the Group in connection with concluded transactions concerning the sale of projects (e.g. for a breach of warranties made by the Group, and/or for the existence of defects of which the Group was not aware, but of which it should have been aware when it concluded the transaction). The Group may be also involved in small-scale litigation and other legal proceedings in connection with lease agreements in the case of breaches of certain obligations of the landlord described in such agreements.

- Applying high standards in the fields of health, safety and the environment;
- monitoring the compliance with health, safety and environmental procedures by the Group's employees as well as contractors and their employees and subcontractors;
- introducing a mechanism limiting the Group's liability in transaction documents (e.g. time limitations, monetary limitations);
- cooperating with renowned legal advisors in the case of a dispute
- acquiring appropriate insurance policies..

RISK FACTORS RELATED TO THE GROUP'S FINANCIAL CONDITION

Risk	Description	Risk management method
Risk of decline in occupancy levels	Any significant decline in occupancy levels in the Group's properties, especially the loss of reputable anchor tenants, could have a material adverse effect on the ability of the Group to generate cash flows at expected levels. There can be no assurance that tenants will renew their leases on terms favourable to the Group at the end of their current tenancies and, if they do not, that new tenants of equivalent standing (or any new tenants) will be found to take up replacement leases on commercial terms satisfactory for the Group (especially, taking into account increasing tenant expectations in respect of fit-out standards and incentives).	<ul style="list-style-type: none"> ▪ Attempting to secure high quality projects that are attractive to tenants; ▪ building good, long-term relationships with tenants; ▪ continuously analysing market trends and promptly adapting to changes; ▪ improving amenities for tenants and implementing tenant-friendly solutions in buildings; ▪ effective management of the Group's commercial properties; ▪ experienced leasing team; ▪ cooperating with reputable brokers and leasing agencies.
Risk of not fully recovering the operating costs from tenants	The Group may not be able to fully pass on all operating costs to the tenants, especially in a very competitive environment where the Group has to offer attractive conditions and terms to be able to compete with other office or retail properties or has to improve conditions offered to attract new tenants to its projects. If vacancy rates in the Group's building increase, the Group must cover the portion of the service charges that is related to the vacant space. Some of the lease agreements concluded by the Group provide for a cap on increases of the service charges payable by the tenant. In such cases, if the maintenance charges increase, the Group would be unable to pass on such increases to the tenants.	<ul style="list-style-type: none"> ▪ Effective property management focused on minimising maintenance costs without compromising the quality of services; ▪ the vast majority of the lease agreements concluded with tenants are triple-net leases, which means all operational costs as well as property taxes are covered by the tenants; ▪ limited caps on service charges passed on to tenants.
Risk related to the valuation of the Group's properties	The valuation of a property is inherently subjective and uncertain as it is based on different methodologies, forecasts and assumptions (e.g. as to expected rental values, fit-out costs, the time necessary for renting a specific property, etc.). The Group's property valuations are made based on the discounted cashflow method (DCF), using the discount rates applicable to the relevant local real estate market or, in the case of certain properties, by	<ul style="list-style-type: none"> ▪ investing in properties in reputable and stabilised markets; ▪ developing properties based on demand; ▪ leasing properties to reputable long term tenants; ▪ diversifying the investment portfolio; ▪ investing into proper maintenance of the properties.

reference to the sale value of comparable properties, and any change in the valuation methodology used by the valuer will have an impact on the valuation of a given property and may result in gains or losses in the Group's consolidated income statement. As a result, the Group can generate significant non-cash gains or losses from period to period depending on the changes in the fair values of its investment properties, regardless of whether such properties are sold. If the forecasts and assumptions on which the valuations of the projects in the Group's portfolio are based prove to be inaccurate or are subject to changes, the actual values of the projects in the Group's portfolio may differ materially from those stated in the valuation reports. Valuations based on inaccurate assumptions concerning the Group's properties and fluctuations in valuations may have a material adverse effect on the Group's business, financial condition and compliance with bank loan agreements (covenants' calculation).

Risk related to the Group's debt financing

The Group's existing leverage and external debt financing (including its types and value) exposes the Group to additional risks, including: (i) increasing its vulnerability to and reduced flexibility to respond to downturns in the Group's business or generally adverse economic and industry conditions; (ii) limiting the Group's ability to obtain additional financing to fund future operations, capital expenditures, business opportunities, acquisitions and other general corporate purposes, and increasing the cost of any future borrowings; (iii) forcing the Group to dispose of its properties in order to enable it to meet its financing obligations, including compliance with certain covenants under loan agreements; (iv) requiring dedication of a substantial portion of the Group's cash flows from operations to the payment of principal and interest on its indebtedness; and (v) placing the Group at a competitive disadvantage compared to its competitors that are less leveraged.

- Hedging interest rate risk and exchange rate for non-euro external financing in order to maintain fixed cost of financing over the funding period
- keeping the LTV under control and in the long run decreasing it
- adjusting the Group's investment policy to fund availability and actively working on the portfolio quality by exiting from low cash generating assets
- maintaining available credit limits and good relationships with financing banks.

Risk of the failure to meet obligations under financing agreements

The Group could fail to make principal and/or interest payments due under the Group's loans or breach any of the covenants included in loan agreements – in some cases also due to circumstances which may be beyond the control of the Group. These may include requirements to meet certain loan-to-value ratios, debt service coverage and working capital requirements. A breach of such covenants by the Group could result in the forfeiture of its mortgaged assets, the acceleration of its payment obligations, the acceleration of payment guarantees, trigger cross-default clauses or make future borrowing difficult or impossible. In these circumstances, the Group could also be forced in the long term to sell some of its assets to meet its loan obligations, or the completion of its affected projects could be delayed or curtailed.

- Monitoring the regular repayment of debt and securing funds for such repayment;
- monitoring to ensure the proper performance of all obligations imposed on the Group and/or its companies under financing documents;
- ensuring loan funds are spent in accordance with the purpose of a given loan;
- attempting to ensure the proper liquidity of the Group
- employing specialists responsible for handling the existing debt financing of the Group;
- conducting monitoring to ensure the proper performance of all obligations of the Group under existing financing documents so as to prevent the occurrence of any breach and/or default.

Risk related to refinancing

The Group's real estate projects are financed under secured loans and unsecured bonds that have been provided for a limited term. The Group may not be able to renew or refinance its remaining obligations in part or at all, or may have to accept less favourable terms in respect of such refinancing. If the Group is unable to renew a loan or bond or secure refinancing, the Group could be forced to sell one or more of its properties in order to procure the necessary liquidity or to use its existing cash to repay the loan. Additionally, if the Group is not able to renew certain loans or bonds, the properties that are financed by way of such loans or bonds will become low-leveraged and, as a consequence, will not be able to generate the expected returns on equity. The refinancing is also connected with a risk of changes in interest rates, which may be less favourable than under the existing indebtedness. Interest rates are highly sensitive to many factors, including government monetary policies and domestic and international economic and political conditions, as well as other factors beyond the Group's control, but

- Monitoring to ensure the proper performance of all obligations of the Group under existing financing documents so as not to lead to any breach and/or default;
- maintaining the creditworthiness of the Group at a sufficient level;
- extensive experience in obtaining financing and refinancing;
- effectively managing the Group's leverage;
- building good and long-term relationships with financing banks;
- employing experienced financial specialists;
- limiting exposure to changes in interest rates by incurring debt at a fixed interest rate, or changing interest from a variable to a fixed rate via the hedging instruments.

any changes in the relevant interest rates may increase the Group's costs of borrowing in relation to existing loans, thus impacting its profitability. Any combination of the above if substantial in value, might have material adverse effects on the Group's business, cash flows, financial condition and results of operations.

Currency risk	<p>The Group's functional currency is euro. The Group is exposed to currency risks arising, <i>inter alia</i>, from the fact that certain of the Group's costs (such as certain construction costs, labour costs and remuneration for certain general contractors) are incurred and some of the incomes are gained in the currencies of the geographical markets in which the Group operates, including the Polish zloty, the Bulgarian leva, the Hungarian forint, the Romanian lei and the Serbian dinar. The exchange rates between local currencies and the euro have historically fluctuated. A portion of the Group's debt is denominated in currencies other than EUR and as a result a portion of the financial costs is incurred by the Group in such other currencies (the currency risk applies, in particular, to interest on the bonds issued by the Group in Hungarian forints).</p>	<ul style="list-style-type: none">▪ Obtaining debt financing denominated in euros or converting financing obtained in other currencies into euros using hedging derivatives;▪ concluding agreements with contractors specifying remuneration expressed in euros;▪ engaging in other forms of currency hedging in an attempt to reduce the impact of currency fluctuations and the volatility of returns.
Risk of loss of liquidity by the Group	<p>There is a potential risk of a loss of liquidity by the Group in the case of a significant disturbance of the balance between its receivables and liabilities, and a material cash flow disruption in the absence of access to debt financing.</p>	<ul style="list-style-type: none">▪ Permanent monitoring of forecast and actual short- and long-term cash flows, as well as receivables and liabilities;▪ maintaining a sufficient cash level in order to ensure proper liquidity management;▪ experienced management of the Group;▪ diversification of the Group's portfolio as well as investing in new sectors that might go through different phases of the business cycle at different times.

RISK FACTORS RELATED TO THE SHAREHOLDING STRUCTURE

Risk	Description	Risk management method
Risk of conflicts of interest between the Group and the Group's controlling shareholder	<p>The Group cannot exclude the risk of a potential conflict of interest between GTC's dominant entity, i.e. Optimum Venture Private Equity Fund ("Optima"), which indirectly holds 62.61% of the shares in the Company's share capital, and the remaining shareholders. When considering an investment, the business and operational matters of the Group, and/or the most appropriate uses of the Group's available cash, the interests of Optima may not be aligned with the interests of the Group or of its other shareholders, especially as Optima operates in the same markets as the Group and they might compete over investments.</p>	<ul style="list-style-type: none"> ▪ Applying the relevant principles of corporate governance set out in the Good Practices of Companies Listed on the WSE 2021; ▪ protecting the rights of minority shareholders in the articles of association, including the appointment of a shareholder meeting delegate (supervisory board member appointed by the general meeting), independence criteria for at least two supervisory board members, special approval requirements for related-party transactions .
Risk associated with related-party transactions	<p>As the Group carries out transactions with related parties, it is exposed to the risk of such transactions being challenged by tax authorities, taking into account the specific nature of related-party transactions, the complexity and ambiguity of legal regulations governing the methods of determining arm's-length terms for the purpose of such transactions, as well as difficulties in identifying comparable transactions for reference purposes.</p>	<ul style="list-style-type: none"> ▪ Monitoring legal and tax regulations as well as amendments to laws governing related-party transactions; ▪ Applying related party regulations, i.e. closing such transactions at arms length and preparing respective documentation i.e. benchmarking studies, pre-arrangements with tax authorities, etc. ▪ monitoring market practice (including the approach of the authorities) in determining arm's-length terms for the purpose of related-party transactions; ▪ cooperating with experienced tax and legal advisors.

RISK FACTOR RELATED TO THE MARKETS IN WHICH THE GROUP OPERATES

Risk	Description	Risk management method
<p>Risk associated with countries in emerging markets</p>	<p>The markets in the regions of CEE and SEE in which the Group operates are subject to greater legal, economic, fiscal and political risks than mature markets, and are subject to rapid and sometimes unpredictable changes. CEE and SEE countries still present various risks to investors, such as economic instability or changes in national or local government, land expropriation, changes in taxation legislation or regulations, changes to business practices or customs, changes to laws and regulations related to currency repatriation, and limitations on the level of foreign investment or development. In addition, adverse political or economic developments in the countries in which the Group operates and/or neighbouring countries could have a significant negative impact on, among other things, gross domestic product, foreign trade and the general economies of individual countries. The ongoing armed conflict in the territory of Ukraine and uncertainties regarding its duration and scale, and the relationship of CEE and SEE countries with Russia may affect the attitude of investors towards the regional real estate market and their willingness to invest in countries neighbouring Ukraine and Russia where the Group operates. The Group may be exposed to risks related to investing in real estate in CEE and SEE countries resulting from the unregulated or uncertain legal status of some those real properties (e.g. due to reprivatisation claims).</p>	<ul style="list-style-type: none"> ▪ Monitoring political and economic situations in the regional markets in which the Group operates; ▪ hiring local specialists familiar with the conditions of a given market; ▪ conducting detailed due diligence prior to making a decision on whether to proceed with a new project; ▪ applying legal protections in concluded contracts; ▪ securing rental income by way of the execution of long-term lease agreements, ▪ diversifying risk by investing in different markets and investing in new undertakings in diversified way (one project at one time in a country), ▪ investing in new more stable highly rated economies in order to decrease the average risk.

IT RISK FACTOR

Risk	Description	Risk management method
Risk of unauthorised access to data	The Group is exposed to the risk related to unauthorised access to data from inside and outside the organisation that may result in the leakage of confidential data concerning the Group.	<ul style="list-style-type: none">▪ Implementing internal IT security standards;▪ continuous monitoring and detection of threats to IT systems and infrastructure;▪ cooperating with reputable providers of IT and cybersecurity services;▪ building employee awareness in the field of cybersecurity.

18. Terms and abbreviations

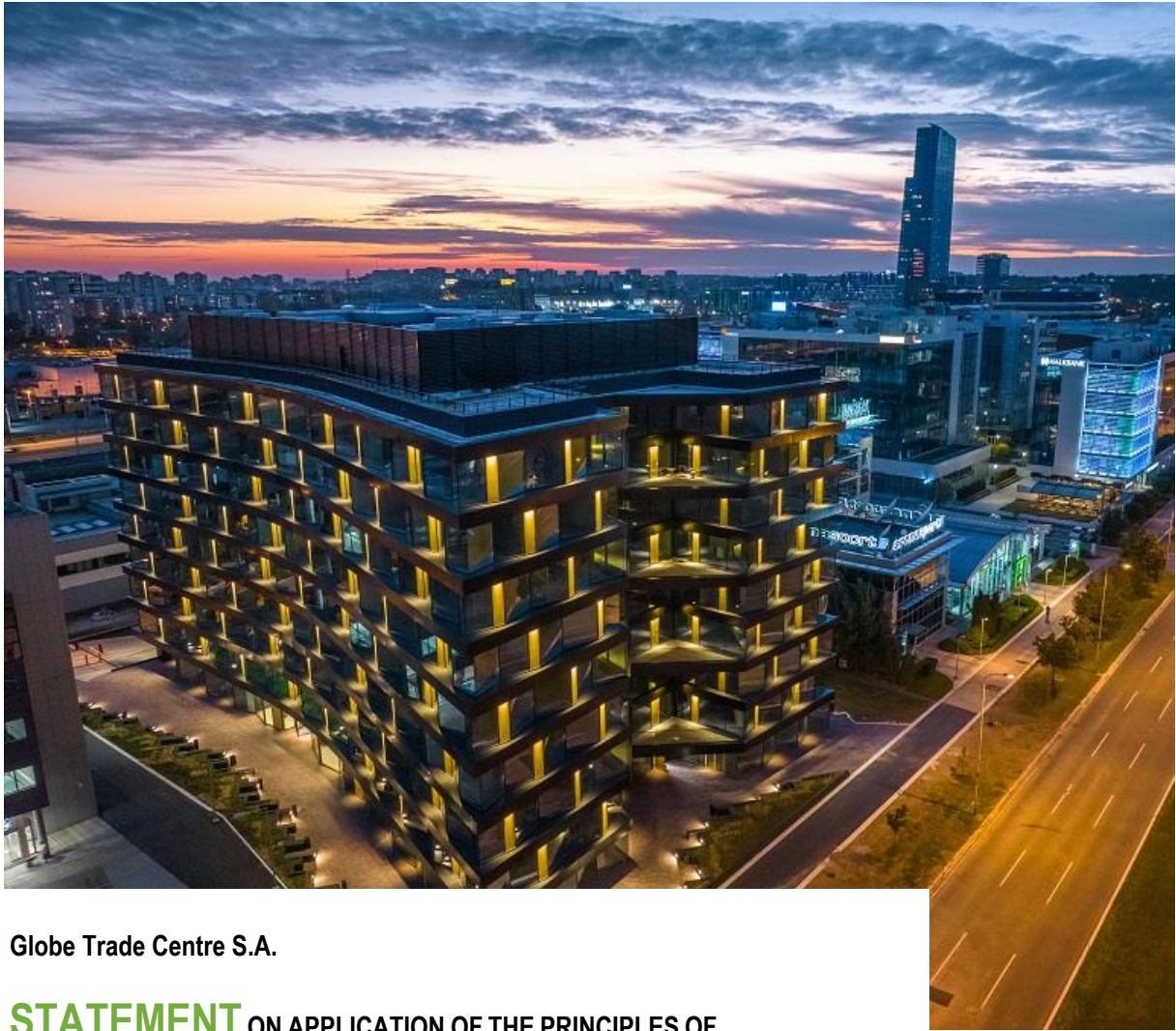
Terms and abbreviations capitalized in this management's board Report shall have the following meanings unless the context indicates otherwise:

the Company or GTC	are to Globe Trade Centre S.A.;
the Group or GTC Group	are jointly to Globe Trade Centre S.A. and its consolidated subsidiaries;
Shares	is to the shares in Globe Trade Centre S.A., which were introduced to public trading on the Warsaw Stock Exchange in May 2004 and later and are marked under the PLGTC0000037 code and inward listed on Johannesburg Stock Exchange in August 2016;
Bonds	is to the bonds issued by Globe Trade Centre S.A. or its consolidated subsidiaries and introduced to alternative trading market and marked with the ISIN codes PLGTC0000318, HU0000360102, HU0000360284 and XS2356039268;
the Report	is to the consolidated annual report prepared according to art. 71 of the Decree of the Finance Minister of 29 March 2018 on current and periodical information published by issuers of securities and conditions of qualifying as equivalent the information required by the provisions of the law of a country not being a member state;
CEE	is to the Group of countries that are within the region of Central and Eastern Europe (Poland, Hungary);

SEE	is to the Group of countries that are within the region of South-Eastern Europe (Bulgaria, Croatia, Romania, and Serbia);
Net rentable area, NRA, or net leasable area, NLA	are to the metric of the area of a given property as indicated by the property appraisal experts to prepare the relevant property valuations. With respect to commercial properties, the net leasable (rentable) area is all the office or retail leasable area of a property exclusive of non-leasable space, such as hallways, building foyers, and areas devoted to heating and air conditioning installations, elevators, and other utility areas. The specific methods of calculation of NRA may vary among particular properties, which is due to different methodologies and standards applicable in the various geographic markets on which the Group operates;
Gross rentable area or gross leasable area, GLA	are to the amount of the office or retail space available to be rented in completed assets multiplied by add-on-factor. The gross leasable area is the area for which tenants pay rent, and thus the area that produces income for the Group;
Total property portfolio	is to book value of the Group's property portfolio, including: investment properties (completed, under construction and landbank), residential landbank, assets held for sale, and the rights of use of land under perpetual usufruct;
Commercial properties	is to properties with respect to which GTC Group derives revenue from rent and includes both office and retail properties;
Occupancy rate	is to average occupancy of the completed assets based on square meters ("sq m") of the gross leasable area;
Funds From Operations, FFO, FFO I	are to profit before tax less tax paid, after adjusting for non-cash transactions (such as fair value or real estate remeasurement, depreciation and amortization share base payment provision and unpaid financial expenses), the share of profit/(loss) of associates and joint ventures, and one-off items (such as FX differences and residential activity and other non-recurring items);
EPRA NTA	is a net asset value measure under the assumption that the entities buy and sell assets, thereby crystallizing certain levels of deferred tax liability. It is computed as the total equity less non-controlling interest, excluding the derivatives at fair value as well as deferred taxation on property (unless such item is related to assets held for sale);
In-place rent	is to rental income that was in place as of the reporting date. It includes headline rent from premises, income from parking, and other rental income;

Net loan to value (LTV); net loan-to-value ratio	are to net debt divided by Gross Asset Value. Net debt is calculated as total financial debt net of cash and cash equivalents and deposits and excluding loans from non-controlling interest and deferred debt issuance costs. Gross Asset Value is investment properties (excluding the right of use under land leases), residential landbank, assets held for sale, financial assets, buildings 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.

