CONSOLIDATED ANNUAL REPORT

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

2024

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Dear Stakeholders,

The year 2024 demonstrated further signs of market stabilization, enabling GTC to take a historic, strategic step forward. This step was the expansion into Western European markets. Entering the German residential market is an achievement that elevates our operations to an entirely new level – geographically and across sectors – placing us among a select group of highly diversified real estate companies present in both emerging and developed markets with higher ratings. This marks a significant milestone in GTC's growth, reaffirming our potential among the leading European investors and developers.

Throughout 2024, we also actively worked to strengthen our existing commercial portfolio, which resulted in consistently high occupancy levels and solid revenue growth. Thanks to our ongoing efforts to build strong relationships with tenants, GTC's properties remain highly attractive destinations for work, shopping, entertainment, and now also living.

We have also focused on our balance sheet and maintaining credit ratios at a comfortable level. Moreover the Group executed several disposals to strengthen its cash position to remain well-positioned for the opportunities that 2025 will bring.

PORTFOLIO DEVELOPMENT AND MANAGEMENT

At the end of 2024, we finalized the acquisition of a portfolio comprising 5,169 residential rental units, located in Kaiserslautern, Helmstedt, Heidenheim, and their surrounding areas. The total area of these properties, reaching 325,450 sqm and leased at a comfortable occupancy rate of 83%, means that today 19% of GTC's income-producing portfolio value and 30% of our total leasable area are located in Germany. The transaction also represents an expansion of our overall operations by nearly one quarter, based on the gross asset value of income-generating properties.

It is worth mentioning that this was not our only transaction on the German market in 2024, as we also acquired the Elibre development project in the senior living for rent segment in Berlin. The investment, with a total area of 4,000 sqm, will offer 50 apartments. The project is designed according to standards of DGNB Gold certification.

We have been also actively working on bolstering our balance sheet and cash reserves through the disposal of non-core assets or those which, in our view, have reached their peak value. Consequently, in 2024, we signed agreements for the sale of two high-quality office buildings in Zagreb and Belgrade, with both transactions successfully finalized in Q4 2024 and Q1 2025, respectively. The disposal of the Matrix C and the GTC X office buildings totaled EUR 79 million, resulting in net proceeds of EUR 36 million. In Q1 2025, we also completed the sale of a prime land plot in Warsaw's prestigious Wilanów residential district for EUR 55 million, further strengthening our cash reserves.

Additionally, we completed the disposal of the Lanchid revitalization project in Budapest, achieving a sale price of EUR 13 million and generating a profit of EUR 3 million over the acquisition price.

When it comes to development and redevelopment, we focused our activities on Budapest and Zagreb, where we have new projects underway in carefully selected locations, drawing on our local experience. In the Croatian capital, the Matrix D office building is under construction, offering 10,600 sqm of sustainable space in the city's business center.

Our leasing activity in the office sector across CEE reached 106,500 sqm in 2024, enabling us to maintain a stable office occupancy rate of 82%, with an average weighted lease term of 3.8 years. Leasing performance in the retail sector also reached good levels, with 52,800 sqm leased during the year, driving occupancy to 96%. The average weighted lease term in the retail portfolio remained healthy at 3.7 years Throughout 2024, our retail properties recorded almost 11% year-on-year increase in turnover. They were visited by nearly 30 million customers, which translated into a 3% increase in footfall.

FINANCIAL RESULTS

In 2024, the Management Board continued to build on the firm foundations of GTC's resilient business model, robust property solutions, strong customer focus, and exceptional team. This ongoing review and analysis led to the refinement of our strategic direction, with a focus on stable growth, financial discipline, and environmental responsibility, all aimed at creating long-term value for our stakeholders. The Group will continue to concentrate on its core sectors within its key markets, while also preparing to enter the broadly understood living sector.

At the end of 2024, a total of 86% of our commercial space was occupied, with an average lease term of 3.8 years. Revenues, supported by the completion of GTC X, two office buildings at Rose Hill Business Campus in Budapest, and Matrix C in Zagreb, along with rental rate indexation and active asset management, increased by 2% to EUR 188 million. Our gross margin (profit) from operations followed the revenues growth and increased by EUR 2.3 million to EUR 130.5 million. FFO remained unchanged at EUR 71 million.

By year-end 2024, net loss from the revaluation of the assets amounted to EUR 2.2 million, compared to a net loss of EUR 56.3 million in 2023. Net loss from the revaluation was mainly due to a decrease in the value of completed office portfolio in Poland as a result of a decrease in occupancy rate compared to 2023 and capitalized expenses, mainly on completed properties, partially offset by an increase in the value of landbank in the amount of EUR 13.2 million and increase in the value of selected assets in Poland and Hungary.

As a result, our net profit increased year-on-year by EUR 40.6 million, reaching EUR 53.0 million in 2024.

The Group's EPRA Net Asset Value (NAV) now stands at EUR 1,284 million, compared to EUR 1,232 million at the end of 2023, and the value of our investment portfolio increased to EUR 3.0 billion.

Throughout 2024 and continuing into the present, we have actively managed our balance sheet, which reflects an increase in assets base following our strategic expansion into the German market. Though our net debt increased as a result of the acquisition, our LTV remains within a comfortable range. Additionally, in Q1 2025, we successfully fulfilled the conditions precedent for the updated EUR 100 million refinancing agreement for Galeria Jurajska, resulting in the extension of the loan maturity until 2030.