19. Statement on the application of the principles of corporate governance for the financial year ended 31 December 2023



Globe Trade Centre S.A.

STATEMENT ON APPLICATION OF THE PRINCIPLES OF

CORPORATE GOVERNANCE

FOR THE FINANCIAL YEAR ENDED **31 DECEMBER 2023**

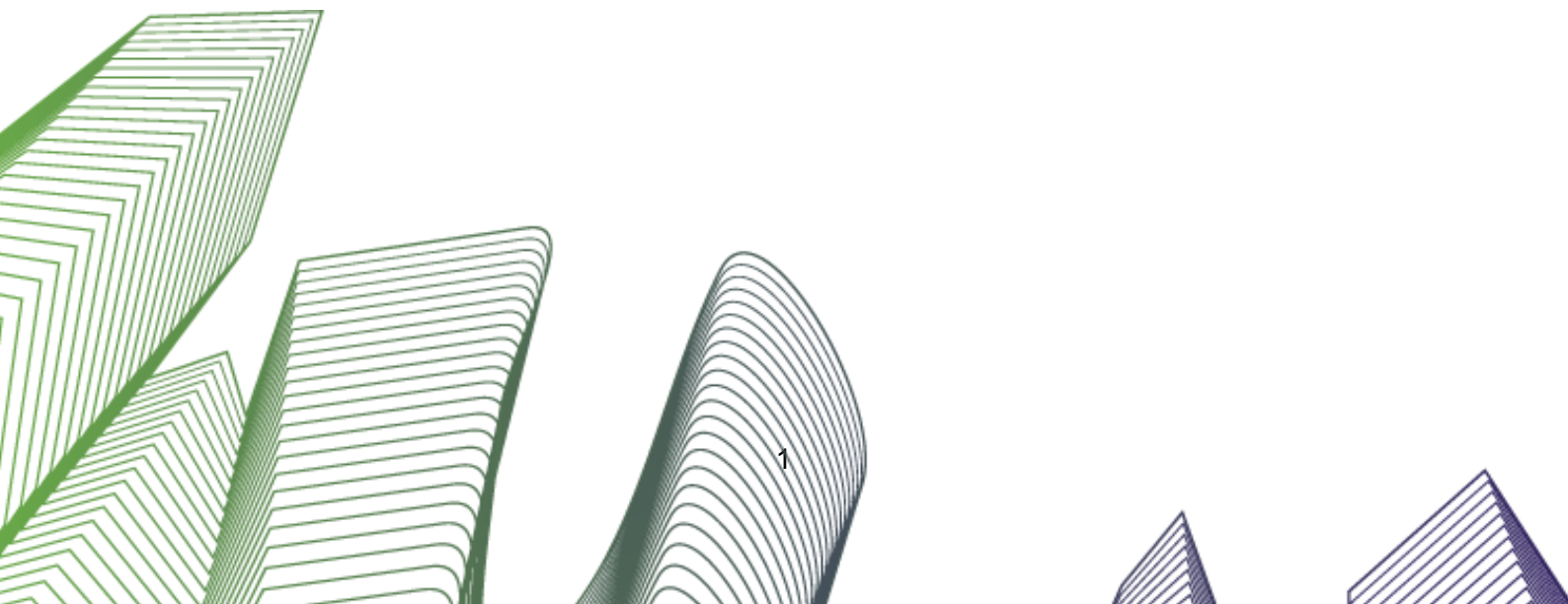


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1. The principles of corporate governance to which the issuer is subject and the location where the set of principles is publicly available

In July 2007, the Council of the Warsaw Stock Exchange adopted a set of principles for the corporate governance for joint-stock companies issuing shares, convertible bonds, or senior bonds that are admitted to trading on the stock exchange (the “WSE Best Practices”). The WSE Best Practices have been amended several times since then and were brought in line with recent legislative amendments, current international corporate governance trends, and the expectations of market participants. The last amendment took place on 29 March 2021, when the Warsaw Stock Exchange supervisory board adopted a resolution approving a new code of corporate governance, “Best Practice of GPW Listed Companies 2021” which came to force as of 1 July 2021 and is a base for this report on the application of the principles of corporate governance for the financial year ended 31 December 2023.

The content of the WSE Best Practices is publicly available on the website of the Warsaw Stock Exchange dedicated to those issues at <https://www.gpw.pl/best-practice2021>

2. The principles of corporate governance that the issuer has waived, including the reasons for such waiver

We strive to make every possible effort to employ the corporate governance principles set out in the WSE Best Practices, and try to follow, in all areas of the Company’s business, all the recommendations regarding best practices of Warsaw Stock Exchange Listed Companies and all the recommendations directed to management boards, supervisory boards and shareholders.

Additionally, to implement a transparent and effective information policy, the Company provides fast and safe access to information for shareholders, analysts and investors, employing both traditional and modern technologies of publishing information about the Company to the greatest extent possible.

We strive to make every possible effort to employ all corporate governance principles

In 2023, the Company did not apply with three principles as informed in its statement of compliance with the Best Practice of GPW Listed Companies 2021, including:

Section	Principle	Comments of the company:
1. Disclosure policy, investor communication	<p>1.4.2</p> <p>To ensure quality communication with stakeholders, as a part of the business strategy, companies publish on their website information concerning the framework of the strategy, measurable goals, including in particular long-term goals, planned activities and their status, defined by measures, both financial and non-financial. ESG information concerning the strategy should among others: present the equal pay index for employees, defined as the percentage difference between the average monthly pay (including bonuses, awards and other benefits) of women and men in the last year, and present information about actions taken to eliminate any pay gaps, including a presentation of related risks and the time horizon of the equality target.</p>	<p>The current strategy of the GTC Group does not contain the elements indicated in this rule. Still, the Company will consider the possibility of including them in the new strategy being developed by the Company in the future.</p>
2. Management board, supervisory board	<p>2.1</p> <p>Companies should have in place a diversity policy applicable to the management board and the supervisory board, approved by the supervisory board and the general meeting, respectively. The diversity policy defines diversity goals and criteria, among others including gender, education, expertise, age, professional experience, and specifies the target dates and the monitoring systems for such goals. With regard to gender diversity of corporate bodies, the participation of the minority group in each body should be at least 30%.</p>	<p>The company does not plan to formally adopt a diversity policy towards the management board and the supervisory board as the main criteria in selecting its members are knowledge, experience, personality traits and education, and not, for example, age or gender.</p>
2 Management board, supervisory board	<p>2.2</p> <p>Decisions to elect members of the management board or the supervisory board of companies should ensure that the</p>	<p>The company does not plan to formally adopt a diversity policy towards the</p>

	<p>composition of those bodies is diverse by appointing persons ensuring diversity, among others in order to achieve the target minimum participation of the minority group of at least 30% according to the goals of the established diversity policy referred to in principle 2.1.</p>	<p>management board and the supervisory board as the main criteria in selecting its members are knowledge, experience, personality traits and education, and not, for example, age or gender.</p>
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3. The principal characteristics of the internal control and risk management systems used with respect to the procedure of preparing financial statements and consolidated financial statements

The management board is responsible for the Company's internal control system and its effectiveness in the process of preparing financial statements and interim reports prepared and published in accordance with the provisions of the Decree of the Finance Minister of 29 March 2018 on current and interim information provided by issuers of securities and the conditions for accepting, as equivalent, information required by the provisions of a country not being a member state.

The Company draws on its employees' extensive experience in the identification, documentation, recording, and controlling of economic operations, including numerous control procedures supported by modern information technologies used for the recording, processing, and presentation of operational and financial data.

In order to ensure the accuracy and reliability of the accounts of the parent and subsidiary companies, the Company applies a series of internal procedures in the area of transactional control systems and processes resulting from the activities of the Company and the capital group.

An important element of risk management, in relation to the financial reporting process, is ongoing internal controls exercised by main accountants on the holding and subsidiaries level.

The budgetary control system is based on quarterly and annual financial and operational reporting. Financial results are monitored regularly.

One of the basic elements of control in the preparation of financial statements of the Company and the Group is verification carried out by independent auditors. An auditor is chosen from a group of reputable firms which guarantee a high standard of service and independence. The Group's supervisory board approves the choice of the auditor. Tasks of the independent auditor include, in particular: a review of semi-annual stand-alone and consolidated financial statements and an audit of annual stand-alone and consolidated financial statements.

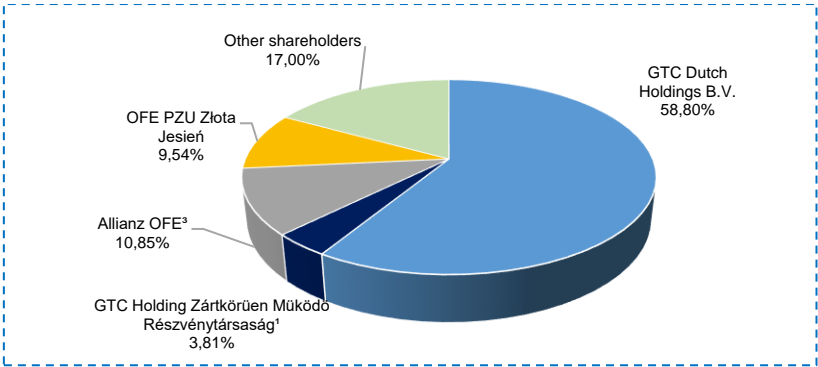
An auditor's independence is fundamental to ensuring the accuracy of an audit of books and financial statements. An audit committee, appointed to the Company's supervisory board, supervises the financial reporting process in the Company, in co-operation with the independent auditor, who participates in the audit committee meetings. The audit committee oversees the financial reporting process in order to

ensure sustainability, transparency, and integrity of financial information. The audit committee includes one member of the supervisory board who meets the independence criteria set out in the Best Practices of WSE Listed Companies. The audit committee reports to the supervisory board.

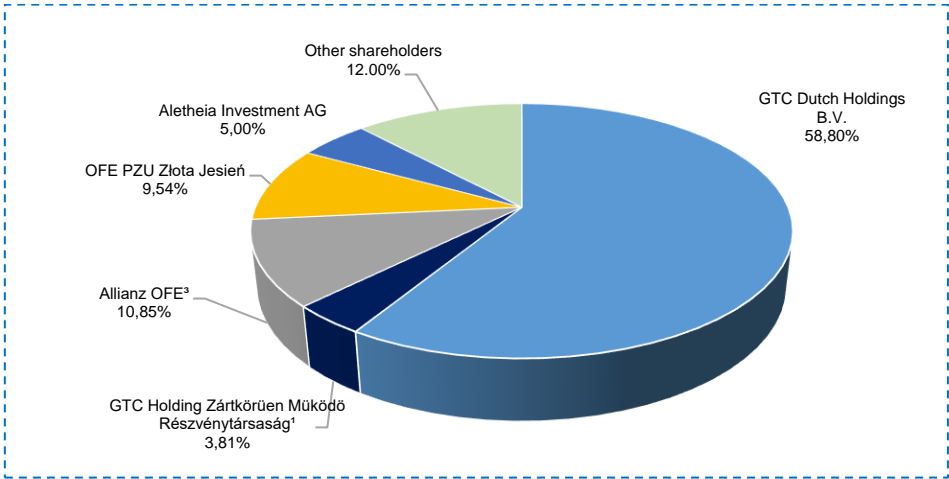
Moreover, under Article 4a of the Act of 29 September 1994 on accounting, the duties of the supervisory board include ensuring that the financial statements and the report of the Company’s operations meet the requirements of the law, and the supervisory board carries out this duty, using the powers under the law and the articles of association of the Company. This is yet another level of control exercised by an independent body to ensure the accuracy and reliability of the information presented in the separate and consolidated financial statements.

4. Shareholders who, directly or indirectly, have substantial shareholding, including the number of shares held by them, the percentage share in the share capital, and the number of votes attached to their shares in the overall number of votes at the general meeting

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



The following chart 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 this Report:



The following table presents the Company's shareholders, who had no less than 5% of votes at the general meeting of GTC S.A. shareholders. The table is prepared based on information received directly from the shareholders or subscription information, and presents shareholder structure as of the date of 31 December 2023:

Shareholder	Number of shares and rights to the shares held (not in million)	% of share capital	Number of votes (not in million)	% of votes	Change in number of shares since 30 September 2023 (not in million)
GTC Dutch Holdings B.V.	337,637,591	58.80%	337,637,591	58.80%	Change of direct shareholder of 90,176,000. ²
GTC Holding Zártkörűen Működő Részvénytársaság ¹	21,891,289	3.81%	21,891,289	3.81%	No change
Allianz OFE ³	62,330,000	10.85%	62,330,000	10.85%	No change
OFE PZU Złota Jesień	54,800,000	9.54%	54,800,000	9.54%	No change
Other shareholders	97,596,242	17.00%	97,596,242	17.00%	No change
Total	574,255,122	100.00%	574,255,122	100.00%	No change

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

² On 11 December 2023 the GTC Dutch Holdings B.V., GTC Holding Zártkörűen Működő Részvénytársaság (the Shareholders) and Icona Securitization Opportunities Group S.à r.l. concluded a conditional global settlement agreement aimed to unwind their cooperation with respect to the Company (GSA). The Company was informed that the transfer of shares in accordance with the GSA did not result in any change in the number of votes in the Company held either jointly or individually by the Shareholders, as all voting rights attached to shares were already exercised by GTC Dutch under the Assignment Agreement (dated 18 February 2022 (with the effective date as of 1 March 2022) prior to the execution of the GTC SA.

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

On 13 March 2024, the Company received a notification from its shareholder, i.e.: Aletheia Investment AG ("Aletheia") that the share of Aletheia in the total number of votes in the Company was above the 5%.

As of the date of this Report the table presents the Company's shareholders, who had no less than 5% of votes at the general meeting of GTC S.A.:

Shareholder	Number of shares and rights to the shares held (not in million)	% of share capital	Number of votes (not in million)	% of votes	Change in number of shares since 30 September 2023 (not in million)
GTC Dutch Holdings B.V.	337,637,591	58.80%	337,637,591	58.80%	Change of direct shareholder of 90,176,000. ²
GTC Holding Zártkörűen Működő Részvénytársaság ¹	21,891,289	3.81%	21,891,289	3.81%	No change
Allianz OFE ³	62,330,000	10.85%	62,330,000	10.85%	No change
OFE PZU Złota Jesień	54,800,000	9.54%	54,800,000	9.54%	No change
Aletheia Investment AG	28,718,871	5.00%	28,718,871	5.00%	Increase by 28,718,871
Other shareholders	68,877,371	12.00%	68,877,371	12.00%	Decrease by 28,718,871
Total	574,255,122	100.00%	574,255,122	100.00%	No change

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

² On 11 December 2023 the GTC Dutch Holdings B.V., GTC Holding Zártkörűen Működő Részvénytársaság (the Shareholders) and Icona Securitization Opportunities Group S.à r.l. concluded a conditional global settlement agreement aimed to unwind their cooperation with respect to the Company (GSA). The Company was informed that the transfer of shares in accordance with the GSA did not result in any change in the number of votes in the Company held either jointly or individually by the Shareholders, as all voting rights attached to shares were already exercised by GTC Dutch under the Assignment Agreement (dated 18 February 2022 (with the effective date as of 1 March 2022) prior to the execution of the GTC SA.

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

5. Holders of any securities that grant special rights of control, including a description of such rights

There are no special rights of control that would be attached to any securities in Globe Trade Centre S.A.

6. Restrictions concerning the exercise of voting rights, such as restriction of the exercise of voting rights by holders of any specific part or number of votes, time restrictions concerning the exercise of voting rights or regulations whereunder, with the co-operation of the Company, the equity rights related to the securities are separate from holding securities

There are no restrictions applicable to the exercise of voting rights such as restriction of the exercise of voting rights by holders of any specific part or number of shares, any time restrictions applicable to the exercise of voting rights or regulations whereunder, with the co-operation of Globe Trade Centre S.A., the equity rights related to securities would be separate from holding securities.

7. Restrictions concerning the transfer of the ownership title to securities in Globe Trade Centre S.A.

There are no limitations of transfer of ownership title to securities, except for those limitations that are resulting from the general provisions of the law, in particular contractual limitations regarding the transfer of the ownership rights to the securities issued by the Company.

8. Rules concerning the appointment and dismissal of management and the rights thereof, specifically the right to make decisions concerning the issuance and redemption of shares.

Pursuant to Art. 12 of the Company's statute the management board consists of one to seven members, appointed by the supervisory board for a three-year term.

Additionally, the supervisory board designates the president of the management board (CEO) and may designate deputy thereof.

The management board of the Company is responsible for the Company's day-to-day management and for its representation in dealing with third parties. All issues related to the Company's operations are in the scope of activities of the management board unless they are specified as the competence of the supervisory board or the general meeting by the provisions of applicable law or the articles of association.

Members of the management board participate, in particular, in general meetings and provide answers to questions asked during general meetings. Moreover, members of the management board invited to a supervisory board meeting by the chairman of the supervisory board participate in such meeting, with a right of voice to express their opinion on issues on the agenda.

The general meeting takes decisions regarding the issuance or buying back of shares in the Company. The competencies of the management board in the scope are limited to execution of any resolutions adopted by the general meeting.

9. Overview of the procedure of amending the Company's articles of association

A change to the Company's articles of association requires a resolution of the general meeting and an entry into the Court register. The general provisions of law and the articles of association govern the procedure of adopting resolutions regarding changes to the articles of association.

10. The bylaws of the general meeting and its principal rights and description of rights of shareholders and their exercise, in particular the rules resulting from the bylaws of the general meeting, unless information on that scope results directly from the provisions of law

The general meeting acts pursuant to the provisions of the Polish Commercial Companies Code and the articles of association.

The general meeting adopts resolutions regarding, in particular, the following issues:

- a) discussion and approval of reports of the management board and the financial statements for the previous year,
- b) decision about allocation of profits or covering of losses,
- c) signing off for the performance of duties for the supervisory board and the management board,
- d) determination of the supervisory board remuneration,
- e) changes to the articles of association of the Company,
- g) increase or decrease in the share capital,
- h) merger or transformation of the Company,
- i) dissolution or liquidation of the Company,
- j) issuance of convertible or priority bonds,
- k) sale or lease of the Company and the establishment of a right of use or sale of the Company's enterprise,
- l) all decisions regarding claims for damages upon the establishment of the Company, or the performance of management or supervision.

A general meeting can be attended by persons who are shareholders of the Company sixteen days before the date of the general meeting (the day of registration for participation in the general meeting).

A shareholder who is a natural person is entitled to participate in general meetings and execute voting rights in person or through a proxy. A shareholder, which is a legal entity, is entitled to participate in

general meetings and execute voting rights through a person authorized to forward statements of will on their behalf or through a proxy.

A power of attorney to attend a general meeting and exercise voting rights must be in written or electronic form. For the purposes of identification of the shareholder who granted a power of attorney, a notice on the granting of such power of attorney electronically should contain:

- if the shareholder is an individual, a copy of an identity card, passport or any other official identification document confirming the identity of the shareholder; or
- if the shareholder is not an individual, a copy of an extract from a relevant register or any other document confirming the authorization of the individual(s) to represent the shareholder at the general meeting (e.g., an uninterrupted chain of powers of attorney).

The general meeting may be attended by members of the management board and supervisory board (in a composition which allows for substantive answers to the questions asked during the general meeting) and by the auditor of the Company, if the general meeting is held to discuss financial matters.

At the general meeting each participant is entitled to be elected the chairman of the general meeting, and also nominate one person as a candidate for the position of chairman of the general meeting. Until the election of the chairman, the general meeting may not take any decisions.

The chairman of the general meeting directs proceedings in accordance with the agreed agenda, provisions of law, the articles of association, and, in particular: gives the floor to speakers, orders votes and announces the results thereof. The chairman ensures efficient proceedings and respecting of the rights and interests of all shareholders.

After the creation and signing of the attendance list, the chairman confirms that the general meeting has been called in the correct manner and is authorized to pass resolutions.

The chairman of the general meeting closes the general meeting upon the exhausting of its agenda.

11. Personnel composition and changes in the previous business year and description of the functioning of the management, supervisory, or administrative bodies of the Company and its committees.

THE MANAGEMENT BOARD

Composition of the management board

As of 31 December 2023, the management board was composed of three members.

The following table presents the names, surnames, functions, dates of appointment, and dates of expiry of the current term of the members of the management board as of 31 December 2023:

Name and surname	Function	Year of the first appointment	Year of appointment for the current term	Year of expiry of term
Gyula Nagy	President of the management board	2023	2023	2026
Barbara Sikora	Member of the management board and CFO	2023	2023	2026*
Zsolt Farkas	Member of the management board and COO	2023	2023	2026

* On 18 March 2024 Barbara Sikora resigned from her seat on the management board of GTC S.A.

Detailed description of changes in composition of the management board is presented under *Item 2.4* of Management board's report on the activities of Globe Trade Centre S.A. Capital Group in the financial year ended 31 December 2023 and by the date of the report publication.

Description of operations of the management board

The management board runs the Company's business in a transparent and efficient way pursuant to the provisions of applicable law, its internal provisions, and the "Best Practices of WSE Listed Companies". When making decisions related to the Company's business, the members of the management board act within limits of justified business risk.

The President of the Management Board (CEO) jointly with any other member of the Management Board, or any two members of the management board acting jointly are entitled to make representations on the Company's behalf.

All issues related to the management of the Company which are not specified by the provisions of applicable law or the articles of association as competencies of the supervisory board or the general meeting are within the scope of competence of the management board.

Members of the management board participate in sessions of the general meeting and provide substantive answers to questions asked during the general meeting. Members of the management board invited to a meeting of the supervisory board by the chairman of the supervisory board participate in such meeting with the right to take the floor regarding issues on the agenda. Members of the management board are required to, within their scope of competence and the scope necessary to settle issues discussed by the supervisory board, submit explanations and information regarding the Company's business to the participants of a meeting of the supervisory board.

The management board makes any decisions considered (by the management board) to be important for the Company by passing resolutions at meetings thereof. Such resolutions are passed by a simple majority.

Moreover, the management board may adopt resolutions in writing or via a manner enabling instantaneous communication between the members of the management board by means of audio-video communication (e.g. teleconferencing, videoconferencing, etc.).

THE SUPERVISORY BOARD

The composition of the supervisory board

As of 31 December 2023, the supervisory board comprised of ten members. The following table presents the names, surnames, functions, dates of appointment, and dates of expiry of the current term of the members of the supervisory board:

Name and surname	Function	Year of the first appointment	Year of appointment for the current term	Year of expiry of term	Year of next appointment
János Péter Bartha ¹	Chairman of the supervisory board	2020	2020	2023	2024
Lóránt Dudás	Member of the supervisory board	2020	2020	2023	2024
Balázs Figura	Member of the supervisory board	2020	2020	2023	2024*
Mariusz Grendowicz	Member of the supervisory board	2000	2022	2025	2026*
László Gut	Member of the supervisory board	2023	2023	2026	2027
Marcin Murawski ¹	Independent member of the supervisory board	2013	2022	2025	2026
Artur Kozieja ^{1 2}	Independent member of the supervisory board	2022	2022	2025	2026
Bálint Szécsényi	Member of the supervisory board	2020	2020	2023	2024
Sławomir Niemierka ¹	Independent member of the supervisory board	2023	2023	2025	2026
Dominik Januszewski ¹	Independent member of the supervisory board	2023	2023	2026	2027

¹ conforms with the independence criteria listed in the Best Practices of WSE Listed Companies.
² conforms with the independence criteria listed in the articles of association of the Company
* On 15 March 2024, GTC Dutch Holdings B.V. revoked Mr. Balázs Figura and Mr. Mariusz Grendowicz from the positions of members of the Supervisory Board of GTC S.A.

Detailed description of changes in composition of the management board and the supervisory board is presented under *Item 2.4* of Management board's report on the activities of Globe Trade Centre S.A. Capital Group in the financial year ended 31 December 2023 and by the date of the report publication.

Description of the operations of the supervisory board

The supervisory board acts pursuant to the Polish Commercial Companies Code and also pursuant to the articles of association of the Company and the supervisory board regulations dated 16 May 2017.

Pursuant to the Polish Commercial Companies Code, the supervisory board performs constant supervision over activities of the enterprise. Within the scope of its supervisory activities, the supervisory board may demand any information and documents regarding the Company's business from the management board.

Members of the supervisory board are required to take necessary steps to receive regular and full information from the management board regarding material matters concerning the Company's business and risks involved in the business and the strategies of risk management. The supervisory board may (while not infringing the competencies of other bodies of the Company) express their opinion on all the issues related to the Company's business, including forwarding motions and proposals to the management board.

In addition to the matters defined in the Polish Commercial Companies Code or other applicable laws the following are the competencies of the supervisory board:

- a) the determination of remuneration (including commissions) for the members of the Company's Management Board and representing the Company when executing agreements with Management Board members and in any disputes with Management Board members
- b) granting consent to the Company or an entity controlled by it for entering into a related-party transaction, in each case other than any intra-group transactions i.e. transactions between the Company or an entity controlled by it with another entity controlled by the Company (the term "control" and "related-party transaction" shall be understood as provided in International Accounting Standard 24 (*Related party disclosures*))
- c) granting consent for the Company or an entity controlled by it to execute a transaction (in the form of a single legal act or a number of legal acts) resulting in the acquisition or disposal of assets, or the creation of a liability, in excess of EUR 30 million, except for (i) scheduled or early debt repayment; and (ii) hedging transactions in relation to such debt that have been approved by the Supervisory Board under this point; for the avoidance of doubt, prior to entering into any of the transactions referred above in this point c), in addition to the consent of the Supervisory Board, the consent of the respective management bodies of the entity controlled by the Company or the consent of the Management Board of the Company itself shall also be required, as the case may be, in each case to the extent required by (a) the constitutional documents of the entity controlled by the Company or this statute and (b) the respective legislation..

The supervisory board consists of five to twenty members, including the Chairman of the supervisory board. Each shareholder who holds individually more than 5% of shares in the Company's share capital (the "Initial Threshold") is entitled to appoint one supervisory board member. Shareholders are further entitled to appoint one additional supervisory board member for each block of held shares constituting 5% of the Company's share capital above the Initial Threshold. Supervisory board members are appointed by a written notice of entitled shareholders given to the chairman of the general meeting at

the general meeting or outside the general meeting delivered to the management board along with a written statement from the selected person that he/she agrees to be appointed to the supervisory board.

The number of supervisory board members is equal to the number of members appointed by the entitled shareholders, increased by one shareholder meeting delegate,, provided that in each case such number may not be lower than five.

Under the Company's articles of association, the supervisory board should consist of at least two members meeting the criteria of an independent member of the supervisory board as set out in the corporate governance regulations included in the Best Practices of Warsaw Stock Exchange listed Companies.

The chairman of the supervisory board calls meetings of the supervisory board. The chairman calls meetings of the supervisory board at his or her own initiative or upon the request of a member of the management board or a member of the supervisory board therefore. A meeting of the supervisory board must take place within two weeks but no earlier than on the 3 (third) business day after the receipt of such request by the Chairman of the Supervisory Board

Within the limits defined by law, the supervisory board may convene meetings both within the territory of the Republic of Poland and abroad. Resolutions of the Supervisory Board shall be adopted at Supervisory Board meetings, which may be held with the use of electronic communication to the fullest extent permitted by applicable laws. Resolutions of the Supervisory Board may be adopted in writing or by circulation to the fullest extent permitted by applicable laws, provided that all members are notified about the content of such a resolution by electronic mail to the addresses provided by the Supervisory Board members.

Unless the articles of association provide otherwise, resolutions of the supervisory board are adopted by absolute majority of votes cast in the presence of at least five supervisory board members. In the event of a tie, the Chairman has a casting vote.

Members of the supervisory board execute their rights and perform their duties in person. Members of the supervisory board may participate in general meetings.

Moreover, within the performance of their duties, the supervisory board is required to:

- a) once a year prepare and present to the general meeting a concise evaluation of the situation of the Company, taking into account the evaluation of the internal control system and the management system of risks that are important for the Company,
- b) once a year prepare and present to the annual general meeting an evaluation of its own performance,
- c) discuss and issue opinions on matters which are to be subject of the resolutions of the general meeting.

COMMITTEES OF THE SUPERVISORY BOARD

The supervisory board may appoint committees to investigate certain issues which are in the competence of the supervisory board or to act as advisory and opinion bodies to the supervisory board.

AUDIT COMMITTEE

The supervisory board has appointed the Audit Committee, whose principal task is to make administrative reviews, to exercise financial control, and to oversee financial reporting as well as internal and external audit procedures at the Company and at the companies in its group.

In 2023, the Audit Committee meet 4 times in total.

The following table presents the details on the Audit Committee members as of 31 December 2023:

Member	Function	Conforms with independence criteria	Knowledge and skills in the field of accounting or auditing of financial statements	Knowledge and skills in the real estate
Artur Kozieja	Member of the audit committee	Yes	Yes ¹	Yes ¹
Marcin Murawski	Chairman of the audit committee	Yes	Yes ²	No
János Péter Bartha	Member of the audit committee	Yes	Yes ³	No

¹ Artur Kozieja holds an MBA from the Wharton School of the University of Pennsylvania (USA) and is a graduate of the Diplomatic Academy in Beijing (China). Artur Kozieja, the founder of the Europlan group, is an experienced investor and investment banker who, between 1995 and 2017, worked as a senior executive at Credit Suisse, Morgan Stanley and Barclays Capital in London, where he was responsible for M&A transactions and the raising of capital for corporations, banks and countries in Central and Eastern Europe. In addition, as a partner in a family hotel business started in 1983, he also developed hotel projects in Lower Silesia in Poland. Since 2017, as part of the Europlan group, he has been carrying out hotel investments in Poland, where he has opened, among other things, the Lake Hill Resort & Spa hotel complex in the Karkonosze Mountains and the Metropol by Golden Tulip hotel in Cracow, and is currently preparing several hotel projects in cooperation with international hotel chains.

² Marcin Murawski graduated from the Faculty of Management of Warsaw University in 1997. He has also the following certificates: ACCA, ACCA Practicing Certificate, KIBR entitlement, CIA. Since 2012 he has been a member of the supervisory board of CCC S.A. Between 2005 and 2012 Mr. Murawski was a director of the internal audit and inspection department at WARTA Group and secretary of the audit committee at TUIR WARTA S.A. and TUNŻ WARTA S.A. Between 1997 and 2005 he worked at PricewaterhouseCoopers Sp. z o.o., as manager of the audit department (2002-2005), senior assistant in the audit department (1999-2001), assistant in the audit department (1997-1999).

³ János Péter Bartha is a seasoned investment banker with 18-year experience in private equity investments, especially extensive experience in privatisation, management of IPOs and M&A. Mr. Bartha started his banking carrier at the National Bank of Hungary in 1986, became CEO of Credit

Suisse First Boston in 1990, and Head of Credit Suisse First Boston in Central and Eastern Europe in 1994.

REMUNERATION COMMITTEE

The supervisory board has appointed the Remuneration Committee of the supervisory board, which has no decision-making authority and which is responsible for making recommendations to the supervisory board with respect to the remuneration of the members of the management board and the policies for setting such remuneration.

In 2023, the Remuneration Committee meet 4 times in total.

The following table presents the details on the Remuneration Committee members as of 31 December 2023:

Member	Function	Conforms with independence criteria	Knowledge and skills in the field of accounting or auditing of financial statements	Knowledge and skills in the real estate
Janos Peter Bartha	Chairman of the remuneration committee	Yes	Yes	No
Artur Koziejka	Member of the remuneration committee	Yes	Yes	Yes
Marcin Murawski	Chairman of the remuneration committee	Yes	Yes	No

12. Audit partner

The recommendation to select the audit firm to audit the financial statements met all the binding legal conditions required in the procedure for selection of the audit firm to audit the financial statements.

The audit firm selected to audit financial statements provide also other services for the Company in 2023, including review of the remuneration report and review of the prospectus.

RULES FOR SELECTION OF AN INDEPENDENT AUDITOR WITHIN AN AUDIT FIRM TO AUDIT GTC S.A.'S FINANCIAL STATEMENTS, AS WELL AS THE RULES FOR CONDUCTING AUTHORISED NON-AUDIT SERVICES BY THE AUDIT FIRM.

On 15 November 2022, the supervisory board of GTC approved the rules for the selection of an independent auditor according to the Act on Registered Auditors which were adopted by the Audit Committee of the Company on 15 November 2022.

The selection of an audit firm to audit and review the financial statements of the Company is the responsibility of the supervisory board. Decisions are taken in the form of an official resolution of the supervisory board, taking into account the prior recommendations of the Audit Committee.

The Audit Committee assesses the independence of the statutory auditor and consents to the provision of authorised non-audit services to the Company. The consent can be expressed after the assessment of the independence of the statutory auditor and after obtaining from the statutory auditor a confirmation that the provision of authorised non-audit services will be carried out in accordance with the independence requirements laid down for such services in the rules of professional ethics and standards of performing such services.

The main assumptions of the policy for selecting an audit firm for the purpose of conducting an audit:

1. the Company's supervisory board selects an audit firm to audit the financial statements based on the prior recommendation of the Audit Committee of the supervisory board. The selection decision is taken in the form of a resolution of the supervisory board.
2. the Audit Committee, in its recommendation, shall:
 - recommend a preferred audit firm along with a justification of the preference of the Audit Committee;
 - state that the recommendation is free from third-party influence;
 - state that the Company has not entered into any agreements containing clauses that restrict the ability of the supervisory board to select an audit firm for the purposes of the audit of the Company's financial statements to certain categories or lists of audit firms; and
 - indicate the proposed remuneration for conducting the audit.
3. in the event that the selection conducted by the Audit Committee does not refer to the prolongation of the agreement for the purpose of the audit of the Company's financial statements, the recommendation of the Audit Committee must contain at least two options for the selection of an audit firm, along with justifications as well as an explanation of the reasons of the Audit Committee's preferred option.
4. the Audit Committee shall cooperate with the Company's management board in obtaining, analysing and evaluating the audit offers, and will be assisted by the management board in drafting the respective recommendation.
5. in the course of the selection procedure, the supervisory board and the Audit Committee shall consider:
 - the principles of impartiality and independence of the audit firm. This shall include an analysis of other work carried out by the audit firm in the Company that extends beyond the scope of the auditing of the financial statements in order to avoid any conflict of interest;

- the experience and track record of the audit team in auditing financial statements of similar companies, its competencies and financial criteria;
- the maximum allowed duration of continuous engagements of statutory audits carried out by the same audit firm under any applicable law;
- the proposed remuneration for the audit;
- the assessment of the relation between the criteria specified in points 2 and 3 above and
- the assessment of the findings and conclusions of the annual report of the Polish Audit Supervision Agency (PANA).

13. Diversity policy in terms of the management, supervisory, or administrative bodies of the Company.

The strategic objective of our diversity policy is to recruit and retain such workforce as to ensure delivery of the GTC Group's business objectives. The priority of diversity policy is to build a sense of trust between the management and other employees, and to treat everyone fairly regardless of their position.

The Company's diversity policy is centered on respecting the employees as an element of diversity-oriented culture regardless of gender, age, education and cultural heritage. It includes integrating employees in their workplace and ensuring that all employees are treated equally at work. The Company supports various social initiatives, which promote equal opportunities. Additionally, the Company joins charitable activities initiated by the employees. The principles of equal treatment at the workplace have been reflected in the company's bylaws, which are available to all employees. The Company values its enriched diversity policy in pursuing its goals.

GTC believes that people from different backgrounds can bring fresh ideas, thinking and approaches which make the way work is undertaken more effective and efficient.

GTC does not tolerate direct or indirect discrimination against any person on grounds of age, disability, gender, gender reassignment, marriage, civil partnership, pregnancy, maternity, race, religion or belief, or sexual orientation whether in the field of recruitment, terms and conditions of employment, remuneration, career progression, training, transfer or dismissal.

We provide equal opportunity to all who apply for vacancies through open competition and select candidates only on the basis of their ability, qualifications and suitability for the work, by using a clear and open process.

MANAGEMENT BOARD'S REPRESENTATIONS

Pursuant to the requirements of the Regulation of the Council of Ministers of 29 March 2018 on ongoing and periodical information reported by issuers of securities and conditions of recognizing as equivalent information required by the law of a country not being a member state the Management Board of Globe Trade Centre S.A. represented by:

Gyula Nagy, President of the Management Board

Zsolt Farkas, Member of the Management Board

hereby represents that:

- to the best of its knowledge the consolidated financial statements for year ended 31 December 2023 and the comparable data were prepared in accordance with the prevailing accounting principles, and they truly, reliably, and clearly reflect the asset and financial standing of the Group and its financial result in all material respects, and the annual Management Board's activity report contains a true image of the Group's development and achievements and its standing, including the description of basic risks and threats;

- the entity authorized to audit the financial statements, which has audited the consolidated financial statements, was selected in accordance with the regulations of law. That entity as well as the auditor who has carried out the audit fulfilled the conditions for expressing an unbiased and independent opinion about the audit pursuant to relevant provisions of the national law and industry norms.

Warsaw, 23 April 2024

Gyula Nagy,
President of the Management Board

Zsolt Farkas,
Member of the Board

INFORMATION OF THE GLOBE TRADE CENTRE S.A. PREPARED ON THE BASIS OF THE SUPERVISORY BOARD'S STATEMENT ON APPOINTMENT OF THE AUDIT COMPANY FOR THE AUDIT OF THE YEARLY FINANCIAL STATEMENTS

(pursuant with § 70 section 1 item 7 and § 71 section 1 item 7 of the Regulation of the Ministry of Finance dated 29th March 2018 in respect of the current and periodical information given by the securities issuers and the conditions of recognizing as equal the information demanded by the national lawful regulation of a country which does not hold the membership in European Union)

The Management Board of the Globe Trade Centre S.A. („Company”), on the basis of statement of the Supervisory Board of the Company on appointment of the audit company for audit of the yearly financial statements dated 9 February 2022 hereby informs that the selection of an auditor to audit yearly consolidated and standalone financial statements for the year 2023 was performed due to the binding laws and within the relevant internal regulations of Globe Trade Centre S.A. related to the selection policy of the audit company.

The Management Board informs that:

- audit company and members of the audit team performing audit of yearly consolidated and standalone financial statements for the financial year ended 31 December 2023 have met the criteria to prepare impartial and independent report on the yearly financial statements assessment due to the binding laws, standards of profession and professional ethics;
- the Company conforms with the rules of binding law regarding rotation of the audit company and key chartered auditor and obligatory grace periods;
- the Company has the policy for selecting an audit company for the purpose of conducting an audit and the policy for conducting authorised non-audit services for the benefit of the security issues by the audit company, entity connected with this audit company or member of its affiliate conducting non-audit services including services conditionally dismissed from the prohibition of performing services by the audit company.

Warsaw, 23 April 2024

Gyula Nagy,
President of the Management Board

Zsolt Farkas,,
Member of the Board

**STATEMENT OF THE SUPERVISORY BOARD OF GLOBE TRADE CENTRE S.A. IN THE MATTER
OF APPOINTMENT, COMPOSITION AND FUNCTIONING
OF AUDIT COMMITTEE**

(pursuant with the § 70 section 1 item 8 and § 71 section 1 item 8 of the Regulation of the Ministry of Finance dated 29th March 2018 in respect of the current and periodical information given by the securities issuers and the conditions of recognizing as equal the information demanded by the national lawful regulation of a country which does not hold the membership in European Union)

The Supervisory Board states that within Globe Trade Centre S.A.:

- a) the rules on appointment, composition and functioning of audit committee are fulfilled, including meeting criteria of independence by its members and standards of having sufficient knowledge and skills in area of industry of operations of the issuer and accounting standards and the rules for audit of financial statements,
- b) audit committee has acted in accordance with the binding provisions of law reserved for audit committee.