Our ability to secure debt financing remains strong, and GTC continues to enjoy the trust of leading banks.

DRIVEN BY ESG AT EVERY LEVEL

While we take pride in our strong track record and consistent commitment to ESG principles, we remain deeply aware of our responsibility to the environment and the communities we serve. Today, 93% of our entire portfolio is BREEAM, LEED, or DGNB certified, and we are actively working towards certifying all new and existing buildings wherever possible. These certifications stand as a testament to our focus on cost efficiency, energy savings, carbon emission reduction, and the creation of more sustainable spaces. Our newest accomplishments in 2024 included new certifications for the completed Matrix C building in Zagreb, which received a DGNB Platinum certificate and a LEED Gold certificate for Sofia Tower 2.

We are continuously enhancing our properties to improve tenant and client comfort and accessibility, introducing a range of new features and amenities to better meet the diverse needs of our users and to strengthen local communities.

GTC actively supports ESG initiatives by promoting well-being, environmental responsibility, and healthy lifestyles through events, partnerships with international humanitarian organizations, and support for local businesses.

THANK YOU FOR BEING A PART OF OUR STORY

We would like to thank all our stakeholders and business partners including financing institutions and tenants – for their trust and belief in the growth potential of the GTC Group. We are also grateful to our employees for their dedication, positive energy, and continuously evolving skills – it is thanks to you that GTC succeeds across various sectors of the market.

We remain aware of the challenges posed by the global macroeconomic environment. Therefore, we intend to maintain our current, cautious approach to financial leverage, which will help strengthen the company's resilience to external factors and protect its balance sheet.

As we closely monitor developments throughout 2025, we aim to respond proactively to emerging challenges and seize every opportunity to drive further success for the GTC Group – benefiting all our stakeholders.

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

Gyula Nagy
Chief Executive Officer

Zsolt Farkas
Chief Strategy Officer

Balázs Gosztonyi
Chief Finance Officer

MANAGEMENT BOARD'S REPORT

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

IN THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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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 2024.

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 millions and is prepared by Jones Lang LaSalle IP, Inc , iO Partners („JLL”) (for CEE and SEE commercial properties) and Wüest Partner (for German residential properties). It is based on material that JLL and Wüest Partner 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 2. Operating and financial review* and under *Item 16. Key risk factors*, and elsewhere in this report. These cautionary statements qualify all forward-looking statements attributable to us or the 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.

1. Presentation of the Group

1.1 General information about the Group

GTC Group is an experienced, established, and fully integrated real estate group of companies operating its commercial real estate 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. Additionally, in 2024, GTC Group entered a German residential for rent sector In Germany where currently its owns a residential portfolio of nearly 5,200 residential units. 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 2024, the book value of the Group's total property portfolio including non-current financial assets was €3,018.9.

As of 31 December 2024, the book value of the Group's property portfolio was €2,864.0. The breakdown of the Group's property portfolio was as follows:

- 45 completed commercial buildings, including 39 office buildings and 6 retail properties with a total combined commercial space of approximately 745 thousand sqm of GLA, an occupancy rate at 86% and a book value of €1,987.9 (including 1 office held for sale in the amount of €52.2) which accounts for 69% of the Group's total property portfolio;

- 5,169 flats with a total combined residential space of approximately 325 thousand sqm, an occupancy rate at 83% and a book value of €452.1, which accounts for 16% of the Group's total property portfolio;

- five projects under construction with a total GLA of approximately 66 thousand sqm and a book value of €141.6, which accounts for 5% of the Group's total property portfolio;

- investment landbank intended for future development (including 2 land plots in Poland held for sale in the value of €61.8) with the book value of €173.2 which accounts for 6% of the Group's total property portfolio;

- residential landbank with book value of €34.8, 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 € 74.4 (including €1.0 from residential landbank and €39.6 from assets held for sale) which accounts for 3% of the Group's total property portfolio.

45 completed commercial buildings with 745,000 sqm of GLA	5,169 completed flats with 325,000 sqm residential space	5 projects under construction

Additionally, GTC holds non-current financial assets in the amount of €154.7 mainly including:

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

- 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 sqm (the project extends over 72 ha of which 34 ha are undeveloped). Fair value of these notes as of 31 December 2024 amounted to €120.4, which accounts for 4% 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 sqm of GLA. The fair value of these units amounted to €16.5, which accounts for 1% of the Group's total property portfolio including non-current financial assets;

- 15% shares in the Hungarian public company - NAP Nyrt a producer of solar panel energy with a total capacity of 57.6 MW (AC). The fair value of these shares amounted to €4.4, which accounts for less than 1% of the Group's total property portfolio including non-current financial assets.

- other non-current financial assets amounted to €13.4, including Grid Parity Bond, MBH bank Bonds (ISIN HU0000362207) and ACP Fund.

1.2 Main events of 2024

TRANSACTIONS

On 21 June 2024, GTC Elibre GmbH, acquired an investment property under construction (senior housing for rent) in Berlin area from a party related to the management board member, not associated with the majority shareholder, for the total consideration of €32.0 (including taxes and transaction costs). The first instalment of €12.0 was paid as a part of forward funding transaction and legal title was transferred as of 25 June 2024. Remaining part should be settled in cash received from future external financing that is yet to be obtained. Elibre project will provide 50 residential units with the total living space of 4,014 sqm. Transaction is accounted for as an asset deal.