Warsaw, 23 April 2024

János Péter Bartha
Chairman of the Supervisory Board

**STATEMENT OF THE SUPERVISORY BOARD
OF GLOBE TRADE CENTRE S.A. IN THE MATTER OF ASSESSMENT OF THE REPORT ON
ACTIVITIES OF THE ISSUER AND FINANCIAL STATEMENTS AND ITS COMPLIANCE WITH THE
BOOKS, DOCUMENTS AND STATE OF FACTS**

(pursuant with the § 70 section 1 item 14 and § 71 section 1 item 12 of the Regulation of the Ministry of Finance dated 29th March 2018 in respect of the current and periodical information given by the securities issuers and the conditions of recognizing as equal the information demanded by the national lawful regulation of a country which does not hold the membership in European Union)

The Supervisory Board, as the supervising body of Globe Trade Centre S.A. ("**Company**" or "**GTC**") has made assessment of the report on activities of the issuer and financial statements of the issuer in the aspect of its compliance with the books, documents and state of facts. In particular the Supervisory Board has verified:

- report on issuer's activity for year 2023,
- standalone financial statements of the issues for year 2023,
- consolidated financial statements of the capital group of the issuer for the year 2023.

The Supervisory Board in the effect of the performed assessment has stated that report on the Company's activities and report on activities of the Company's capital group for the year 2023 remains compliant in all material aspects with article 49 and 55 section 2a of Accounting Act and in the Regulation of the Ministry of Finance dated 29th March 2018 in respect of the current and periodical information given by the securities issuers and the conditions of recognizing as equal the information demanded by the national lawful regulation of a country which does not hold the membership in European Union and the information contained therein remains in compliance with the audited by certified auditor standalone and consolidated financial statements of the Company and the Company's capital group for the year 2023.

The Supervisory Board assesses that the presented by the Management Board of the Company standalone and consolidated financial statements of the Company and the Company's capital group for the year 2023 and report on activities of the Company and the Company's capital group for the year 2023 illustrates genuinely and clearly all the information inevitable and significant for the assessment of the financial standing of the Company and the Company's capital group prepared as at 31 December 2023, as well as it remains in compliance with the books, documents and state of facts.

The Supervisory Board has made a positive assessment of the standalone financial statements for the financial year 2023 and the report on activities of the Company and the Company's capital group for the year 2023 based on:

- content of the above statements, submitted by the Company's Management Board;
- report of the independent certified auditor i.e. PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k., with its registered office in Warsaw made upon audit of the standalone financial statements of the Company and consolidated financial statements of the Company's capital group prepared as at 31st December 2021 as well as an additional report prepared for Audit Committee on the basis of article 11 Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities, derogating the EU Commission Decision no. 2005/909 and according to the rules of Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision;
- meetings with the audit firm representatives, including the key certified auditor;

- information from Audit Committee regarding the process, effects and meaning of an audit for the clarity of financial reporting in the Company and also the role of the Committee in the process of audit of financial statements;

- results of other verifying activities in selected operational and financial areas.

Warsaw, 23 April 2024

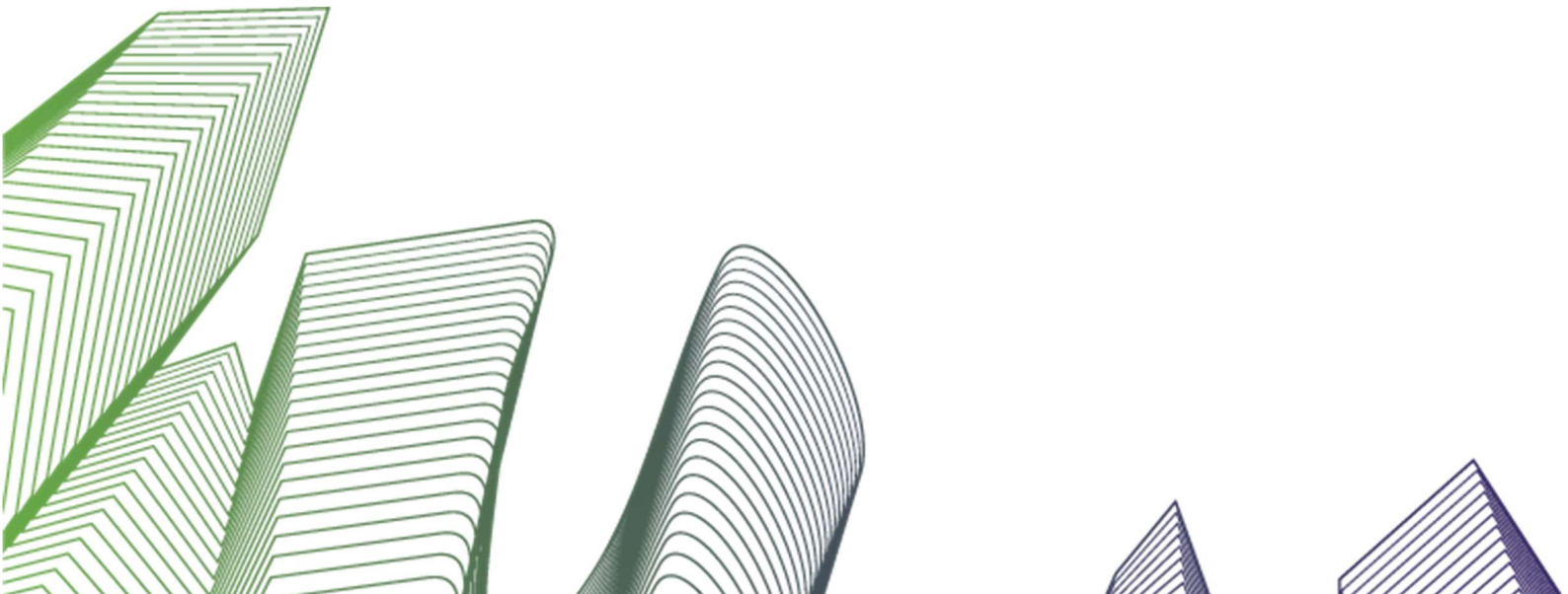
János Péter Bartha
Chairman of the Supervisory Board



LOBE TRADE CENTRE S.A.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023



CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(in millions of EUR)

	Note	31 December 2023	31 December 2022
ASSETS			
Non-current assets			
Investment property	17	2,273.4	2,243.7
Residential landbank	19	27.2	26.6
Property, plant and equipment	16	16.0	11.1
Blocked deposits	22	13.1	12.0
Deferred tax asset	15	1.8	3.2
Derivatives	20	2.3	17.1
Non-current financial assets measured at fair value through profit or loss	18	135.1	130.3
Other non-current assets		0.2	0.2
Loan granted to non-controlling interest partner	25	11.6	10.9
		2,480.7	2,455.1
Current assets			
Accounts receivables		15.7	12.3
VAT and other tax receivables		3.1	5.3
Income tax receivables		1.5	2.0
Prepayments and other receivables	28	52.4	7.7
Derivatives	20	11.9	7.8
Short-term blocked deposits	22	17.3	13.0
Cash and cash equivalents	23	60.4	115.1
Assets held for sale	29	13.6	51.6
		175.9	214.8
TOTAL ASSETS		2,656.6	2,669.9

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(in millions of EUR)

	Note	31 December 2023	31 December 2022
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	30	12.9	12.9
Share premium		668.9	668.9
Unregistered share capital increase		-	-
Capital reserve	30	(49.3)	(49.3)
Hedge reserve	20	0.7	(7.5)
Foreign currency translation reserve		(2.6)	(2.6)
Accumulated profit	30	471.3	490.5
		1,101.9	1,112.9
Non-controlling interest	25	24.3	22.7
Total Equity		1,126.2	1,135.6
Non-current liabilities			
Long-term portion of borrowings	26	1,228.7	1,189.3
Lease liabilities	27	43.2	41.5
Deposits from tenants	24	13.1	11.9
Long term payables		5.2	3.2
Derivatives	20	18.7	46.8
Deferred tax liabilities	15	135.1	141.2
		1,444.0	1,433.9
Current liabilities			
Current portion of borrowings	26	45.3	48.6
Trade payables and provisions	21	34.0	42.6
Deposits from tenants	24	2.4	1.6
VAT and other taxes payables		1.9	1.8
Income tax payables		2.4	3.6
Derivatives	20	-	2.2
Liabilities related to assets held for sale		0.4	-
		86.4	100.4
TOTAL EQUITY AND LIABILITIES		2,656.6	2,669.9

CONSOLIDATED INCOME STATEMENT
(in millions of EUR)

	Note	Year ended 31 December 2023	Year ended 31 December 2022
Rental revenue	10,14	137.2	123.6
Service charge revenue	10,14	46.2	43.0
Service charge costs	10,14	(55.2)	(47.4)
Gross margin from operations		128.2	119.2
Selling expenses	11	(2.7)	(1.8)
Administration expenses	12	(20.4)	(15.0)
Loss from revaluation	17	(56.3)	(29.4)
Other income		0.7	1.5
Other expenses		(4.2)	(3.0)
Net operating profit		45.3	71.5
Foreign exchange differences		2.3	(2.2)
Finance income	13	1.4	1.4
Finance costs	13	(34.6)	(33.1)
Result before tax		14.4	37.6
Taxation	15	(2.0)	(12.8)
Result for the year		12.4	24.8
Attributable to:			
Equity holders of the Parent Company		10.5	23.4
Non-controlling interest	25	1.9	1.4
Basic earnings per share (in Euro)	31	0.02	0.04
Diluted earnings per share (in Euro)	31	0.02	0.04

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(in millions of EUR)

	Year ended 31 December 2023	Year ended 31 December 2022
Result for the year	12.4	24.8
<i>Other comprehensive income for the period, not to be reclassified to profit or loss in subsequent periods, net of tax</i>	-	-
Gain on hedge transactions	8.0	27.5
Income tax	0.2	(4.1)
Net result on hedge transactions	8.2	23.4
Foreign currency translation	-	(0.1)
<i>Other comprehensive income for the period, to be reclassified to profit or loss in subsequent periods, net of tax</i>	8.2	23.3
Total comprehensive income	20.6	48.1
Attributable to:		
Equity holders of the Company	18.7	46.7
Non-controlling interest	1.9	1.4

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(in millions of EUR)

	Share capital	Share premium	Unregistered share capital increase	Capital reserve	Hedge reserve	Foreign currency translation reserve	Accumulated profit	Total	Non-controlling interest ("NCI")	Total
Balance as of 1 January 2023	12.9	668.9	-	(49.3)	(7.5)	(2.6)	490.5	1,112.9	22.7	1,135.6
Other comprehensive income/(loss)	-	-	-	-	8.2	-	-	8.2	-	8.2
Result for the year	-	-	-	-	-	-	10.5	10.5	1.9	12.4
Total comprehensive income	-	-	-	-	8.2	-	10.5	18.7	1.9	20.6
Dividend paid	-	-	-	-	-	-	(29.7)	(29.7)	-	(29.7)
Transaction with NCI	-	-	-	-	-	-	-	-	1.9	1.9
Dividend paid to NCI	-	-	-	-	-	-	-	-	(2.2)	(2.2)
Balance as of 31 December 2023	12.9	668.9	-	(49.3)	0.7	(2.6)	471.3	1,101.9	24.3	1,126.2

	Share capital	Share premium	Unregistered share capital increase	Capital reserve	Hedge reserve	Foreign currency translation reserve	Accumulated profit	Total	Non-controlling interest ("NCI")	Total
Balance as of 1 January 2022	11.0	550.5	120.3	(49.5)	(30.9)	(2.5)	501.7	1,100.6	16.4	1,117.0
Other comprehensive income	-	-	-	-	23.4	(0.1)	-	23.3	-	23.3
Result for the year	-	-	-	-	-	-	23.4	23.4	1.4	24.8
Total comprehensive income	-	-	-	-	23.4	(0.1)	23.4	46.7	1.4	48.1
Registered share capital increase	1.9	118.4	(120.3)	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	(34.6)	(34.6)	-	(34.6)
Transaction with NCI	-	-	-	0.2	-	-	-	0.2	5.6	5.8
Dividend paid to NCI	-	-	-	-	-	-	-	-	(0.7)	(0.7)
Balance as of 31 December 2022	12.9	668.9	-	(49.3)	(7.5)	(2.6)	490.5	1,112.9	22.7	1,135.6

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

CONSOLIDATED STATEMENT OF CASH FLOWS
(in millions of EUR)

	Note	Year ended 31 December 2023	Year ended 31 December 2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Result before tax		14.4	37.6
Adjustments for:			
Loss from revaluation	17	56.3	29.4
Foreign exchange differences		(2.3)	2.2
Finance income	13	(1.4)	(1.4)
Finance cost	13	34.6	33.1
Share based payment profit	12	(0.8)	(0.7)
Depreciation	16	1.0	0.5
Operating cash before working capital changes		101.8	100.7
Increase in accounts receivables and other current assets		(4.0)	(2.0)
Increase in deposits from tenants		2.0	1.2
Increase (decrease) in trade and other payables		2.7	(0.7)
Cash generated from operations		102.5	99.2
Tax paid in the period		(7.3)	(11.1)
Net cash from operating activities		95.2	88.1
CASH FLOWS FROM INVESTING ACTIVITIES			
Expenditures on investment property	17	(113.7)	(85.4)
Purchase of completed assets and land	17	(14.1)	(58.1)
Change in short term deposits designated for investment	28	(29.5)	-
Sale of landbank and residential landbank		-	11.2
Sale of subsidiary, net of cash in disposed assets		0.4	186.2
Sale of completed assets	29	49.2	-
Purchase of non-current financial assets		-	(130.3)
Expenditure on non-current financial assets		(3.6)	-
Advances received for assets held for sale		0.3	-
VAT/tax on purchase/sale of investment property		2.2	(2.4)
Interest received		0.8	1.1
Net cash used in investing activities		(108.0)	(77.7)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	26	74.1	6.2
Repayment of borrowings	26	(48.2)	(52.1)
Interest paid		(30.5)	(28.8)
Proceeds from issue of share capital, net of issuance costs		-	120.4
Dividend paid to shareholders	30	(28.6)	(33.2)
Repayment of lease liabilities	27	(0.9)	(0.6)
Loans origination payment		(1.0)	(0.3)
Dividend paid to non-controlling interest	25	(2.2)	(0.7)
Decrease/(increase) in short term deposits		(5.5)	(0.1)
Net cash from/(used in) financing activities		(42.8)	10.8
Net foreign exchange differences, related to cash and cash equivalents		0.9	(2.7)
Net increase/ (decrease) in cash and cash equivalents		(54.7)	18.5
Cash and cash equivalents at the beginning of the period	23	115.1	96.6
Cash and cash equivalents at the end of the period	23	60.4	115.1

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.

The Group’s main business activities are development and rental of office and retail space.

As of 31 December 2023 and 31 December 2022, the number of full-time equivalent working employees in the Group companies was 219 and 223, respectively.

GTC is primarily listed on the Warsaw Stock Exchange and inward listed on Johannesburg Stock Exchange.

As of 31 December 2023, the majority shareholder of the Company is GTC Dutch Holdings B.V. (“GTC Dutch”) who holds 337.637.591 shares in the Company representing 58.80% of the Company’s share capital, entitling to 337,637,591 votes in the Company, representing 58.80% 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 359,528,880 shares of GTC S.A., entitling to 359,528,880 votes in the Company, representing 62.61% of the Company’s share capital and carrying the right to 62.61% of the total number of votes in GTC S.A.

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

2. Functional and presentation currencies

The functional currency of GTC S.A. and most of its subsidiaries is euro, as the Group primarily generates and expends cash in euro: prices (rental income) are denominated in euro and all borrowings are denominated in euro or hedged to euro through swap instruments. The functional currency of some of GTC’s subsidiaries is other than euro.

All the financial data in these consolidated financial statements is presented in euro and expressed in million unless indicated otherwise. The financial statements of those companies prepared in their functional currencies are included in the consolidated financial statements by a translation into euro using appropriate exchange rates outlined in IAS 21 *The Effects of Changes in Foreign Exchange Rates*. Assets and liabilities are translated at the period end exchange rate, while income and expenses are translated at average exchange rates for the period if it approximates actual rate. All resulting exchange differences are classified in equity as “Foreign currency translation reserve” without affecting earnings for the period.

For companies with euro as a functional currency, transactions denominated in a foreign currency (including PLN) are recorded in euro at the actual exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are revalued at period-end using period-end exchange rates. Foreign currency translation differences related to valuation as of balance sheet date and settlement of monetary positions denominated in foreign currency are charged to the income statement. The following exchange rates were used for measurement purposes:

	31 December 2023	31 December 2022
PLN/EUR	4.3480	4.6899
USD/EUR	1.1049	1.0654
HUF/EUR	382.78	400.23

3. Basis of preparation and statement of compliance

The Company maintains its books of account in accordance with accounting principles and practices employed by enterprises in Poland as required by the Polish accounting regulations. The companies outside Poland maintain their books of account in accordance with local GAAP. The consolidated financial statements include a number of adjustments not included in the books of account of the Group entities, which were made in order to bring the financial statements of those entities to conformity with IFRS.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU ("EU IFRS"). At the date of authorisation of these consolidated financial statements, taking into account the EU IFRS's ongoing process of IFRS endorsement and the nature of the Group's activities, there is no relevant difference between IFRS applying to these consolidated financial statements and IFRS endorsed by the European Union.

GTC S.A. is the parent that produces consolidated financial statements at the most senior level of the Group. Based on the Management's knowledge, consolidated financial statements at the higher level of the Group, which includes the Group as a subsidiary, are not prepared.

4. Going concern

The Group's policies and processes are aimed at managing the Group's capital, financial and liquidity risks on a sound basis. The Group meets its day to day working capital requirements through the generation of operating cash-flows from rental income. Further details of liquidity risks and capital management processes are described in note 34.

As of 31 December 2023, the Group's net working capital (defined as current assets less current liabilities) was positive and amounted to EUR 89.5.

The management has analysed the timing, nature and scale of potential financing needs of particular subsidiaries and believes that there are no risks for paying current financial liabilities and cash on hand, as well as, expected operating cash-flows will be sufficient to fund the Group's anticipated cash requirements for working capital purposes, for at least the next twelve months from the date of the financial statements. Consequently, the consolidated financial statements have been prepared on the assumption that the Group companies will continue as a going concern in the foreseeable future, for at least twelve months from the date of the financial statements.

Based on management's analysis, the current cash liquidity of the Company and prepared cash flow budget assumptions, the 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 from the date of these financial statements.

Impact of the situation in Ukraine on GTC Group

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

5. Accounting policies

The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022 except for the new standards, which are effective as at 1 January 2023 (see note 6).

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

6. New standards and interpretations that have been issued

STANDARDS ISSUED AND EFFECTIVE FOR FINANCIAL YEARS BEGINNING ON OR AFTER 1 JANUARY 2023:

- IFRS 17 *Insurance Contracts* (issued on 18 May 2017 and amended on 25 June 2020).
- Amendments to IAS 1 - *Disclosure of accounting policies* and IAS 8 - *Definition of accounting estimates* (issued on 12 February 2022).
- Amendment to IFRS 17 *Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information* (issued on 9 December 2022).
- Amendments to IAS 12: *Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction* (issued on 7 May 2022).

The Group's assessment is that the above changes (new standards/amendments) have no material impact on the financial statements of the Group, except for amendments to IAS 1. The amendments to IAS 1 resulted in the review of accounting policies disclosed in financial statements, and some of the previously disclosed policies were deleted. The material accounting policies are disclosed in the relevant notes.

STANDARDS ISSUED BUT NOT YET EFFECTIVE:

- Amendments to IAS 1 *Presentation of Financial Statements: Classification of Liabilities as Current or Non-current* (issued on 23 January 2020 amended 15 July 2020 and 31 October 2023) - not yet endorsed by EU at the date of approval of these financial statements – effective for financial years beginning on or after 1 January 2024.

Other standards issued but not effective are not expected to impact the Group's financial statements.

The effective dates are dates provided by the International Accounting Standards Board. Effective dates in the European Union may differ from the effective dates provided in standards and are published when the standards are endorsed by the European Union.

7. Material accounting policy information

(a) BASIS OF ACCOUNTING

The consolidated financial statements have been prepared on a historical cost basis, except for investment properties, investment property under construction (“IPUC”) if the certain condition described in note 17(ii) are met, share based payments, non-current financial assets and derivative financial instruments that have been measured at fair value.

Key accounting principles are described in particular notes and significant accounting judgements and estimates are presented below.

(b) ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with International Financial Reporting Standards requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and contingent assets and liabilities at the balance date. The actual results may differ from these estimates.

Investment property represents property held for long-term rental yields. Investment property is carried at fair value, which is established at least annually by an independent registered valuer based on discounted projected cash flows from the investment property using the discount rates applicable for the local real estate market and updated by the Management judgment or - as deemed appropriate – on the basis of the income capitalisation or the yield method. The applied methods and main assumptions are defined by the valuers and are disclosed in note 17.

The Group uses estimates in determining the depreciation rates used (note 16, note 27).

The fair value of financial instruments for which no active market exists is assessed by means of appropriate valuation methods. In selecting the appropriate methods and assumptions, the Group applies professional judgment (note 18).

The Group uses estimates in determining the settlement of share-based payments in cash.

(c) SIGNIFICANT ACCOUNTING JUDGEMENTS

In the process of applying the Group’s accounting policies, management has made the following judgments:

The functional currency of GTC S.A. and most of its subsidiaries is euro, as the euro has a significant and pervasive impact on them:

- valuation of investment properties is carried out in euro;
- loans and borrowings are mainly denominated in euro. Debt in other currencies (bonds in HUF) is hedged to euro through cross currency interest rate swaps;
- the majority of all lease contracts is denominated in euro.

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined that it retains all the significant risks and rewards of ownership of these properties which are leased out on such operating leases.

Significant accounting judgements related to investment property are presented in note 17(ii), related to determination of IPUC valuation.

Significant accounting judgements related to market liquidity of investment property are presented in note 34.

The Group classifies its residential inventory to current or non-current assets, based on their development stage within the business operating cycle. The normal operating cycle in most cases does not exceed 5 years. Residential projects, which are active, are classified as current inventory. Residential projects which are planned

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(in millions of EUR)

to be completed in a period longer than the operating cycle are classified as residential landbank under non-current assets.

The Group determines whether a transaction or other event is a business combination by applying the definition of a business in IFRS 3.

The Group recognises deferred tax asset based on the assumption that taxable profits will be available in the future against which the deferred tax asset can be utilised. Deterioration of future taxable profits might render this assumption unreasonable (note 15).

Deferred tax with respect to outside temporary differences relating to subsidiaries was calculated based on an estimated probability that these temporary differences will be realized in the foreseeable future.

The Group also makes an assessment of the probability of realization of deferred tax asset. If necessary, the Group decreases deferred tax asset to the realizable value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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8. Investment in subsidiaries

The consolidated financial statements comprise the financial statements of GTC and the financial statements of its subsidiaries for the year ended 31 December 2023.

The financial statements of the subsidiaries are prepared for the same reporting period as those of the parent company, using consistent accounting policies and based on the same accounting policies applied to similar business transactions and events. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

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

Subsidiaries

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

¹ Liquidated.

² Under liquidation.

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Name	Holding Company	Country of incorporation	31 December 2023	31 December 2022
GTC Origine Investments Pltd. ("GTC Origine")	GTC S.A.	Hungary	100%	100%
GTC HBK Projekt Kft.	GTC Origine	Hungary	100%	100%
GTC VI188 Property Kft.	GTC Origine	Hungary	100%	100%
GTC FOD Property Kft.	GTC Origine	Hungary	100%	100%
G-Delta Adrssy Kft.	GTC Origine	Hungary	100%	100%
GTC KLZ 7-10 Kft.	GTC Origine	Hungary	100%	100%
GTC PSZTSZR Projekt Kft.	GTC Origine	Hungary	100%	100%
GTC DBRNT Projekt Kft.	GTC Origine	Hungary	100%	100%
GTC B41 d.o.o.	GTC Origine	Serbia	100%	100%
GTC MNG d.o.o. ⁴	GTC Origine	Serbia	100%	-
GTC K43-45 Property Kft.	GTC Origine	Hungary	100%	100%
GTC Liffey Kft.	GTC Origine	Hungary	100%	100%
GTC UK Real Estate Investments Ltd.	GTC Origine	United Kingdom	100%	100%
GTC VRSMRT Projekt Kft. ³	GTC Origine	Hungary	100%	-
GTC LCHD Projekt Kft. ³	GTC Origine	Hungary	100%	-
GTC Nekretnine Zagreb d.o.o.	GTC S.A.	Croatia	100%	100%
Euro Structor d.o.o.	GTC S.A.	Croatia	70%	70%
Marlera Golf LD d.o.o.	GTC S.A.	Croatia	100%	100%
Nova Istra Idaeus d.o.o.	Marlera Golf LD d.o.o.	Croatia	100%	100%
GTC Matrix Future d.o.o. ⁴	GTC S.A.	Croatia	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%
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. ⁵	GTC S.A.	Romania	-	66.7%
GML American Regency Pipera S.R.L. ⁶	GTC S.A.	Romania	-	75%
NRL EAD	GTC S.A.	Bulgaria	100%	100%
Advance Business Center EAD	GTC S.A.	Bulgaria	100%	100%
GTC Yuzhen Park EAD	GTC S.A.	Bulgaria	100%	100%
Dorado 1 EOOD	GTC S.A.	Bulgaria	100%	100%
GOC EAD	GTC S.A.	Bulgaria	100%	100%
GTC Flex EAD	GTC S.A.	Bulgaria	100%	100%
Commercial Development d.o.o. Beograd	GTC S.A.	Serbia	100%	100%
Glamp d.o.o. Beograd ⁷	GTC S.A.	Serbia	100%	100%
GTC Aurora Luxembourg S.A.	GTC S.A.	Luxembourg	100%	100%
Europort Investment (Cyprus) 1 Limited	GTC S.A.	Cyprus	100%	100%

³ Acquired (please refer to note 9). Accounted as an asset acquisition not a business combination.

⁴ Newly established wholly-owned subsidiary.

⁵ Sold.

⁶ Liquidated.

⁷ 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.

9. Events in the period

TRANSACTIONS

As of 30 January 2023 the transaction of sale of the Forrest Office Debrecen building for ca. EUR 49.2 owned by GTC FOD Property Kft., a wholly-owned subsidiary of the Company, was completed.

On 31 March 2023, GTC Origine Zrt., a wholly-owned subsidiary of the Company, signed a quota transfer agreement to acquire 100% holding of Tiszai Fény Alfa Kft, which owns 9 newly developed solar power plants with installed nominal capacity of max 0.5 MW each, operating in Tiszafüred, Hungary for a consideration of HUF 2.4 billion (ca EUR 6.4). The transaction was subject to the satisfaction by GTC Origine Zrt. Of the Acknowledgement of Foreign Investor with respect to the acquisition by the Ministry of Economic Development („FDI approval”). The transaction was terminated as the FDI approval has not been obtained from the Ministry until the long stop date.

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

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

On 6 December 2023 GTC Origine Investments Pltd, a wholly-owned subsidiary of the Company, signed a sale and purchase agreement concerning the sale of GTC LCHD Projekt Kft, the owner of a real property located in Budapest. The sale price under the Agreement is EUR 13.2. If the conditions to close the transaction are not met until 28 June 2024 the transaction may be cancelled.

FINANCING

In April 2023, Seven Gardens d.o.o., a wholly-owned subsidiary of the Company, has signed EUR 14 loan agreement with Erste & Steiermarkische Bank d.d. with a maturity of five years following the end of construction period (latest repayment date is June 2029). As of 31 December 2023, EUR 13.1 out of this amount was drawn down.

On 4 May 2023, on the maturity date, GTC S.A. repaid partially bonds issued under ISIN code PLGTC0000318 (one-third of total issue) in the amount of EUR 17.1 (PLN 73.3 million) including the hedge component.

In May 2023, Glamp d.o.o. Beograd, a subsidiary of the Company, has signed EUR 25 loan agreement with Erste Group Bank AG and Erste Bank AD Novi Sad with a maturity of five years from the signing date. As of 31 December 2023, the full amount was drawn down.

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

In November 2023 GTC S.A. cancelled in full revolving credit facility agreement in the amount of EUR 94.

In December 2023, Advance Business Center EAD, a wholly-owned subsidiary of the Company, has signed EUR 36 loan agreement with UniCredit Bulbank EAD with a maturity of five years from the signing date. As of 31 December 2023, the full amount was drawn down.

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MEMBERS OF THE GOVERNING BODIES

On 25 April 2023, Mr. Ariel Ferstman resigned from his seat on the Management Board of the Company. The resignation was effective as of 25 April 2023.

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

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

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

OTHER

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

On 11 December 2023 the GTC Dutch Holdings B.V. ("GTC Dutch"), GTC Holding Zártkörűen Működő Részvénytársaság ("GTC Holding") and Icona Securitization Opportunities Group S.à r.l. ("ISO" and jointly with GTC Dutch and GTC Holding, the "Shareholders") concluded a conditional global settlement agreement aimed to unwind their cooperation with respect to the Company (GSA). Pursuant to the GSA, the Parties agreed, among others, on the transfer of 15.7% shares in the share capital of the Company ("ISO Shares") by ISO to GTC Dutch in connection with redemption in kind of debt instruments issued by ISO ("ISO Shares Transfer") and on conditional termination (upon the due transfer of legal title to ISO Shares from ISO to GTC Dutch) of the following agreements:

- the shareholders' agreement concluded among the Shareholders on 18 February 2022 which entered into force on 1 March 2022, constituting 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 on Public Offering on joint policy towards the Company and exercising of voting rights on selected matters in an agreed manner (the "SHA"); and
- the assignment agreement concluded between GTC Dutch and ISO on 18 February 2022 which entered into force on 1 March 2022, pursuant to which ISO assigned and transferred the voting rights attached to all ISO Shares to GTC Dutch and granted the power of attorney to GTC Dutch to exercise voting rights attached to all ISO Shares (the "Assignment Agreement").

The Company was informed that the transfer of shares in accordance with the GSA did not result in any change in the number of votes in the Company held either jointly or individually by the GTC Dutch and GTC Holding as all voting rights attached to shares were already exercised by GTC Dutch under the Assignment Agreement prior to the execution of the GTC SA.

On 14 December 2023 the Company received a notification that 15 December 2023 the terms of the agreement had been met.

Effects of climate-related matters on financial statements

The climate and environmental risks are subject to risk management and the Risk Management Policy. The role of the Management is to supervise corporate risk, define the scope of risk management, define directions for the development of the risk management system, and determine acceptable risk exposure levels. The Group analysed potential impact of the climate-related matters and concluded that the climate-related matters do not significantly affect these consolidated financial statements.

Climate-related matters were also described in the Group Management Report for the year ended 31 December 2023.

10. Revenue from operations and service charge costs

Renting of property to tenants is the primary activity of GTC Group. For this leasing activity, GTC Group acts as a Lessor. The Group has entered into leases on its property portfolio. Leases, where the Group does not transfer substantially all the risks and benefits of ownership of assets, are classified as operating leases. Rental revenues result from operating leases and are recognised as income over the lease term on a straight-line basis (according to IFRS 16 *Leases*).

Rental income includes variable rental revenue based on tenants' turnover for the year ended 31 December 2023 of EUR 6.1 (2022: EUR 5.9). The remaining revenue is based on fixed contractual rental fees.

The Group has entered into various operational lease contracts on its property portfolio in Poland, Romania, Croatia, Serbia, Bulgaria, and Hungary. The commercial property leases typically include clauses to enable the periodic upward revision of the rental charge according to European Consumer Price Index (CPI).

Future minimum rental revenue under operating leases (not discounted lease payments) from completed projects are as follows:

	31 December 2023	31 December 2022
Within 1 year	130	124
Within 2 year	105	108
Within 3 year	80	79
Within 4 year	57	57
Within 5 year	37	38
Within 6 year	14	24
More than 6 years	16	33
Total	439	463

Most of the revenue from operations is earned predominantly on the basis of amounts denominated in, directly linked to, or indexed by reference to the EUR.

Except from rental revenue mentioned above, the Group has service charge revenue stream. Service charges represent 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. Service charge is billed on a monthly basis with standard payment terms, based on service fee rate agreed in the contract, which represents the best estimate for a particular project. Allocation of service charge to tenants is done based on the leased area.

Heating, water, and sewage are billed separately on a monthly basis, based on leased area and rates agreed in the contract. Revenue from other services in lease agreements represent non-lease components and are accounted for using rules described below.

The Group recognises revenue from service charge over time because the customer simultaneously receives and consumes the benefits provided to them.

The Group recognizes service charge revenue under two models:

- **Acting as an agent.** Some tenants install counters for electricity. In this case, the invoices for electricity are billed through GTC entities and addressed to the tenants directly. For financial statements purposes such income and expenses are disclosed on a net basis, as GTC acts as an agent.
- **Acting as a principal.** In the other cases, all service charges are billed to GTC entities. The Group bills the tenants based on the rates in the contract on a monthly basis. In the office segment, by the end of the year, the Group does reconciliation of actual service charges costs vs. billed one, and then bills for deficit or return the overpayment to the tenant if it is required. For financial statements purposes such expenses are disclosed on a gross basis, as GTC acts as a principal, because it typically controls the goods or services before transferring them to the customer.

Details about rental and service charge revenue by country are presented in note 14.

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Service charge costs comprise the following:

	Year ended 31 December 2023	Year ended 31 December 2022
Usage of materials and energy	13.3	10.9
Third party services	30.0	26.0
Remuneration and fees	2.8	2.7
Taxes and fees	8.5	7.4
Other	0.6	0.4
Total	55.2	47.4

11. Selling expenses

Selling expenses comprise the following:

	Year ended 31 December 2023	Year ended 31 December 2022
External services – advertising and marketing	0.7	0.6
Payroll and related expenses	2.0	1.2
Total	2.7	1.8

12. Administration expenses

Administration expenses comprise the following:

	Year ended 31 December 2023	Year ended 31 December 2022
Remuneration and other employee benefits	13.5	9.2
Audit and valuations	1.4	1.3
Legal, tax, IT and other advisory	1.9	1.8
Office and insurance expenses	1.8	1.5
Travel expenses	0.4	0.4
Supervisory board remuneration fees	0.4	0.3
Depreciation	1.0	0.5
Investors relations and other expenses	0.8	0.7
Total before share based payment	21.2	15.7
Share based payment	(0.8)	(0.7)
Total	20.4	15.0

13. Finance income and finance expense

Finance income comprises the following:

	Year ended 31 December 2023	Year ended 31 December 2022
Interest on deposits and other	0.8	1.1
Interest on loan granted to non-controlling interest	0.6	0.3
Total	1.4	1.4

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Finance expense comprises the following:

	Year ended 31 December 2023	Year ended 31 December 2022
Interest expenses ⁸ (including hedge effect)	(30.2)	(28.9)
Finance costs related to lease liability	(1.9)	(1.9)
Other	(2.5)	(2.3)
Total	(34.6)	(33.1)

The weighted average interest rate (including hedges) on the Group's loans (excluding loans related to assets held for sale) as of 31 December 2023 was 2.48% p.a. (2.21% p.a. as of 31 December 2022).

14. Segmental analysis

The operating segments are aggregated into reportable segments, taking into consideration the nature of the business, operating markets, and other factors. Operating segments are divided into geographical zones, which have common characteristics and reflect the nature of management reporting structure: Poland, Hungary, Bucharest, Belgrade, Sofia, Zagreb and others. The Management Board is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment profit measure is gross margin from operations.

Financial data prepared for the purpose of management reporting, on which segment reporting is based, is based on the same accounting principles that are used in the preparation of the consolidated financial statements of the Group.

Sector analysis of rental and service charge income for the years ended 31 December 2023 and 31 December 2022 is presented below:

	Year ended 31 December 2023	Year ended 31 December 2022
Rental income from office sector	85.1	75.1
Service charge revenue from office sector	29.1	24.7
Rental income from retail sector	52.1	48.5
Service charge revenue from retail sector	17.1	18.3
Total	183.4	166.6

Segment analysis of rental income and costs for the years ended 31 December 2023 and 31 December 2022 is presented below:

Portfolio	Year ended 31 December 2023				Year ended 31 December 2022			
	Rental revenue	Service charge revenue	Service charge costs	Gross margin from operations	Rental revenue	Service charge revenue	Service charge costs	Gross margin from operations
Poland	53.9	17.9	(22.2)	49.6	49.9	18.3	(19.1)	49.1
Belgrade	10.6	3.6	(3.9)	10.3	7.9	2.5	(3.0)	7.4
Hungary	38.6	14.7	(16.8)	36.5	34.5	12.8	(13.5)	33.8
Bucharest	9.6	2.6	(3.2)	9.0	8.5	2.4	(3.4)	7.5
Zagreb	9.2	3.7	(4.6)	8.3	10.6	4.0	(4.4)	10.2
Sofia	15.3	3.7	(4.5)	14.5	12.2	3.0	(4.0)	11.2
Total	137.2	46.2	(55.2)	128.2	123.6	43.0	(47.4)	119.2

⁸ Comprise interest expenses on financial liabilities that are not fair valued through profit or loss, banking costs and other charges.

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Segment analysis of assets and liabilities as of 31 December 2023 is presented below:

	Real estate ⁹	Cash and deposits	Other	Total assets	Loans, bonds and leases ¹⁰	Deferred tax liabilities	Other	Total liabilities
Poland	859.0	40.6	14.2	913.8	269.9	55.5	19.2	344.6
Belgrade	177.7	5.9	2.6	186.2	25.8	2.5	5.0	33.3
Hungary	744.0	20.8	35.5	800.3	266.7	19.8	16.1	302.6
Bucharest	177.2	4.7	1.0	182.9	6.6	12.3	2.8	21.7
Zagreb	139.1	3.3	13.5	155.9	56.9	17.1	4.7	78.7
Sofia	198.5	6.3	1.6	206.4	36.1	8.7	4.0	48.8
Other	32.7	-	0.3	33.0	2.2	-	0.3	2.5
Non allocated ¹¹	-	9.2	168.9	178.1	660.0	19.2	19.0	698.2
Total	2,328.2	90.8	237.6	2,656.6	1,324.2	135.1	71.1	1,530.4

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

	Real estate ²	Cash and deposits	Other	Total assets	Loans, bonds and leases ³	Deferred tax liabilities	Other	Total liabilities
Poland	874.1	28.3	20.9	923.3	277.7	61.3	14.7	353.7
Belgrade	175.7	4.8	2.4	182.9	0.8	3.1	8.0	11.9
Hungary	747.0	17.2	24.8	789.0	269.6	19.4	15.3	304.3
Bucharest	179.3	6.5	1.6	187.4	9.4	12.0	2.8	24.2
Zagreb	125.1	5.6	12.0	142.7	43.7	16.4	5.6	65.7
Sofia	199.4	4.6	1.2	205.2	-	8.7	6.9	15.6
Other	30.6	0.4	0.4	31.4	2.3	-	-	2.3
Non allocated ¹²	-	72.7	135.3	208.0	684.3	20.3	52.0	756.6
Total	2,331.2	140.1	198.6	2,669.9	1,287.8	141.2	105.3	1,534.3

15. Taxation

Current corporate income tax of the Group companies is calculated in accordance with tax regulations ruling in a particular country of operations and is based on the profit or loss reported under relevant tax regulations.

The Group companies do not recognize the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax asset that might be utilised. At each reporting date, the Group companies re-assess unrecognised deferred tax assets and the carrying amount of deferred tax assets.

Deferred tax assets and deferred tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities, and the deferred tax assets and deferred tax liabilities relate to income taxes that are levied by the same taxation authority.

The Group companies are subject to taxes in the following jurisdictions: Poland, Serbia, Romania, Hungary, Bulgaria, Cyprus, Croatia, Luxembourg and United Kingdom. The Group does not constitute a tax group under any local legislation. Therefore, every company in the Group is a separate taxpayer.

⁹ Comprise investment properties, residential landbank, assets held for sale and value of buildings (including right of use).

¹⁰ Excluding deferred issuance debt expenses.

¹¹ Other assets represent mainly non-current financial assets. Loans, bonds and leases comprise mainly issued bonds. Other liabilities include mainly derivatives.

¹² Other assets represent mainly non-current financial assets. Loans, bonds and leases comprise mainly issued bonds. Other liabilities include mainly derivatives.

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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.

On 15 July 2016, amendments were made to the Polish Tax Ordinance to introduce the provisions of the General Anti-Avoidance Rule (GAAR). GAAR are targeted to prevent origination and use of factitious legal structures made to avoid payment of tax in Poland. The implementation of the above provisions enables Polish tax authority to challenge arrangements realized by tax remitters as restructuring or reorganization.