In the year ended 31 December 2024, GTC Origine Investments Pltd., a wholly-owned subsidiary of the Company, acquired shares in the Hungarian public company - NAP Nyrt for the total consideration of €4.9 (further details are presented in note 18 to the consolidated financial statements for year ended 31 December 2024).

On 4 July 2024, the disposal of GTC LCHD Projekt Kft, a wholly-owned subsidiary of GTC Origine Investments Pltd. was completed in accordance with the sale-and-purchase agreement.

In August 2024, GTC KLZ 7-10 Kft. signed a general agreement for the development of a residential for sale project in the city centre of Budapest. Contracted cost of development is €16.4. Planned completion is November 2027. Project will provide 120 residential units with the total living space of 5,500 sqm. The Hungarian State heavily subsidizes residential projects in the national housing programme and this residential project is fully in line with the subsidised program.

On 18 September 2024, the Management Board of the Company adopted resolution regarding the disposal of GTC Seven Gardens d.o.o., a wholly-owned subsidiary of the Company. GTC Seven Gardens d.o.o. portfolio consists of the office building in Zagreb - Matrix C. On 20 December 2024, the share purchase agreement was signed. The sale price was €13.0 (equal to the net proceeds from the transaction). GTC Seven Gardens d.o.o was sold together with its bank loan obligation (€14.0). On 31 December 2024 sale was finalized and in January 2025 first instalment of €10.0 was received by Company.

On 23 October 2024, GTC Group signed a sale and purchase agreement concerning the sale of Glamp d.o.o., an owner of A-class office building in Belgrade – GTC X for €52.2. Net proceeds from sale of subsidiary shall be €22.7. Difference between the sale price and net proceeds is mainly due to the fact that part of the price will be used for bank loan repayment before the sale. In January 2025 the sale was finalized. (further details about the transaction are presented in note 37 to the consolidated financial statements for year ended 31 December 2024).

On 6 December 2024, the Group signed shares purchase agreement concerning the sale of GOC EAD, a wholly owned subsidiary of the Company and the owner of a landbank with a total area of 2,417 sqm located in Sofia, Bulgaria. The sale price under the Agreement is €3.25. Transaction was finalized in 2024.

In 2024, GTC Group acquired WOB Projekt Alheim GmbH and WOB Projekt Bad Berleburg GmbH holding a land plots intended for the senior housing the for total purchase price of €3.4.

On 15 November 2024, the Group entered into a series of share purchase agreements with, inter alia, Peach Property Group AG and LFH Portfolio Acquico S.À R.L., as the sellers, leading to the acquisition of the portfolio of residential assets in Germany (the "Portfolio") held by Peach Property Group AG (the "Transaction").

Consequently, the Company has indirectly acquired, through its subsidiary, GTC Paula SARL:
(i) from the Peach Group Companies 89.9% of the limited liability partnerships: Kaiserslautern I GmbH & Co. KG (or its legal successor) and Kaiserslautern II GmbH & Co. KG (or its legal successor) (the "Portfolio Partnerships"), and (ii) from LFH Portfolio Acquico S.À R.L., 79.8%[1] of the limited liability companies: Portfolio Kaiserslautern III GmbH, Portfolio KL Betzenberg IV GmbH, Portfolio KL Betzenberg V GmbH, Portfolio Kaiserslautern VI GmbH, Portfolio Heidenheim I GmbH, Portfolio Kaiserslautern VII GmbH and Portfolio Helmstedt GmbH (the "Portfolio Companies") at an adjusted property value of approximately €448 based on 100% ownership of the Portfolio.

In addition, the Company has indirectly acquired 51% of the shares in the property managing company managing the Portfolio, GTC Peach Verwaltungs GmbH (the "PM Company"), from the Peach Group Companies.

Upon completion, 89.9% of the shares in the Portfolio Partnerships and 79.8% of the shares in the Portfolio Companies were acquired for a total consideration comprising €167.0 in cash and the Participating Notes with a total nominal value of approximately €42 (as described in letter B (Description of the Participating Notes)), subject to adjustments, as well as a 51% stake in the PM Company.

The Peach Group Companies retained a 10.09% stake in the Portfolio Partnerships and a 10.1% stake in the Portfolio Companies as well as a 49% stake in the PM Company, while co-investors, LFH Portfolio Acquico S.À R.L. and ZNL Investment S.À R.L., retained the remaining 10.1% stake in Portfolio Heidenheim I GmbH, Portfolio Kaiserslautern VII GmbH and Portfolio Helmstedt GmbH and a 5% stake in Portfolio Kaiserslautern III GmbH, Portfolio KL Betzenberg IV GmbH, Portfolio KL Betzenberg V GmbH and Portfolio Kaiserslautern VI GmbH, while acquiring a 0.01% stake in the Portfolio Partnerships. A further minority shareholder, Mr. Marco Garzetti, retained a 5.1% stake in Portfolio Kaiserslautern III GmbH, Portfolio KL Betzenberg IV GmbH, Portfolio KL Betzenberg V GmbH and Portfolio Kaiserslautern VI GmbH.