The enacted tax rates in the various countries were as follows:

Tax rate	Year ended 31 December 2023	Year ended 31 December 2022
Poland	19%	19%
Hungary	9%	9%
Bulgaria	10%	10%
Serbia	15%	15%
Croatia	18%	18%
Romania	16%	16%
Cyprus	12.5%	12.5%
Luxembourg	24.94%	24.94%
United Kingdom	25%	25%

The major components of tax expense are as follows:

	Year ended 31 December 2023	Year ended 31 December 2022
Current corporate and capital gain tax expense	6.5	12.6
Deferred tax expense / (income)	(4.5)	0.2
Total	2.0	12.8

The reconciliation between tax expense and accounting profit multiplied by the applicable tax rates is presented below:

	Year ended 31 December 2023	Year ended 31 December 2022
Accounting result before tax	14.4	37.6
Taxable expenses at the applicable tax rate	(4.1)	5.9
Tax effect of expenses that are not deductible	1.0	2.3
Commercial property tax	-	0.1
Tax effect of foreign currency differences	0.8	0.8
Withholding tax	0.6	0.5
Unrecognised deferred tax asset on losses in current year	3.5	2.4
Other	0.2	0.8
Tax expense / (income)	2.0	12.8

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The components of the deferred tax balance were calculated at the rate applicable when the Group expects to recover or settle the carrying amount of the asset or liability.

Net deferred tax assets comprise the following:

	As of 1 January 2022	Credit / (charge) to income statement	Credit / (charge) to equity	As of 31 December 2022	Credit / (charge) to income statement	Credit / (charge) to equity	As of 31 December 2023
Financial instruments ¹³	17.5	3.1	(1.0)	19.6	(6.0)	(1.4)	12.2
Tax loss carried forwards	4.1	(0.6)	-	3.5	1.5	-	5.0
Differences in non-current assets ¹⁴	1.6	0.7	0.1	2.4	(2.0)	-	0.4
Accruals	1.6	(0.5)	-	1.1	(0.2)	-	0.9
Netting ¹⁵	(21.0)	(3.2)	0.8	(23.4)	6.9	(0.2)	(16.7)
Net deferred tax assets	3.8	(0.5)	(0.1)	3.2	0.2	(1.6)	1.8

Net deferred tax liability comprises the following:

	As of 1 January 2022	Credit / (charge) to income statement	Credit / (charge) to equity	Disposal of subsidiary	As of 31 December 2022	Credit / (charge) to income statement	Credit / (charge) to equity	As of 31 December 2023
Financial instruments ¹³	(21.4)	(1.6)	(3.2)	-	(26.2)	(1.9)	1.5	(26.6)
Differences in non-current assets ¹⁴	(139.7)	(1.8)	-	3.1	(138.4)	13.3	-	(125.1)
Netting	21.0	3.7	(0.8)	(0.5)	23.4	(7.1)	0.3	16.6
Net deferred tax liability	(140.1)	0.3	(4.0)	2.6	(141.2)	4.3	1.8	(135.1)

¹³ Mostly unrealized interest, foreign exchange differences and valuation of derivatives.

¹⁴ Related to difference between book value and tax value of investment properties.

¹⁵ Within a particular company, deferred tax assets are accounted separately from deferred tax liabilities as they are independent in their nature. However, as they represent a future settlement between the same parties, they are netted off for the purpose of the presentation in financial statements.

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Tax settlements may be subject to inspections by tax authorities. Accordingly, the amounts shown in the financial statements may change at a later date as a result of the final decision of the tax authorities.

If, according to the Group's assessment, it is probable that the tax authorities will accept an uncertain tax treatment or a group of uncertain tax treatments, the Group determines taxable income (tax loss), tax base, unused tax losses and unused tax credits and tax rates, after considering in its tax return the applied or planned approach to taxation.

If the Group ascertains that it is not probable that the tax authorities will accept an uncertain tax treatment or a group of uncertain tax treatments, the Group reflects the impact of this uncertainty in determining taxable income (tax loss), unused tax losses, unused tax credits or tax rates. The Group accounts for this effect using the following methods:

- determining the most probable amount – it is a single amount from among possible results or
- providing the expected amount – it is the sum of the amounts weighted by probability from among possible results.

The Group companies have tax losses carried forward as of 31 December 2023 available in the amount of EUR 128.5 (EUR 161 as of 31 December 2022). The expiry dates of these tax losses are presented below:

Expiry date	Year ended 31 December 2023
Within one year	22.6
2-5 years	82.6
Afterwards	23.3

As of 31 December 2023, the Group did not recognize deferred tax assets for tax losses carried forward in the amount of EUR 72 (EUR 129 as of 31 December 2022), as the Group believes that these losses will not be utilized within the claim period.

16. Property, plant, and equipment

Plant and equipment consist of vehicles and equipment. Property, plant and equipment are recorded at cost less accumulated depreciation and impairment adjustment. Depreciation is provided using the straight-line method over the estimated useful life of an asset. Reassessment of the useful lives and indications for impairment is performed each quarter.

The following depreciation rates have been applied:

	Depreciation rates
Equipment	7-20%
Buildings (own used assets)	2-10%
Vehicles	20%

The movement in property, plant, and equipment for the year ended 31 December 2023 was as follows:

	Buildings and related improvements	Right of use assets ¹⁶	Equipment and software	Vehicles	Total
Gross carrying amount					
As of 1 January 2023	8.5	2.4	2.5	1.4	14.8
Additions	2.5	0.3	0.3	0.6	3.7
Transfers	2.4	-	-	-	2.4
Disposals and other decreases	-	-	(0.2)	(0.3)	(0.5)
As of 31 December 2023	13.4	2.7	2.6	1.7	20.4
Accumulated Depreciation					
As of 1 January 2023	1.4	0.1	1.6	0.6	3.7
Charge for the period	0.3	0.3	0.2	0.2	1.0
Transfers	-	-	-	-	-
Disposals and other decreases	(0.1)	-	(0.1)	(0.1)	(0.3)
As of 31 December 2023	1.6	0.4	1.7	0.7	4.4
Net book value	11.8	2.3	0.9	1.0	16.0

The movement in property, plant, and equipment for the year ended 31 December 2022 was as follows:

	Buildings and related improvements	Right of use assets	Equipment and software	Vehicles	Total
Gross carrying amount					
As of 1 January 2022	8.2	0.2	1.8	0.8	11.0
Additions	1.0	2.4	0.4	0.7	4.5
Transfers	-	-	0.4	-	0.4
Disposals and other decreases	(0.7)	(0.2)	(0.1)	(0.1)	(1.1)
As of 31 December 2022	8.5	2.4	2.5	1.4	14.8
Accumulated Depreciation					
As of 1 January 2022	1.2	0.1	1.4	0.4	3.1
Charge for the period	0.2	0.1	-	0.2	0.5
Transfers	-	-	0.3	-	0.3
Disposals and other decreases	-	(0.1)	(0.1)	-	(0.2)
As of 31 December 2022	1.4	0.1	1.6	0.6	3.7
Net book value	7.1	2.3	0.9	0.8	11.1

¹⁶ Mainly relates to building and related improvements.

17. Investment property

Investment property comprises a land plot or a building or a part of a building held to earn rental income and/or for capital appreciation and property that is being constructed or developed for future use as an investment property (investment property under construction). Investment properties that are owned by the Group are office and retail space.

(i) Completed Investment properties

Completed investment properties are stated at fair value according to the fair value model, which reflects market conditions at the reporting date. Any gain or loss arising from a change in the fair value of investment property is recognized in the profit or loss for the year in which it arose.

Completed investment properties were externally valued by independent appraisers as of 31 December 2023 and 31 December 2022 based on open market values (RICS Standards). Completed properties are valued on the basis of discounted cash flow (DCF). Level 3 category of fair value hierarchy is applied.

Transfers are made to investment property only when there is a change in use, evidenced by the end of owner occupation or commencement of a lease. Transfers are made from investment property only when there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sale.

The costs incurred to originate a lease (mainly brokers' fees) for available rental space are added to the carrying value of investment property until the date of revaluation of the related investment property to its fair value. If as of the date of revaluation, the carrying value is higher than the fair value, the costs are recognized in the income statement.

(ii) Investment property under construction ("IPUC")

Investment properties under construction are measured at fair value, once a substantial part of the development risks has been eliminated so fair value can be established reliably. IPUC, which does not meet this condition, is presented at a recoverable amount, not exceeding the sum of fair value of land and capitalized expenditures. The recoverable amount is determined based on a fair value, externally valued by independent appraisers.

The land is reclassified to IPUC at the moment, at which active development of this land begins (i.e. when construction works start).

The Group has adopted the following criteria to assess whether the substantial risks are eliminated with regard to particular IPUC:

- agreement with a general contractor is signed;
- a building permit is obtained;
- at least 20% of the rentable area is leased to tenants (based on the signed lease agreements and letters of intent);
- financing is secured (including internal).

The fair values of IPUC were determined as at their development stage at the end of the reporting period. Valuations were performed in accordance with RICS and IVSC Valuation Standards using the residual method approach. Level 3 category of fair value hierarchy is applied.

The future assets' value is estimated based on the expected future income from the project, using discount rate which includes business risk, related to construction process (completion on time or within the budget). The remaining expected costs to completion are deducted from the estimated future assets value.

For projects where the completion is expected in the future, also a developer profit margin of unexecuted works is deducted from the value. The profit margin deducted is adjusted when the construction is closer to completion.

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Borrowing costs directly attributable to the construction of an IPUC that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

The interest capitalised is calculated using the Group's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amount capitalised is the interest incurred on those borrowings less any investment income arising on their temporary investment. Interest is capitalised from the commencement of the development work until the date of practical completion. The capitalisation of finance costs is suspended if there are prolonged periods when development activity is interrupted.

(iii) Investment property landbank

Investment property landbank are valued using residual (30% of total balance) or comparison methods (70% of total balance), by independent appraisers at year end and half year based on open market values (RICS Standards). Level 3 category of fair value hierarchy is applied.

(iv) Right of use assets

Please refer to note 27.

(v) Investment property value

Investment property can be split up as follows:

	31 December 2023	31 December 2022
Completed investment property	2,007.4	2,002.9
Investment property under construction	67.5	51.5
Investment property landbank	158.5	150.4
Right of use of lands under perpetual usufruct (IFRS 16)	40.0	38.9
Total	2,273.4	2,243.7

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

	Right of use of lands under perpetual usufruct (IFRS 16)	Completed investment property	Investment property under construction	Landbank	Total
Carrying amount as of 1 January 2022	38.4	1,930.0	132.4	139.8	2,240.6
Capitalised expenditure	-	17.0	72.4	2.7	92.1
Purchase of completed assets	-	8.0	10.2	40.3	58.5
Reclassification ¹⁷	-	182.3	(161.2)	(21.1)	-
Gain/(Loss) from revaluation	-	(25.3)	(2.3)	0.7	(26.9)
Revaluation of right of use of lands under perpetual usufruct	(0.5)	-	-	-	(0.5)
Reclassified to assets held for sale	(1.4)	(47.7)	-	(3.2)	(52.3)
Increase	2.4	-	-	-	2.4
Disposal of land ¹⁸	-	-	-	(8.8)	(8.8)
Sale of completed building ¹⁹	-	(61.4)	-	-	(61.4)
Foreign exchange differences	-	-	-	-	-
Carrying amount as of 31 December 2022	38.9	2,002.9	51.5	150.4	2,243.7
Capitalised expenditure	-	38.7	40.1	6.3	85.1
Purchase of land ²⁰	-	-	-	13.1	13.1
Reclassification ²¹	-	34.0	(21.7)	(12.3)	-
Reclassified to assets held for sale	-	-	-	(10.1)	(10.1)
Gain/(Loss) from revaluation	-	(66.2)	(2.4)	11.1	(57.5)
Revaluation of right of use of lands under perpetual usufruct	(0.8)	-	-	-	(0.8)
Classified to assets for own use	-	(2.4)	-	-	(2.4)
Other changes	(0.1)	0.4	-	-	0.3
Foreign exchange differences	2.0	-	-	-	2.0
Carrying amount as of 31 December 2023	40.0	2,007.4	67.5	158.5	2,273.4

Reconciliation between capitalized expenditures and paid expenditures is presented below:

	Year ended 31 December 2023	Year ended 31 December 2022
Capitalized expenditures (including purchase of completed assets and land)	98.2	150.6
Change in payables and provisions related to investing activities	11.0	(9.8)
Change in receivables related to investing activities	14.1	(0.8)
Expenditures related to residential landbank	1.3	1.4
Purchase of property, plant and equipment	3.2	2.1
Paid expenditures in line with cash flow statement	127.8	143.5

¹⁷ Completion of Pillar building in Hungary in Q1 2022 (EUR 112m), GTC X in Serbia (EUR 50.4m) and Sofia Tower in Sofia (EUR 19.9m) in Q4 2022. Moreover, commencement of Center Point III construction (transfer from landbank to under construction).

¹⁸ Sale of land plots in Poland.

¹⁹ Sale of Cascade and Matrix buildings.

²⁰ Further details in note 9 *Events in the period*.

²¹ Completion of a part of Rose Hill project (EUR 10.9m) in Budapest (Hungary) in Q2 2023 and Matrix C (EUR 23.1m) in Zagreb (Croatia) in Q3 2023. Moreover, commencement of G-Delta Andrássy project in Budapest (transfer from landbank to under construction) in Q2 2023.

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Fair value and impairment adjustment consists of the following:

	Year ended 31 December 2023	Year ended 31 December 2022
Adjustment to fair value of completed investment properties	(66.2)	(25.3)
Adjustment to the fair value of investment properties under construction	(2.4)	(2.3)
Adjustment to the fair value of landbank	11.1	0.7
Total adjustment to fair value of investment property	(57.5)	(26.9)
Adjustment to fair value of financial assets and other	2.7	(0.2)
Revaluation of right of use of lands under perpetual usufruct (including residential landbank)	(0.8)	(1.7)
Impairment of residential landbank	(0.7)	(0.6)
Total recognised in profit or loss	(56.3)	(29.4)

Segment analysis of adjustment to fair value of completed investment properties is presented below:

	Year ended 31 December 2023	Year ended 31 December 2022
Poland	(45.1)	(30.0)
Belgrade	(0.4)	10.5
Hungary	(14.0)	(1.5)
Bucharest	(7.0)	(3.5)
Zagreb	4.6	2.5
Sofia	(4.3)	(3.4)
Total adjustment to fair value of completed assets	(66.2)	(25.4)

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

Portfolio	Book value	GLA	Average	Actual	Average	Average
		thousand	Occupancy	Average	ERV ²²	Yield ²³
		sqm	%	EUR/ sqm/m	EUR/ sqm/m	%
Poland retail	432.6	114	95%	22.1	22.6	6.6%
Poland office	335.4	195	77%	15.5	14.3	8.3%
Belgrade retail	90.0	34	99%	19.9	21.7	9.0%
Belgrade office	49.5	18	100%	18.4	18.5	7.7%
Hungary office	595.8	203	87%	20.3	16.8	7.2%
Hungary retail	20.3	6	96%	20.9	18.2	7.8%
Bucharest office	161.9	62	82%	19.4	18.6	7.3%
Zagreb retail	85.0	28	99%	23.8	22.6	9.1%
Zagreb office	43.1	18	95%	16.3	16.6	7.6%
Sofia office	113.1	52	86%	16.5	15.9	7.8%
Sofia retail	80.7	23	99%	24.4	25.0	8.1%
Total	2,007.4	753	87%	19.3	17.9	7.5%

²² 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).

²³ Average yield is calculated as in-place rent divided by fair value of asset.

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

Portfolio	Book value	GLA thousand sqm	Average Occupancy %	Actual Average rent EUR/ sqm/m	Average ERV ²² EUR/ sqm/m	Average Yield ²³ %
Poland retail	442.7	114	95%	21.5	21.6	6.2%
Poland office	356.4	195	80%	14.7	14.2	7.7%
Belgrade retail	90.0	34	100%	18.7	21.0	8.5%
Belgrade office	50.4	18	94%	18.0	18.2	7.2%
Hungary office	584.0	198	87%	16.8	16.3	6.0%
Hungary retail	20.7	6	89%	18.1	18.5	6.0%
Bucharest office	163.8	62	74%	18.8	17.8	6.3%
Zagreb retail	84.8	28	98%	21.7	22.3	8.3%
Zagreb office	14.8	7	96%	15.5	14.9	8.4%
Sofia office	113.6	52	89%	16.0	15.3	7.9%
Sofia retail	81.7	23	97%	22.3	23.1	7.2%
Total	2,002.9	737	87%	17.7	17.3	6.8%

Inter-relationship between key unobservable inputs and fair value measurements of completed assets for the discounted cash flow (DCF) method in the year ended 31 December 2023:

	Estimated change	Estimated total fair value of completed assets following the change
Increase of 5% in ERV	86.3	2,093.7
Decrease of 5% in ERV	(86.4)	1,921.0
Increase of 25bp in Cap rates	(48.8)	1,958.6
Decrease of 25bp in Cap rates	50.9	2,058.3

Information regarding investment properties under construction as of 31 December 2023 and 31 December 2022 is presented below:

	31 December 2023	31 December 2022	Estimated area (GLA) thousand sqm
Budapest (Center Point III)	41.4	19.5	36
Budapest (G-Delta Andrassy)	19.2	-	4
Budapest (Rose Hill Business Campus)	6.9	17.0	11
Zagreb (Matrix C)	-	15.0	-
Total	67.5	51.5	51

The following table presents significant unobservable inputs used in the fair value measurement of investment property under construction for the residual method in the year ended 31 December 2023:

Significant unobservable inputs	Range
Estimated rental value (ERV)	12.0 – 19.75 EUR/sqm /month
Capitalisation rate (Cap rate)	6.0 – 6.9%
Hard costs	2,000 – 4,700 EUR/sqm/GLA

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

	31 December 2023	31 December 2022
Poland	53.1	38.8
Hungary	47.4	55.1
Serbia	36.2	34.5
Romania	7.5	7.4
Bulgaria	3.5	4.1
Croatia	10.8	10.5
Total	158.5	150.4

Inter-relationship between key unobservable inputs and fair value measurements of investment property under construction for the residual method in the year ended 31 December 2023:

	Estimated change	Estimated total fair value of IPUC following the change
Increase of 5% in ERV	8.8	76.3
Decrease of 5% in ERV	(8.6)	58.9
Increase of 25bp in Cap rates	(6.7)	60.8
Decrease of 25bp in Cap rates	7.5	75.0
Increase of 5% in expected construction costs	(5.4)	62.1
Decrease of 5% in expected construction costs	5.4	72.9

The following table presents significant unobservable input used in the fair value measurement of investment property landbank for the residual method in the year ended 31 December 2023:

Significant unobservable inputs	Range
Capitalisation rate (Cap rate)	7.75% - 8.0%

Inter-relationship between key unobservable inputs and fair value measurements of investment property landbank for the residual method in the year ended 31 December 2023:

	Estimated change	Estimated total fair value of landbank following the change
Increase of 25bp in Cap rates	(6.7)	42.5
Decrease of 25bp in Cap rates	7.5	52.4

Inter-relationship between key unobservable inputs and fair value measurements of investment property landbank for the comparable method in the year ended 31 December 2023:

	Estimated change	Estimated total fair value of landbank following the change
Increase of 5% in price	5.6	116.8
Decrease of 5% in price	(5.6)	105.6

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

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

	31 December 2023	31 December 2022
Notes (Ireland)	119.1	117.6
Units (Trigal)	13.9	12.6
ACP Fund	2.1	0.1
Total	135.1	130.3

In the year ended 31 December 2023 GTC S.A. invested additionally EUR 3.6, including EUR 1.4 in the Irish project and EUR 2.2 in the ACP Fund.

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

18.1 Notes (Ireland)

On 9 August 2022, a subsidiary of the Company invested via a debt instrument into a joint investment into the innovation park in County Kildare, Ireland (further Kildare Innovation Campus or "KIC"). The idea of the project is to build a database centre with power capacity of 179 MWs. GTC's investment comprised acquiring upfront notes in the value of EUR 115 and in accordance with the investment documentations GTC is obliged to further invest up to agreed amount of ca. EUR 9 to cover the costs indicated in the business plan and comprising such costs as permitting, financing, capex as well as operating costs of the business. As of 31 December 2023 the Company has already additionally invested EUR 4, which were spent in accordance with the business plan as indicated above.

The investment was executed by acquisition of 25% of notes (debt instrument) issued by a Luxembourg securitization vehicle, a financial instrument which gives the right to return at the exit from the project and dependent on the future net available proceeds derived from the project, including a promote mechanism. The maturity date for these notes is 9 August 2032. GTC expects to execute a cash inflow from the project at the maturity date or at an early exit date.

The investment is treated as joint investment due to the following: GTC has indirect economical rights through their notes protected by the GTC's consent to the reserved matters such as material deviation from the business plan, partial or total disposal of material assets [transfer of units] etc. This debt instrument does not meet the SPPI test therefore it is measured at fair value through profit or loss.

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 KIC currently generates around EUR 3.7 gross rental income per annum from the rental of the office and warehouse space and parking spaces on the KIC grounds.

A masterplan was permitted whereby the site and the campus are planned to be converted into a Life Science and Technology campus with a total of approximately 148,000 sq m. The planning permit was issued initially on 7 September 2023 and was finalized on 22 January 2024.

In January 2024 the contract with a major client was signed for the full capacity of the project (179MW).

The next milestones for the project include completion of site highways and infrastructure works as well as power infrastructure works by 26 February 2028 (Phase 1).

GTC's investment is protected by customary investor protection mechanisms in the case of certain significant project milestones are not achieved in a satisfactory manner.

As of 31 December 2023 the fair value of the notes were valued by Kroll Advisory (Ireland) Limited ("Kroll") in accordance with IFRS 13 *Fair Value Measurement* (fair value at level 3). Kroll estimated the range of fair value

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of the notes between EUR 115 and EUR 135. The project value used in the valuation of the instrument was established by Kroll Advisory (Ireland) Limited as of 31 December 2023, in accordance with the appropriate sections of the Valuation Technical and Performance Standards (“VPS”) contained within the RICS Valuation – Global Standards 2022 (the “Red Book”). Key unobservable inputs used in the valuation are cost per MW, rent per KW/month and yield. Impact of changes by 2.5% or 5% in these inputs will not be higher than corresponding changes in GDV presented below.

Management concluded that the current book value of the notes represents their fair value, what is within the range estimated by Kroll.

The following table presents significant unobservable inputs used in the fair value measurement of the notes in the year ended 31 December 2023:

Significant unobservable inputs	Input
Estimated discount rate	35.23%
Gross Development Value (GDV)	4,600 EUR

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

	Total Fair Value of financial instrument	
	Increase	Decrease
Change in estimated discount rate by 5%	118.5	129.1
Change in estimated discount rate by 10%	113.9	135.1
Change in estimated GDV by 2.5%	128.5	118.6
Change in estimated GDV by 5%	133.4	113.6

18.2 Units (Trigal)

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 from an entity related to the Majority shareholder. The Fund is focused on commercial real estate investments in Slovenia and Croatia with a total gross asset value of EUR 68.75. The fund expected maturity is in Q4 2028. Valuation is based on fund management report, where NAV is measured at fair value allocated to our investment share (fair value at level 2).

18.3 ACP Fund

ACP Credit I SCA SICAV-RAIF (hereinafter referred as “ACP Fund”) is a reserved alternative investment fund seated in Luxemburg with 2 compartments. GTC has a total commitment of EUR 5 in ACP Fund, and total of EUR 2.2 was called up to the end of 2023. ACP Fund investment strategy is to build a portfolio of secured income-generating debt instruments in SMEs and medium-sized companies in Central Europe. Valuation is based on fund management report, where NAV is measured at fair value allocated to our investment share (fair value at level 2).

19. Residential landbank

Inventory related to residential projects under construction is stated at the lower of cost and net realisable value. The realisable value is determined using the Discounted Cash Flow method or Comparison method by independent appraisers. Costs relating to the construction of a residential project are included in the inventory.

Commissions paid to sales or marketing agents on the sale of real estate units, which are not refundable, are expensed in full when the contract to sell is secured.

The movement in residential landbank for the years ended 31 December 2022 and 31 December 2023 was as follows:

	Residential landbank
Carrying amount as of 1 January 2022	27.0
Revaluation of right of use of lands under perpetual usufruct	(0.1)
Capitalized expenditure	1.4
Reversal of impairment/(impairment)	(1.7)
Carrying amount as of 31 December 2022	26.6
Capitalized expenditure	1.3
Reversal of impairment/(impairment)	(0.7)
Carrying amount as of 31 December 2023	27.2

The carrying amount of residential landbank as of 31 December 2023 refers to non-core land plots designated for residential development in Croatia, Hungary and Romania.

20. Derivatives

The Group uses derivative financial instruments, such as interest rate swaps and caps, to hedge its interest rate risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Group applies hedge accounting. For the purpose of hedge accounting, hedges are classified as cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The Group uses both qualitative and quantitative methods for assessing effectiveness of the hedge.

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group holds instruments (IRS, CAP and cross-currency interest rate SWAP) that hedge the risk involved in fluctuations of interest rate and foreign currencies' rates. The instruments hedge interest on loans and bonds for a period of 1-10 years.

The fair value of derivatives is determined by using discounted cash flow method using observable inputs (fair value level hierarchy 2). Fair value of derivatives is measured using cash flows models based on the data from publicly available sources.

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Derivatives are presented in financial statements as below:

	31 December 2023	31 December 2022
Non-current assets	2.3	17.1
Current assets	11.9	7.8
Non-current liabilities	(18.7)	(46.8)
Current liabilities	-	(2.2)
Total	(4.5)	(24.1)

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

	31 December 2023	31 December 2022
Fair value as of the beginning of the year	(24.1)	(40.6)
Charged to other comprehensive income	8.0	27.5
Charged to profit or loss ²⁴	11.6	(11.0)
Fair value as of the end of the year	(4.5)	(24.1)

During the reporting period no material ineffectiveness of hedging with effect in profit or loss occurred.

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

	31 December 2023	31 December 2022
Hedge reserve as of the beginning of the year	(7.5)	(30.9)
Charged to other comprehensive income	19.6	16.5
Realized in the period (charged to profit or loss) ²⁵	(11.6)	11.0
Total impact on other comprehensive income	8.0	27.5
Income tax on hedge transactions	0.2	(4.1)
Hedge reserve as of the end of the year	0.7	(7.5)

Instruments	Nature of hedge item	Nominal amount of hedge item	Currency	31 December 2023	Nominal amount of hedge item	Currency	31 December 2022
IRS (EURIBOR 3M)	Loans	325	EUR	12.5	315	EUR	23.7
SWAP (fixed to fixed / HUF)	Bonds	59,400	HUF	(18.3)	59,400	HUF	(46.8)
SWAP (WIBOR 6M / PLN)	Bonds	-	PLN	-	147	PLN	(2.2)
Other derivatives				1.3			1.2
Total				(4.5)			(24.1)

²⁴ This profit/loss mainly offset a foreign exchange difference losses/gains on bonds nominated in PLN and HUF.

²⁵ This profit/loss mainly offset a foreign exchange difference losses/gains on bonds nominated in PLN and HUF.

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Derivatives as of 31 December 2023 and 31 December 2022 consist mainly of IRS and cross-currency interest rate swaps.

Instruments	Measurement	Rate range for interest	Currency rate for SWAP
IRS (EURIBOR 3M)	Fair value	(-0.3%) – (2.87%)	n/a
SWAP (fixed to fixed / HUF)	Fair value	0.92% - 0.99%	360.33 – 367.66
SWAP (WIBOR 6M / PLN)	Fair value	4.02%	4.2845

For more information regarding derivatives, see note 34.

21. Trade payables and provisions

Main titles of trade payables and provisions are presented below:

	31 December 2023	31 December 2022
Payables related to investing activity	13.1	26.0
Current portion of lease liabilities	0.5	0.4
Payables related to withholding tax	2.0	1.6
Advances received	2.1	1.1
Other trade payables and provisions	16.3	13.5
Total	34.0	42.6

22. Blocked deposits

Blocked deposits include deposits related to loan agreements and other contractual commitments and can be used only for certain operating activities as determined by underlying agreements. Blocked deposits related to contractual commitments include mostly tenants' deposit accounts, security accounts and capex accounts. Deposits related to loan agreements can be used anytime (for the defined purposes upon approval of the lender), as so, they are presented within current assets.

23. Cash and cash equivalents

Cash balance consists of cash at banks (including short-term demand deposits) and cash on hand. Cash at banks earns interest at floating rates based on periodical bank deposit rates. Except for minor amounts, all cash is deposited in banks.

All cash and cash equivalents are available for use by the Group. GTC Group cooperates mainly with banks with investment ranking above BBB-. The major bank, where Group deposits 15% of cash and cash equivalents and blocked deposits is financial institution with credit rating BBB. Second bank with major Group's deposits (13%) is institution with credit rating BBB+. Group monitors ratings of banks and manage concentration risk by allocating deposits in multiple financial institutions (over 10).

24. Deposits from tenants

Deposits from tenants represent amounts deposited by tenants to guarantee their performance of obligations under tenancy agreements. The deposits are refundable at the end of the lease. Deposits from tenants that shall be returned within a year are presented within current liabilities. The major bank, where Group keeps deposits from tenants is bank with investment ranking above BBB.

25. Non-controlling interest

The Company's subsidiary (Euro Structor d.o.o.) that holds Avenue Mall granted in 2018 to 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. Loan was granted on market terms.

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

	Euro Structor d.o.o.	Non-core projects	Total
Non-current assets	139.2	-	139.2
Current assets	2.8	-	2.8
Total assets	142.0	-	142.0
Equity	80.9	-	80.9
Non-current liabilities	59.2	-	59.2
Current liabilities	1.9	-	1.9
Total equity and liabilities	142.0	-	142.0
Revenue	12.1	-	12.1
Profit/(loss) for the year	6.4	-	6.4
Other comprehensive profit/(loss)	-	-	-
NCI share in equity	24.3	-	24.3
Loan granted to NCI	(11.6)	-	(11.6)
Loan received from NCI	-	-	-
NCI share in profit / (loss)	1.9	-	1.9

In 2023 dividend was distributed to non-controlling interest in the amount of EUR 2.2.

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

	Euro Structor d.o.o.	Non-core projects	Total
Non-current assets	136.4	-	136.4
Current assets	5.8	0.8	6.6
Total assets	142.2	0.8	143.0
Equity	81.9	(5.6)	76.3
Non-current liabilities	58.5	6.4	64.9
Current liabilities	1.8	-	1.8
Total equity and liabilities	142.2	0.8	143.0
Revenue	11.0	0.0	11.0
Profit/(loss) for the year	4.6	2.2	6.8
Other comprehensive profit/(loss)	-	-	-
NCI share in equity	24.6	(1.9)	22.7
Loan granted to NCI	(10.9)	-	(10.9)
Loan received from NCI	-	2.4	2.4
NCI share in profit / (loss)	1.4	-	1.4

In 2022 dividend was distributed to non-controlling interest in the amount of EUR 0.7.

26. Long-term loans and bonds

All loans and borrowings and debt securities are initially recognized at fair value, net of transaction costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings and debt securities are measured at amortised cost using the effective interest rate method.

	31 December 2023	31 December 2022
Bonds	660.0	684.2
Bank loans	620.5	559.4
Loans from NCI	-	2.4
Long-term borrowings' acquisition costs	(6.5)	(8.1)
Total borrowings	1,274.0	1,237.9
Of which		
Long-term borrowings	1,228.7	1,189.3
Short-term borrowings	45.3	48.6
Total borrowings	1,274.0	1,237.9

BONDS

	31 December 2023		31 December 2022	
	Current portion	Long-term portion	Current portion	Long-term portion
Bonds mature in 2023 (Poland) (PLGTC0000318)	-	-	31.5	-
Green bonds mature in 2027-2030 (HU0000360102)	0.1	103.4	0.1	98.9
Green bonds mature in 2028-2031 (HU0000360284)	0.4	51.7	0.4	49.5
Green bonds mature in 2026 (XS2356039268)	5.9	498.5	5.9	497.9
Total bonds	6.4	653.6	37.9	646.3

As securities for the bank loans, the banks have among others mortgages 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 Loan-to-Value and Debt Service Coverage ratios in the company that holds the project. ,

In addition, substantially, all investment properties and IPUC that were financed by a lender were 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) were denominated in PLN (fully repaid in 2023). 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.

For further information please refer also to note 34.

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

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Movements in long term loans and bonds for the years ended 31 December 2023 and 31 December 2022 were as follows:

	31 December 2023	31 December 2022
Balance as of the beginning of the year	1,237.9	1,299.4
Drawdowns	74.1	6.2
Repayments	(48.2)	(52.1)
Conversion of loan from NCI to equity	-	(5.9)
Change in accrued interest	1.2	0.1
Other	(2.5)	-
Change in deferred issuance debt expenses	1.6	2.2
Foreign exchange differences	9.9	(12.0)
Balance as of end of the year	1,274.0	1,237.9

27. Lease liability and right of use

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.

Perpetual usufruct payments are payments, which are done in advance or in arrears on an annual or monthly basis within a define period (from 33 to 87 years). Perpetual usufruct payments are made in Poland, Croatia, Romania and Serbia.

Due to the fact that perpetual usage payments, by substance, are lease payments, they are accounted for under IFRS 16.

In the consolidated financial position statements, the Group recognized a right of use and lease liabilities:

- a) Right of use of lands under perpetual usufruct is presented:
 - as part of the Investment Property, with separate disclosure in a separate note;
 - as part of the residential landbank.

- b) Lease liabilities are presented separately, as a part of the short-term and long-term liabilities, with a separate disclosure.

The right of use of lands under perpetual usufruct is amortized over the lease period (for cost method) or valued using the fair value approach (for investment properties valued at fair value). For the right of use measured at fair value, the Group presents the change in fair value within the profit (loss) on revaluation. Interest incurred on land leases is presented as finance expenses.

The Group entered into several other leases (low value, short term), which are exempt from IFRS 16. In such cases, the lease is expensed without balance sheet recognition. The value of such expenses is immaterial.

The balance of right of use as of 31 December 2023 and 31 December 2022 was as follows:

	31 December 2023	31 December 2022
Completed investment property	22.1	21.4
Investment property landbank at cost	17.9	17.5
Residential landbank	1.0	1.1
Property, plant and equipment	2.3	2.4
Total	43.3	42.4

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(in millions of EUR)

The balance of lease liability as of 31 December 2023 and 31 December 2022 was as follows:

Country	31 December 2023	31 December 2022	Discount rate
Poland	32.6	30.4	4.2%
Romania	6.6	7.0	5.7%
Serbia	0.8	0.8	7.6%
Croatia	1.4	1.2	4.4%
Other	2.3	2.5	3.0%
Total	43.7	41.9	

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

The movements in rights of use for the years ended 31 December 2023 and 31 December 2022 was as follows:

	2023	2022
Balance as of 1 January	42.4	39.6
Recognition / (derecognition) of right of use asset for lands under perpetual usufruct and other assets	0.2	4.8
Revaluation and amortization of right of use	(1.3)	(0.6)
Reclassification to assets held for sale	-	(1.4)
Foreign exchange differences	2.0	-
Balance as of 31 December	43.3	42.4

The movements in lease liabilities for the years ended 31 December 2023 and 31 December 2022 was as follows:

	2023	2022
Balance as of 1 January	41.9	39.0
Recognition / (derecognition) of lease liability for lands under perpetual usufruct and other assets	0.2	4.8
Payments of leases	(0.9)	(0.6)
Change in provision	(0.3)	(0.4)
Change in accrued interest	0.8	0.7
Reclassification to liabilities related to assets held for sale	-	(1.3)
Foreign exchange differences	2.0	(0.3)
Balance as of 31 December	43.7	41.9

The Group pays an annual amount of EUR 2.0 (EUR 2.1 in 2022) as lease payment (principal and interest) for lands under perpetual usufruct. Payment of leases in the table above relates only to principal repayment.

28. Prepayments and other receivables

The balance of prepayments and other receivables increased from EUR 7.7 as of 31 December 2022 to EUR 52.4 as of 31 December 2023.

The majority of the increase in amount of EUR 29.5 relates to the cash transferred to an escrow account held with an external legal company with the purpose of acquiring green bonds issued by GTC Aurora (further "Aurora bonds"). Running the acquisition transactions was handed over to a financial expert (further the "Broker"). The agreement allowed the Broker for interim alternative short-term investments with yields and liquidity compiling with terms and conditions agreed in contract. The management by involving an Escrow agent ensured the properly securing the use of the funds. As of reporting date the Management analysed the condition of the counterparties and as a result concluded that there is no material risk of impairment for invested funds. No material credit losses were expected as of 31 December 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (in millions of EUR)

As of reporting date the balance on an escrow account was valued in amortized cost with use of an effective interest rate. The difference between fair value and carrying value is immaterial.

In first quarter of 2024 the Broker bought back 4,400 Aurora bonds and transferred to GTC Group with nominal value of EUR 4.4 at cost of EUR 3.9. GTC Group recognized income from buy-back of Aurora bonds in amount of EUR 0.5.

In addition, on 13 March 2024 the Broker returned to GTC Group EUR 12.2 in cash, including interest income of EUR 0.4. For the remaining amount of EUR 13.8, GTC Group and the Broker signed an amendment to extend the current agreement for a further short-term period.

29. Assets held for sale

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

	31 December 2023	31 December 2022
Forest Office Debrecen	-	47.7
Romanian landbank	-	0.7
GTC LCHD Projekt	10.2	-
Landbank in Poland	3.4	3.2
Total	13.6	51.6

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

On 6 December 2023 GTC Origine Investments Pltd, a wholly-owned subsidiary of the Company, signed a sale and purchase agreement concerning the sale of GTC LCHD Projekt Kft, the owner of a real property located in Budapest. The sale price under the Agreement is EUR 13.2. If the conditions to close the transaction are not met until 28 June 2024 the transaction can be cancelled.

30. Capital and Reserves

SHARE CAPITAL

As of 31 December 2023 and 31 December 2022 share structure was as follows:

Number of Shares	Total value in PLN	Total value in EUR
574,255,122	57,425,512	12,919,912

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.

In Q1 2022 the Group reclassified unregistered share capital to share capital of EUR 1.9 and share premium of EUR 118.4 after share capital increase was registered.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (in millions of EUR)

All shares are entitled to the same rights.

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

- GTC Dutch Holdings B.V
- Powszechne Towarzystwo Emerytalne PZU S.A. (managing Otwarty Fundusz Emerytalny PZU “Złota Jesień”)
- Powszechne Towarzystwo Emerytalne Allianz Polska S.A. (managing jointly Allianz OFE, Allianz DFE and Drugi Allianz OFE)

CAPITAL RESERVE

Capital reserve represents a loss attributed to non-controlling partners of the Group, which crystalized once the Group acquired the non-controlling interest in the subsidiaries of the Group.

DISTRIBUTION OF THE 2022 PROFIT

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

31. Earnings per share

Basic earnings per share were calculated as follows:

	Year ended 31 December 2023	Year ended 31 December 2022
Profit for the period attributable to equity holders (in EUR)	10,500,000	23,411,000
Weighted average number of shares for calculating basic earnings per share	574,255,122	574,255,122
Basic earnings per share (in EUR)	0.02	0.04

There were no potentially dilutive instruments as at 31 December 2023 and 31 December 2022.

32. Related party transactions

Transactions with the related parties are arm's length transactions.

The transactions and balances with related parties are presented below:

In 2023, the Group acquired two assets for the total consideration of EUR 13.1 from companies related to the majority shareholder of the Company. For further details please refer to note 9 *Events in the period*.

	Year ended 31 December 2023	Year ended 31 December 2022
Transactions		
Rental revenue*	-	2.8
Service charge revenue*	-	0.6
Balances		
Accounts receivables*	-	2.1
Accrued income*	-	0.3
Long term payable**	0.5	1.0
Trade payables and provisions**	0.7	0.3

() Rental revenue and Service charge revenue in relation to rental guarantees provided by sellers, entities related to the majority shareholder. All were collected after December 31st 2022.*

*(**) In relation to purchase price retention from the seller, an entity related to the majority shareholder.*

Remuneration of the Management and Supervisory Boards of GTC S.A. for the year ended 31 December 2023 amounted to EUR 4.6 (including EUR 2.4 related to termination fees for former management board members) and 1,250,000 phantom shares were vested, EUR 1.8 and 177,000 phantom shares for the year ended 31 December 2022 were vested.