Additionally, GTC Paula SARL. was granted an option against LFH Portfolio Acquico S.À R.L. and ZNL Investment S.À R.L. to purchase all of the shares of LFH Portfolio Acquico S.À R.L. and ZNL Investment S.À R.L. in the Portfolio Companies at a price determined in accordance with the formula used to calculate the total consideration amount (the "Call Option"), provided that no reinvestments will be made. Consequently, upon exercising the Call Option, the Company will indirectly hold 89.9% of the Portfolio Partnerships, up to 89.9% of Portfolio Heidenheim I GmbH, Portfolio Kaiserslautern VII GmbH and Portfolio Helmstedt GmbH and up to 85% of Portfolio Kaiserslautern III GmbH, Portfolio KL Betzenberg IV GmbH, Portfolio KL Betzenberg V GmbH, Portfolio Kaiserslautern VI GmbH.

[1] This percentage share does not reflect total participation as of 31 December 2024 due to aspects described in following paragraphs.

As of 31 December 2024 the Management made the judgement regarding the Call Option for the non-controlling shares held by LFH Portfolio Acquico S.À R.L. and ZNL Investment S.À R.L. Based on management analysis it was assessed that as of the date of the financial statements the risk and rewards relating to the non-controlling interest covered by the call option have already been transferred to GTC. The main reason behind such conclusion was present intention of management to exercise the option at agreed timeline i.e. before 31 March 2025 (which has happened as described in section B of this information) and the fact that not exercising the call option would trigger additional liabilities for the Group, including mandatory fixed dividends. Moreover, the exercise of the option is a covenant in the debt financing explained in point C below and impacts the Participating Notes as explained in point B below. Therefore, based on Management assessment, GTC has present obligation to realise the call option and present access to returns associated to their ownership interest, and as a result non-controlling shares of LFH Partner and ZNL were not recorded as NCI, but present value of the call option price was recorded as financial liability in the consolidated financial statements in line *Other financial liabilities*.

Through realisation of the Call Option, the Group becomes a party to the Put and Call Options regarding the non-controlling shares held in the Portfolio Partnerships and the Portfolio Companies. Through the Put and Call Options the Group will have the option to call the remaining NCI related to Peach Group after 5/10 years, and Peach Group will have the option to put the interests after 10 years to GTC Group. The exercise price in the Put and Call Options is the higher of Floor of EUR 9 (which is minimum option price) and Fair Market Value of shares the Portfolio Partnerships and the Portfolio Companies at the date of the exercise of the option. As required by IAS 32 para 23 the Group recognized a liability for the put option at the present value of redemption amount. As the price of the Put and Call Options is based on the market value, the Management considers that these Options do not give the Group present access to returns associated with their ownership interest, therefore non-controlling interest relating to Peach shares keeps being recognized in the consolidated financial statements.

A. Funding structure

The Transaction was funded through:
1. assumption of existing senior bank loans of approximately €185.4 currently provided to certain project companies by multiple banks including: DZ Hyp AG, Landesbank Baden-Württemberg, Sparkasse Kaiserslautern, and Volksbank BRAWO eG;
2. issuance of 418 bearer participating series A notes, with a nominal value of €100,051.17 (not in million) each and a total nominal value of €42 (the "Participation Notes"), further described in letter B (Description of the Participating Notes) below.
3. external financing obtained by GTC Group, further described in letter C (Debt financing) below.

B. Description of the Participating Notes

As the part of the Transaction, the Company has issued the Participating Notes, which were transferred to LFH Portfolio Acquico S.À R.L., as an in-kind settlement of the portion of the purchase price under the share purchase agreement concluded with LFH Portfolio Acquico S.À R.L. The Participating Notes were issued as participating notes within the meaning of Article 18 of the Act of 15 January 2015 on Bonds (the "Bonds Act") – ustawa o obligacjach. The Participating Notes are unsecured, subordinated to all other liabilities owed to GTC's creditors, and have a final effective maturity extending beyond all of GTC's debt (i.e. 2044).

Each year, if the General Meeting adopts a resolution on distribution of profit and payment of dividend (the "Resolution"), the Participating Notes will entitle the noteholders to participate in the Company's profit. If the Resolution declares that no dividend is due, no payment will accrue or be payable for the Participating Notes. If the Resolution declares that a dividend is to be paid, the amount payable for the Participating Notes will correspond to the dividend amount attributable to a number of shares calculated as follows: (i) the aggregate nominal value of the Participating Notes divided by (ii) the average GTC share price on the regulated market as of 17 December 2024. Consequently, each of 418 Notes will entitle its holder to a payment corresponding to the dividend payable for 107,628 shares in the Company’s share capital (in total, corresponding to the dividend due out of 44,988,504 shares in the Company’s share capital).

The Participating Notes do not constitute convertible notes or notes with priority rights under the Bonds Act or the provisions of the Act of 15 September 2000 – Commercial Companies Code (the “Commercial Companies Code”) - kodeks spółek handlowych. However, under the terms and conditions of the Participating Notes, if GTC Paula SARL exercises and settles the Call Option to purchase non-controlling shares held by LFH Portfolio Acquico S.À R.L. and ZNL Investment S.À R.L before 15 April 2025, the Company will be entitled to exercise its right to early redemption, provided that the General Meeting adopts a resolution to increase the Company’s share capital (which would require the exclusion of pre-emptive rights of the Company’s shareholders) and/or any other resolution which may be required to effectuate the exercise of the Company’s right to early redemption (“Share Capital Increase”). If GTC Paula SARL fails to exercise and settle the Call Option before 15 April 2025, the right to demand early redemption will pass to the Noteholder, subject to the relevant Share Capital Increase. In each case, upon early redemption, the Participating Notes will be redeemed, with the redemption amount set off against the subscription price of the Company’s shares to be subscribed for by the noteholder under the Share Capital Increase, and, in particular, no additional redemption amount will be due, nor any cash payable to the noteholders. The total number of new shares that the Noteholders will be entitled to subscribe for (or exercise the right from subscription warrants entitling them to subscribe for) will equal 44,988,504.

On 31 March 2025, GTC Paula SARL. exercised an option against LFH Portfolio Acquico S.À R.L. and ZNL Investment S.À R.L. to purchase all of the shares held by LFH Portfolio Acquico S.À R.L. and ZNL Investment S.À R.L. in Kaiserslautern I GmbH & Co. KG, Kaiserslautern II GmbH & Co. KG, Portfolio Kaiserslautern III GmbH, Portfolio KL Betzenberg IV GmbH, Portfolio KL Betzenberg V GmbH, Portfolio Kaiserslautern VI GmbH, Portfolio Heidenheim I GmbH, Portfolio Kaiserslautern VII GmbH and Portfolio Helmstedt GmbH (the “Call Option”). Settlement of the Call Option has not yet occurred and is expected to occur by 30 April 2025.

Under the amended terms and conditions of the Participating Notes, if Paula SARL settles the Call Option before 30 April 2025, the Company will be entitled to exercise its right to early redemption of the Participating Notes, provided that the General Meeting adopts a resolution to increase the Company’s share capital (requiring the exclusion of pre-emptive rights of the Company’s shareholders) and/or any other resolution necessary to effectuate the Company’s right to early redemption (the “Share Capital Increase”). Additionally, from 15 April 2025 onwards, the noteholder is allowed to request early redemption of the Participating Notes, subject to the relevant Share Capital Increase.

In each case, upon early redemption, the Participating Notes will be redeemed by way of set-off against the subscription price of the equity instruments to be subscribed for by the noteholder under the Share Capital Increase, with no additional redemption amount due and no cash payable to the noteholder.

As of date of the financial statements the Call Option was exercised and Management’ intention is to settle the Call Option in the agreed timeline, ie. by 30 April 2025.

In financial statements for the year ended 31 December 2024 participating notes are presented as equity instrument in accordance with IAS 32 *Financial instruments – presentation*. This is primarily due to the fact that if, in accordance with the resolution on the distribution of the Company's result, a dividend is not paid, no payment under the Participating Bonds will be accrued or paid. In addition, early redemption at the Company's discretion is implemented by issuing a fixed number of the Company’s shares for a fixed number of bonds, as determined on the issue date. In summary, the Company as the issuer retains full unilateral freedom to avoid cash settlement by converting the bonds into equity through the issue of subscription warrants resulting in new shares, which ensures that the instrument is treated as equity. Although the right to early redemption is conditional on exercising and settling the Call Option, the Management as at 31 December 2024 believed that the exercise of the Call Option was within their control and already recognised the liability for that exercise as explained above, which is confirmed by actual exercise on 31 March 2025 and the payment is expected to happen by 30 April 2025.

C. Debt financing

To provide additional financing for the Transaction, the Company has secured €190 loan (the "Loan"), to be granted by certain affiliates of The Baupost Group, L.L.C. and Diameter Capital Partners LP (the "Lenders") on terms and conditions set forth in the Term Facilities Agreement (the "Facility Agreement") executed on 20 December 2024. The Loan is entered by an indirect subsidiary of the Company, GTC Paula SARL (the "Borrower"), and is guaranteed in particular by the Company, and entities from GTC Group, on terms and conditions set forth in the Facility Agreement. The Facility Agreement requires certain entities being members of GTC Group to establish certain security interest as well as the subordination of liabilities (governed by local laws) pursuant to agreements executed in particular with Agent and / or the Security Agent (as defined in the Facilities Agreement). One of the covenants in the Loan contract is the exercise of the Call Option to purchase non-controlling shares held by LFH Portfolio Acquico S.À R.L. and ZNL Investment S.À R.L.

D. Accounting treatment

Company performed detailed analysis of Transaction accounting treatment. Based on analysis of requirements included in IFRS 10 Consolidated Financial Statements and IFRS 3 Business Combinations, Management concluded that control was passed to GTC on 31 December 2024. The main reason behind such conclusion was the ability to influence returns (i.e. power) which could be demonstrated before January 2025 when the Transaction was closed from legal perspective. GTC was involved in operations of acquired portfolio and/or had veto rights in decision-making. Furthermore, at the payment date which occurred on 30 December 2024 Peach Group as the prior owner lost the authority to reverse any decisions made with collaboration with GTC. Although the registration of transfer of shares in the Target Companies was completed on 6 January 2025, the shares were on 31 December 2024 held by agent who confirmed the receipt of the payment and from the payment date the Group had de facto decision making rights related to relevant activities.

Management performed the optional concentration test and observed that approximately 92% of the gross assets acquired are related to the Investment Property being acquired, primarily consisting of similar assets - residential units. As a result, the concentration test was passed, and the transaction is accounted for as an asset acquisition. Since the concentration test is met, the set of activities and assets was determined not to be a business, and no further assessment was required.