Valuation of share-based program as of 31 December 2023 was close to zero.

33. Commitments, contingent liabilities and guarantees

COMMITMENTS

As of 31 December 2023 (and as at 31 December 2022), the Group had contracted commitments in relation to future capital expenditures on investment properties, amounting to EUR 104.7 (EUR 116.5 as at 31 December 2022). These commitments are expected to be financed from available cash and current financing facilities, other external financing or future instalments under already contracted sale agreements and yet to be contracted sale agreements.

GUARANTEES

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

Additionally, the typical warranties are given in connection with the sale of assets, to guarantee construction completion and to secure construction loans (cost-overruns guarantee). The risk involved in the above warranties and guarantees is very low.

CROATIA

In relation to the Marlera Golf project in Croatia, a part of the land is leased from the State. From 2014 there is an open court case. The exposure is covered by a provision in the amount of EUR 1.4. During 2023 there were no significant changes of the actual state.

34. Financial instruments and risk management

The Group's principal financial instruments comprise bank and shareholders' loans, bonds, hedging instruments, trade payables, and other long-term financial liabilities. The main purpose of these financial instruments is to finance the Group's operations. The Group has various financial assets such as trade receivables, loans granted, derivatives, non-current financial assets, cash and short-term deposits. The Group's financial assets at amortised cost include trade receivables, loans to associate, short-term deposits under current financial assets and cash and cash equivalents.

The main risks connected with the Group's financial instruments are cash flow interest risk, liquidity risk, foreign currency risk and credit risk.

INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates and loans granted to non-controlling interest partner.

The Group has a portfolio of fixed and variable rate loans and borrowings. The Group's policy is to minimize interest rate risk, by entering into interest rate swaps, currency swaps or interest rate cap transactions.

As at 31 December 2023, 95% of the Group's long-term loans and bonds are hedged (as at 31 December 2022 – 95%).

For 2023, a 150bp increase in EURIBOR rate would lead to EUR 1 change in result before tax. For 2022, a 50bp increase in EURIBOR rate would lead to EUR 0.3 change in result before tax.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(in millions of EUR)

FOREIGN CURRENCY RISK

The Group enters into transactions in currencies other than the functional currency of the Group's subsidiaries. Therefore, it hedges the currency risk by matching the currency of the inflow (rents) with the currency of the outflows. Also cash and cash equivalents are kept in the same currency.

Exchange rates as of 31 December 2023 and 2022 were as following:

	31 December 2023	31 December 2022
PLN/EUR	4.3480	4.6899
HUF/EUR	382.78	400.23

The table below presents the sensitivity of profit (loss) before tax due to changes in foreign exchange rates:

Rate/Percentage of change	2023				2022			
	PLN/Euro				PLN/Euro			
	4.7828 (+10%)	4.5654 (+5%)	4.1306 (-5%)	3.9132 (-10%)	5.1589 (+10%)	4.9244 (+5%)	4.4554 (-5%)	4.2209 (-10%)
Cash and blocked deposits	(2.6)	(1.3)	1.3	2.6	(3.9)	(2.0)	2.0	3.9
Trade and other receivables	(0.2)	(0.1)	0.1	0.2	(0.3)	(0.2)	0.2	0.3
Trade and other payables	1.3	0.7	(0.7)	(1.3)	1.3	0.6	(0.6)	(1.3)
Land leases	3.3	1.6	(1.6)	(3.3)	3.0	1.5	(1.5)	(3.0)
Total	1.8	0.9	(0.9)	(1.8)	0.1	(0.1)	0.1	(0.1)

There is no currency risk related to bonds denominated in HUF as they are fully hedged. Exposure to other currencies and other positions in the statement of financial position is not material.

The potential theoretical impact on the currency exposure if the Group would have not hedged the HUF Bonds is as following:

Percentage of change in FX rate	(-10%)	(+10%)
Bonds in HUF	17.2	(14.1)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(in millions of EUR)

CREDIT RISK

Credit risk is the risk that a party to a financial instrument will fail to discharge an obligation. To manage this risk, the Group periodically assesses the financial viability of its counterparties. The Group does not expect any counter party to fail in meeting their obligations. The Group has no significant concentration of credit risk with any single counterparty or Group counterparties, except for the issuer of the notes disclosed in note 18 and banks which deposits Group's cash and cash equivalents disclosed in note 23.

With respect to trade receivables and other receivables that are neither impaired nor past due, which were not secured, there are no indications as of the reporting date that those will not meet their payment obligations. As of the reporting date there are no material impaired receivables.

With respect to loan granted to non-controlling interest it was assessed in Stage 1 as defined by IFRS 9 *Financial instruments*.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, and blocked deposits, the Group's exposure to credit risk equals the carrying amount of these instruments.

There are no material financial assets as of the reporting dates, which are overdue or impaired.

LIQUIDITY RISK

As at 31 December 2023, the Group holds cash and cash equivalents (as defined in IFRS) in the amount of EUR 60.4 and blocked deposits received from tenants in the amount of EUR 15.5. As described above, the Group attempts to efficiently manage all its liabilities and is currently reviewing its funding plans related to: (i) debt servicing of its existing assets portfolio; (ii) capex; and (iii) development of commercial properties. Such funding will be sourced through available cash, operating income, sales of assets and refinancing. The Management Board believes that based on its current assumptions, the Group will be able to settle all its liabilities for at least the next twelve months.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments

as of 31 December 2023:

	On-demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Trade payables and provisions	2.1	15.4	11.9	-	-	29.4
Long-term borrowings with interests	1.2	8.9	60.1	1,097.9	203.3	1,371.4
Deposits from tenants	0.4	0.1	2.1	10.7	2.2	15.5
Lease liabilities	-	1.1	0.4	7.7	74.5	83.7
Derivatives	-	-	-	3.5	15.2	18.7
Total	3.7	25.5	74.5	1,119.8	295.2	1,518.7

as of 31 December 2022:

	On-demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Trade payables and provisions	0.3	28.0	12.8	-	-	41.1
Long-term borrowing with interests	-	7.2	68.8	1,064.0	206.0	1,346.0
Deposits from tenants	-	0.3	1.3	11.9	-	13.5
Lease liabilities	-	1.1	0.4	7.7	76.0	85.2
Derivatives	-	-	2.2	3.0	43.8	49.0
Total	0.3	36.6	85.5	1,086.6	325.8	1,534.8

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (in millions of EUR)

The above table in line *Long-term borrowings with interests* does not contain payments relating to the market value of derivative instruments. The Group hedges significant part of the interest risk related to floating interests rate with derivative instruments. Management plans to refinance some long-term borrowings, presented in the table above.

All derivative instruments mature within 1-10 years from the balance sheet date.

Long term finance lease represents lease payments for land subject to perpetual usufruct payments with maturity of 33 - 87 years.

FAIR VALUE

As of 31 December 2023, 80% of all bank loans bear floating interest rate (78% as of 31 December 2022). However, as of 31 December 2023, 92% of these loans is hedged (87% as of 31 December 2022).

As of 31 December 2023 there are no bonds with floating interest rate. As of 31 December 2022, 5% of all bonds bears floating interest rate. However, as of 31 December 2022, 100% of these bonds were hedged.

For information related to loans granted/received from non-controlling interest please refer to note 25.

Due to the significant increase of interest rates in the counties in which the Group operates, the fair value of the HUF Bonds significantly differs from its carrying value. It is due to the fact that all the HUF bonds as of the 31 December 2023 bear a fixed interest rate until maturity, however these bonds are hedged with cross-currency interest rate swaps.

Market values and fair values of bonds as of 31 December 2023 and 31 December 2022 are presented below:

Series of bonds	31 December 2023	31 December 2022
Bonds maturing in 2023 (Poland) (PLGTC0000318) ²⁶	-	31.6
Green bonds maturing in 2027-2030 (HU0000360102) ²⁷	51.6	45.1
Green bonds maturing in 2028-2031 (HU0000360284) ²⁷	27.4	21.3
Green bonds maturing in 2026 (XS2356039268) ²⁸	368.1	367.0

Fair value of all other financial assets/liabilities is close to the carrying value.

For the fair value of investment property, please refer to note 17.

For the fair value of non-current financial assets, please refer to note 18.

FAIR VALUE HIERARCHY

As at 31 December 2023 and 2022, the Group held several derivatives carried at fair value in the statement of financial position.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities,

²⁶ Fair value at level 1 - <https://gpwcatalyst.pl/notowania-obligacji-obligacje-korporacyjne>

²⁷ Fair value at level 2 was calculated based on assumption of market interest rate of 15%.

²⁸ Fair value at level 1 - <https://www.boerse-frankfurt.de/bond/xs2356039268-gtc-aurora-luxembourg-s-a-2-25-21-26>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (in millions of EUR)

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly,

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Valuations of derivatives are considered as level 2 fair value measurements. During the years ended 31 December 2023 and 31 December 2022, there were no transfers among Level 1, Level 2 and Level 3 fair value measurements in respect to financial instruments.

OTHER RISKS

Further risks are described in the Management Report as of 31 December 2023.

CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to provide for operational and value growth while prudently managing the capital and maintaining healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and adjusts it to dynamic economic conditions. While observing the capital structure, the Group decides on its leverage policy, loans raising and repayments, investment or divestment of assets, dividend policy, and capital raise, if needed.

No changes were made in the objectives, policies, or processes during the years ended 31 December 2023 and 31 December 2022.

The Group monitors its loan-to-value ratio ("LTV"), calculated as (gross project and corporate debt - cash and deposits) / real estate investment value (including non-current financial assets). The Group's long-term strategy is to keep its LTV at a level of 40%. As of 31 December 2023, LTV was 49.3% (45.6% as of 31 December 2022).

35. Subsequent events

In February 2024, Dorado 1 EOOD, a wholly-owned subsidiary of the Company, has signed EUR 55 loan agreement with DSK Bank AD and OTP Bank PLC with a maturity in March 2029. The full amount was drawn down.

On 18 March 2024, the Company entered into a mutual employment contract termination agreement with Barbara Sikora, who resigned from her seat on the Management Board of the Company. The resignation is effective at the date of the contract.

In first quarter of 2024 the Broker bought back 4400 Aurora bonds and transferred to GTC Group with nominal value of EUR 4.4 at cost of EUR 3.9. GTC Group recognized income from buy-back of Aurora bonds in amount of EUR 0.5.

In addition, on 13 March 2024 the Broker returned to GTC Group EUR 12.2 in cash, including interest income of EUR 0.4. For the remaining amount of EUR 13.8, GTC Group and the Broker signed an amendment to extend the current agreement for a further short-term period.

36. Approval of the financial statements

The financial statements were authorised for the issue by the Management Board on 23 April 2024.



Independent Registered Auditor's Report

To the General Shareholders Meeting and the Supervisory Board of Globe Trade Centre S.A.

Our opinion

In our opinion, the accompanying annual consolidated financial statements:

- give a true and fair view of the consolidated financial position of the group Globe Trade Centre S.A (the "Group"), in which Globe Trade Centre S.A is the parent entity (the "Parent Company") as at 31 December 2023 and the Group's consolidated financial performance and the consolidated cash flows for the year then ended in accordance with the applicable International Financial Reporting Standards as adopted by the European Union and the adopted accounting policies;
- comply in terms of form and content with the laws applicable to the Group and the Parent Company's Articles of Association;

What we have audited

We have audited the annual consolidated financial statements of the Globe Trade Centre S.A. Group which comprise:

- the consolidated statement of financial position as at 31 December 2023;
- and the following prepared for the financial year from 1 January to 31 December 2023:
- the consolidated income statement;
 - the consolidated statement of comprehensive income;
 - the consolidated statement of changes in equity;
 - the consolidated statement of cash flows, and
 - the notes to the consolidated financial statements comprising a description of the significant adopted accounting policies and other explanations.

Basis for opinion

We conducted our audit in accordance with the National Standards on Auditing in the wording of the International Standards on Auditing as adopted by the resolution of the National Council of Statutory Auditors ("NSA") and pursuant to the Law of 11 May 2017 on Registered Auditors, Registered Audit Companies and Public Oversight (the "Law on Registered Auditors"). Our responsibilities under NSA are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

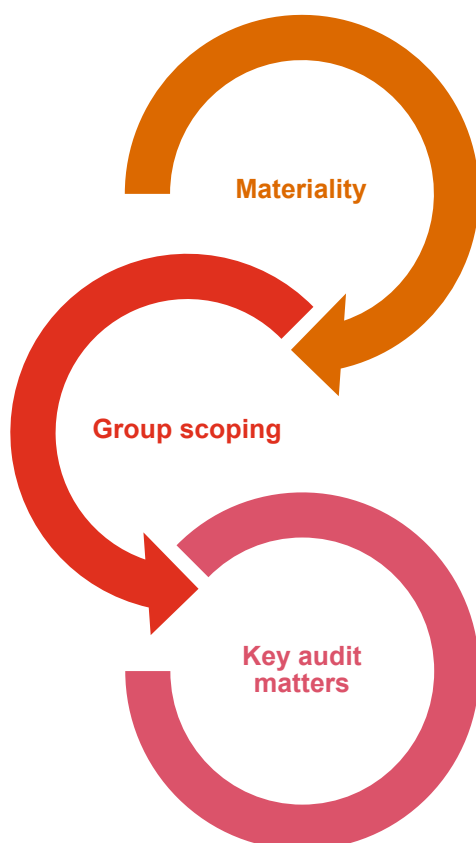
We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted by resolution of the National Council of Statutory Auditors and other ethical requirements that are relevant to our audit of the consolidated financial statements in Poland. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. During the audit, the key registered auditor and the registered audit firm remained independent of the Group in accordance with the independence requirements set out in the Law on Registered Auditors.

PricewaterhouseCoopers Polska Spółka z ograniczoną odpowiedzialnością Audyt sp. k., Polna 11 str., 00-633 Warsaw, Poland;
T: +48 (22) 746 4000, F: +48 (22) 742 4040, www.pwc.com

PricewaterhouseCoopers Polska Spółka z ograniczoną odpowiedzialnością Audyt sp. k. is entered into the National Court Register maintained by the District Court for the Capital City of Warsaw, under KRS number 0000750050, NIP 526-021-02-28. The seat of the Company is in Warsaw at Polna 11 str.

Our audit approach

Overview



-
- The overall materiality threshold adopted for the purposes of our audit was set at EUR 23 million, which represents 0,9% of the total assets of the Group.

-
- We have audited the Parent Company and performed audit procedures over special purpose financial information for consolidation of subsidiaries in 7 countries.
 - In respect to subsidiaries in countries other than Poland, audit procedures have been conducted by audit firms from PwC network in accordance with instructions issued by us, and under our supervision.
 - The scope of our audit covered almost 100% of the Group's revenue and around 95% of the Group's total assets.

-
- Valuation of investment property
-

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the Parent Company's Management Board made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the consolidated financial statements as a whole, as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate on the consolidated financial statements as a whole.

Overall Group materiality	EUR 23 million
How we determined it	0,9% of the total assets of the Group
Rationale for the materiality benchmark applied	<p>We have adopted the Groups' total assets as the basis for determining materiality because the value of total assets is, in our opinion, an indicator commonly used by the users of consolidated financial statements to evaluate the operations in the real estate industry.</p> <p>We adopted the materiality threshold at 0,9% because based on our professional judgement it is within the acceptable quantitative materiality thresholds.</p>

We agreed with the Audit Committee of the Parent Company that we would report to them misstatements of the consolidated financial statements identified during our audit above EUR 2,3 million, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Other matters

The consolidated financial statements are expressed in EUR as the presentation currency, and are prepared in addition to the statutory consolidated financial statements (expressed in PLN as the presentation currency) for the same period. We issued a separate auditor's report on the statutory consolidated financial statements, and that report constitutes a statutory audit report as required by the relevant regulations applicable to public interest entities in Poland and includes all elements required by these regulations.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. They include the most significant identified risks of material misstatements, including the identified risks of material misstatement resulting from fraud. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of investment property</p> <p>The investment property balance in the consolidated financial statements of the Group as at 31 December 2023 is EUR 2.273,4 million. In Note 17 of the consolidated financial statements the Group presented the disclosures related to investment properties, including the key assumptions adopted to measure the investment properties at their fair value.</p> <p>The Group has a portfolio of investment properties comprising land, completed properties in the office and retail sectors, as well as investment properties under construction.</p> <p>At least once a year, as at the end of each financial year, investment properties are measured at fair value determined with the support of valuation experts, including independent appraisers. To determine the fair value of properties, independent appraisers apply various approaches, methodologies and measurement techniques depending on the type of the property assessed. The fair value measurement of investment properties is affected by the inherent risk of uncertainty of the estimations made for the purpose of their valuation, and is sensitive to the underlying assumptions. The value of the investment properties depends on the adopted valuation method and assumptions, such as the discount rate and capitalization rate, expected rental income and various multipliers which are based on the subjective</p>	<p>Our audit procedures comprised in particular:</p> <p>a) gaining an understanding and assessing the process of valuation and controlling the valuation of investment properties and assessing the qualifications, scope and conditions of the work and the objectivity of the independent appraisers;</p> <p>b) assessing compliance of the adopted accounting policies in respect of investment properties with the appropriate financial reporting standards;</p> <p>c) reconciling – on a selected sample – the value of investment properties presented in the consolidated financial statements with the valuation reports prepared by independent appraisers;</p> <p>d) for a selected sample – verification of the mathematical accuracy and methodological consistency (with support of internal PwC valuation experts) of property valuations made by an independent appraisers;</p> <p>e) performing a critical assessment of the assumptions adopted and estimations made by the Group to determine the fair value, in particular, checking – on a selected sample – the following elements of the valuation procedures:</p> <ul style="list-style-type: none"> • the adopted approach, valuation methodology and techniques which depend on the type of the property assessed; • in case of properties which generate revenue,

assessment of unquantifiable factors such as the location of the property.

In 2023 the Group incurred a loss from revaluation of investment property of EUR 56,3 million, which was recognized in the consolidated income statement.

Taking into consideration the materiality of the investment properties in the Group consolidated financial statements and significant estimation uncertainty related to their valuation, we considered the fair value measurement of investment properties to be a key audit matter.

detailed tests were conducted in respect of:

- the assumptions relating to revenue: the amount of unit rental fee, the assumed level of vacancies, the assumed rent free period, revenue from sources other than lease;
- cost-related assumptions: the amount of the property maintenance costs, the adopted model for settling costs with lessees; the agency commission;
- the assumptions relating to capitalization/ discount rates;
- input data on which the valuations were based, i.a. consistency with the terms of the lease agreements;

f) assessing the appropriateness and completeness of disclosures in respect of the fair value measurement of the investment property in the consolidated financial statements.

Responsibility of the Management and Supervisory Board for the consolidated financial statements

The Management Board of the Parent Company is responsible for the preparation, of the annual consolidated financial statements that give a true and fair view of the Group's financial position and results of operations, in accordance with International Financial Reporting Standards as adopted by the European Union, the adopted accounting policies, the applicable laws and the Parent Company's Articles of Association, and for such internal control as the Management Board determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Parent Company's Management Board is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Board either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Parent Company's Management Board and members of the Supervisory Board are obliged to ensure that the consolidated financial statements comply with the requirements specified in the Accounting Act of 29 September 1994 ("the Accounting Law"). Members of the Supervisory Board are responsible for overseeing the financial reporting process.

Auditor's responsibility for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the NSA will always detect a material



misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence economic decisions of users taken on the basis of these consolidated financial statements.

The scope of the audit does not include an assurance on the Group's future profitability nor the efficiency and effectiveness of the Parent Company's Management Board conducting its affairs, now or in future.

As part of an audit in accordance with NSA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent Company's Management Board;
- conclude on the appropriateness of the Parent Company's Management Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we



determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other information

The Management Board of the Parent Company is responsible for the other information. The other information comprises the Annual Report (but does not include the consolidated financial statements and our auditor's report thereon).

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

The Key Registered Auditor responsible for the audit 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., is Piotr Wyszogrodzki.

Piotr Wyszogrodzki
Key Registered Auditor
No. 90091

Warsaw, 23 April 2024