As a part of a concluded transaction based on IFRS 9 *Financial Instruments* Management Board identified other obligations and material financial instruments as below:

- Minimum dividend payment obligation (€4.9) as a contractual obligation to make yearly payments to the minority shareholders i.e. Peach Partner and Peach KG. Amount of the obligation was calculated using amortized cost method. As of 31 December 2024 €4.8 presented as *Liabilities for put options on non-controlling interests and other long term payables* and €0.1 in *Other financial liabilities*.
- The Group did not recognize minimum dividend payment obligation towards LFH Portfolio Acquico S.À R.L. and ZNL Investment S.À R.L – as explained above, based on Management assessment, GTC had present obligation to realise the call option and present access to returns associated to their ownership interest which releases the Group from further obligations towards

LFH Portfolio Acquico S.À R.L. and ZNL Investment S.À R.L. The Minimum dividend payment obligation is a contractual obligation to make yearly payments to the minority shareholders i.e. LFH and ZNL. The amount of the obligation was calculated using amortized cost method and as of 31 December 2024 is €5.2 and is a contingent liability due to the reasons explained above.

- As explained above, the Call Option for the minority shares of LFH Partner and ZNL was recognized as a liability at the present value of the redemption amount to be paid to the non-controlling shareholders under the call option (€22.6). The Group also recognized a liability for the put option for the non-controlling shares of Peach at the present value of the redemption amount to be paid to the non-controlling shareholders (€18.6). Subsequently, the changes in the carrying amount of the put financial liability will be recognized in profit or loss, in accordance with IFRS 9. As of 31 December 2024 the liability relating to the put option presented in *Liabilities for put options on non-controlling interests and other long term payables*.
- The Group also recognized a financial liability of €9 regarding retained purchase price for shareholder loans which will be paid together with the fee for the call option to LFH. As of 31 December 2024 presented in *Other financial liabilities*.
- Put and call option for 49% shares of PM Company with Peach Group with a fixed price of €0.45. Management assume that it will be exercised at end of 2027 so we recognized €0.42 in long term payables at amortised cost. Based on agreement with Peach, they are not entitled for any dividend or share of profit, therefore no NCI is recognized.

The following table shows the values of acquired portfolio used for the purpose of calculation purchase price:

Assets	
Investment properties	447.6
Upstream loans receivables (Loans granted to Peach by acquired entities)	38.0
Other assets	10.2
	495.8
Liabilities	
Financial liabilities toward external banks	185.5
Loans received from Peach Group	69.7
Other liabilities	11.3
	266.5
Net assets (100%)	**229.3**
Net assets acquired (without NCI part)	**205.8**
Settlement of loans to and from Peach Group	33.4*
Net assets adjusted by settlements of loans towards Peach Group	**239.2**
Net consideration paid in cash	(166.9)
Transaction costs related to the acquisition	(9.1)
Transaction costs not paid as of 31 December 2024	4.0
Expenditures from the purchase of completed assets	**(172.0)**
Total consideration increased by transaction costs	**239.2**
Consideration paid in cash	166.9
Issued participating notes in fair value	41.8
Liability due to exercise the call option	22.6
Transaction costs	9.1
Other adjustments reducing net consideration to be paid	(1.2)

* *The amount of settlement of loans toward Peach Group relates to settlement of intercompany loans receivable and payable outlined in separate lines above.*

There is no significant difference between acquired equity and paid consideration.

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

E. Other

Transaction described above was not concluded with any related party.

For the detailed description of the transaction please refer to the current report no. 1/2025 from 2 January 2025.

FINANCING

In February 2024, Dorado 1 EOOD, a wholly-owned subsidiary of the Company, has signed €55.0 loan agreement with DSK Bank AD and OTP Bank PLC with a maturity in March 2029. The full amount was drawn down.

In December 2023, GTC Group transferred €29.5 to an escrow account held with an external legal company with the purpose of acquiring green bonds issued by GTC Aurora (“Aurora bonds”). Running the acquisition transactions was handed over to a financial expert (“Broker”). In the year ended 31 December 2024, the Broker bought back 6,000 Aurora bonds and transferred to GTC Group with nominal value of €6.0 at cost of €5.4. GTC Group recognized income from buy-back of Aurora bonds in the amount of €0.6. The Broker acquired also MBH Bank bonds with ISIN HU0000362207 in the value of €3.9 and Grid Parity Bond in the value of €6.9 that were transferred to GTC Group. In addition, GTC Group decided to lower the amount on the escrow held for buy-back, and €14.2 (€12.2 in first quarter of 2024 and €2 in third quarter of 2024) in cash was returned to GTC including the interest income accumulated. Agreement expired in December and was not extended for further period.

On 25 June 2024, Globis Poznań Sp. z o.o., a wholly-owned subsidiary of the Company, signed an annex with Santander Bank Polska S.A., which extended repayment date from 30 June to 31 August 2024. The loan was repaid on the maturity date.

On 14 August 2024, GTC Aeropark sp. z o.o. and Artico sp. z o.o., wholly-owned subsidiaries of the Company, have signed €31.6 loan agreement with Santander Bank Polska S.A. with a 5-year maturity after utilisation date. The full amount was drawn down.

OTHER

On 26 June 2024, the Company’s shareholders adopted a resolution regarding the distribution of a dividend in the amount of €29.3 (PLN 126.3). The dividend paid by the Company amounted to PLN 0.22 per share (not in million). The dividend was paid in September 2024.

EVENTS THAT TOOK PLACE AFTER 31 DECEMBER 2024:

On 17 January 2025, the Group finalized sale of land plot in Warsaw (Wilanów district). The selling price under the agreement is €55. which was equal to value presented in assets held for sale as of 31 December 2024. Transaction was not concluded with any related party.

On 31 January 2025, the Group finalized the sale of the entire share capital of Serbian subsidiary Glamp d.o.o. Beograd (project GTC X) for €22.7(net of cash and deposits in sold entity) which was close to the amount presented in assets held for sale as of 31 December 2024. Transaction was not concluded with any related party.

On 31 January 2025, GTC Origine Investments Pltd, a wholly-owned subsidiary of the Company signed a business quota swap agreement to purchase 100% of shares of Chino Invest Ingatlanhasznosító Kft and Infopark H Építési Terület Kft for exchange of shares in subsidiaries: GTC VRSMRT Projekt Kft and GTC Trinity d.o.o. 3rd party bonds owned by GTC Origine Investments Pltd. The total fair value of the deal was €14.8. The transaction required no cash settlement. The two acquired companies own over 6,800 sqm residential plots in Budapest, that provide opportunity for GTC to participate in the booming residential developments in Hungary. Transaction was not concluded with any related party.

On 24 February 2025, GTC Galeria CTWA sp. z o. o., the Company's wholly owned subsidiary, signed a prolongation of the existing facility with Erste Group Bank AG and Raiffeisenlandesbank Niederosterreich-Wien AG. Final repayment date was extended by 5 years from the signing date

1.3 Structure of the Group

The Group's structure is presented in the Group's annual consolidated financial statements for the year ended 31 December 2024 (see note 8 to the consolidated financial statements for 2024).

1.4 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 18 March 2024, Mrs. Barbara Sikora resigned from her seat on the management board of GTC S.A.;
- on 23 April 2024, Mr. Balázs Gosztonyi was appointed as a member of the management board of GTC S.A., effective as of 24 April 2024;
- on 30 August 2024, Mr. György Stofa was appointed as a member of management board of GTC S.A., effective as of 1 September 2024.
- on 3 December Mr. György Stofa resigned from her seat on the management board of GTC S.A.;

CHANGES IN THE COMPOSITION OF THE SUPERVISORY BOARD:

- on 13 March 2024, Aletheia Investment AG appointed Mr. Leonz Meyer to the Supervisory Board of the Company;
- on 15 March 2024, GTC Dutch Holdings B.V. revoked Mr. Balázs Figura and Mr. Mariusz Grendowicz from the positions of member of the Supervisory Board of GTC S.A;
- on 15 March 2024, GTC Dutch Holdings B.V. appointed Mr. Tamás Sándor and Mr. Csaba Cservenák as members of the Supervisory Board of the Company;
- on 17 June 2024, the mandate of Dr. Leonz Meyer's as the Supervisory Board member of the Company expired following a decrease below 5% in the GTC share capital by Aletheia Investment AG;
- on 25 September 2024, Mr. Sławomir Niemierka resigned from his seat on the supervisory board of the Company;
- on 25 September 2024, Otwarty Fundusz Emerytalny PZU "Złota Jesień" appointed Mrs. Magdalena Frąckowiak to the Supervisory Board of the Company.

CHANGES THAT TOOK PLACE AFTER 31 DECEMBER 2024 IN THE COMPOSITION OF THE SUPERVISORY BOARD:

- on 5 January 2025, Mr. Lorant Dudas resigned from his seat on the supervisory board of the Company, effective as of 5 January 2025;
- on 18 March 2025, Mr. Balint Szécsényi resigned from his seat on the supervisory board of the Company, effective as of 18 March 2025;
- on 16 April 2025, GTC Dutch Holdings B.V. appointed Mr. Ferenc Minárik and Mr. István Hegedüs as members of the Supervisory Board of the Company, effective as of 17 April 2025;
- on 22 April 2025, GTC Dutch Holdings B.V. revoked Mr. Tamás Sándor and Mr. Csaba Cservenák from the positions of member of the Supervisory Board of GTC S.A;
- on 22 April 2025, GTC Dutch Holdings B.V. appointed Mr. Ferenc Daróczi as member of the Supervisory Board of the Company.

1.5 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 is 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 WAILT)
- 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:

- Financing investment needs from senior bank debt and debt capital markets.
- 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 cash intensive acquisitions and developments aimed at boosting Company's growth 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. Rysk 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.

1.6 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:
    - support of Red Cross with providing a place for blood donations;
    - support of Red Cross, UNICEF, Children Village, etc, humanitarian organisations in mall for collecting donations;
    - finance the largest campaign in Częstochowa promoting blood donation "MOTOSERCE",
    - 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,
    - free medical examination for women and men;
    - organization of family picnics;
    - organization of monthly garage sales;
    - organization of Christmas workshops;
    - opening free parking at night due to bad weather conditions;
    - donation of Christmas trees to the charities and children in need in Zagreb.

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;
- Jurajska 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

- **Embracing environmental certification**. The investments of the Company and the Group are fully compliant with LEED or BREEAM guidelines. As of 31 December 2024 approximately 93% of our properties hold a green certificate, which proves the sustainability of the properties that GTC develops and manages.

In 2024, the Group total expenses to support charities amounted to €369 thousand, including: €65 thousand for social organizations, €10 thousand for general donations, €27 thousand for sport related actions and €159 thousand for sponsorship of culture and, €108 thousand for sponsoring (education, charity, health, ecology) and related actions.

1.7 Business overview

As of 31 December 2024, the book value of the Group's property portfolio amounted to €2,864.0 and comprised mainly investment properties (including rights of use and assets held for sale) 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 €154.7 (GTC's share).

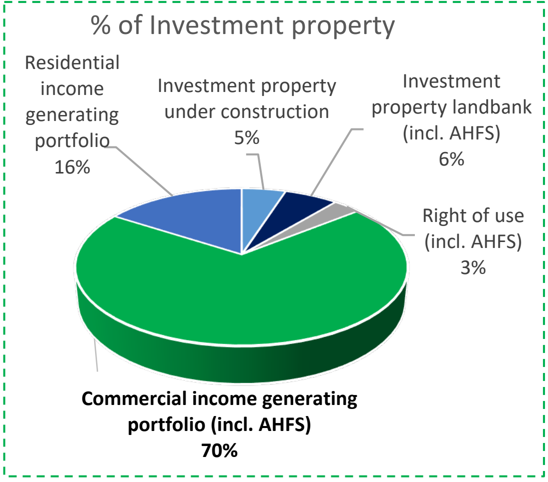
1.7.1 Overview of the investment portfolio

INVESTMENT PORTFOLIO

The Group is focused on:

- commercial assets, mainly office buildings and office parks as well as retail and entertainment centers and
- residential assets, mainly residential units for rent.

The Group's investment properties include income generating assets (completed investment properties and real estate assets held for sale), projects under construction, investment property landbank (including land held for sale) and rights of use (including right of use for assets held for sale).

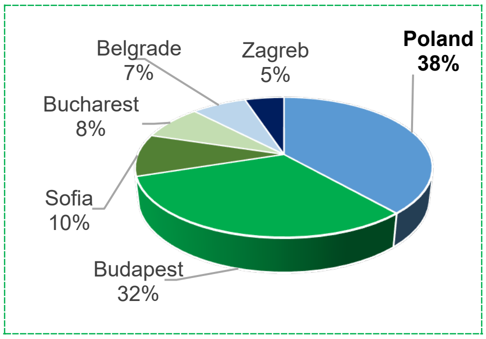


1.7.1.1 Overview of commercial income generating portfolio including real estate assets held for sale

As of 31 December 2024, the Group had 45 income generating commercial assets (including 1 office asset held for sale) with total GLA of 745,100 sq m as compared to 46 income generating commercial assets 752,500 sq m as of 31 December 2023. The value of income generating commercial assets was €1,987.9 as of 31 December 2024, as compared to €2,007.4 as of 31 December 2023. The average occupancy rate within the income generating commercial portfolio was 86% as of 31 December 2024 as compared to 87% as of 31 December 2023. The commercial portfolio was valued based on an average yield of 7.3% as of 31 December 2024 as compared to an average yield of 7.5% as of 31 December 2023. The average duration of leases in the Group`s income generating commercial portfolio was 3.8 years as of 31 December 2024, as compared to 3.5 years as of 31 December 2023. The average rental rate was €19.0/sq m/month as of 31 December 2024 as compared to €19.3/sq m/month as of 31 December 2023.

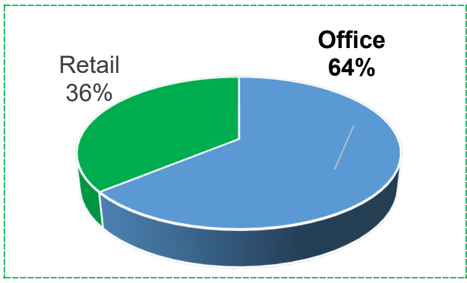
As of 31 December 2024, approximately 70% of the income generating commercial portfolio (by value) is located in Poland and Hungary and 30 % in CEE and SEE capital cities.

The following table presents income generating commercial portfolio by country in which the Group operates as of 31 December 2024:



Location	Total gross leasable area (sq m)	% of GLA (sq m)	Average occupancy (%)	Book value (€)	% of total book value
Poland	312,100	42%	82%	760.1	38%
Budapest	209,500	28%	86%	629.1	32%
Sofia	74,700	10%	89%	194.2	10%
Bucharest	62,500	8%	82%	161.4	8%
Belgrade	51,700	7%	99%	142.3	7%
Zagreb	34,600	5%	99%	100.8	5%
Total	**745,100**	**100%**	**86%**	**1,987.9**	**100%**

Within its income generating commercial portfolio, the Group is focused on the office sector. As of 31 December 2024, office properties accounted for around 64%, and retail properties accounted for the remaining 36% of the book value of income generating commercial portfolio, which is virtually unchanged from 2023



The following table presents income generating commercial portfolio by sector as of 31 December 2024:

Usage type	Total gross leasable area(sq m)	% of GLA (sq m)	Average occupancy(%)	Book value (€)	% of total book value
Office	541,200	73%	82%	1,273.9	64%
Retail	203,900	27%	96%	714.0	36%
Total	**745,100**	**100%**	**86%**	**1,987.9**	**100%**

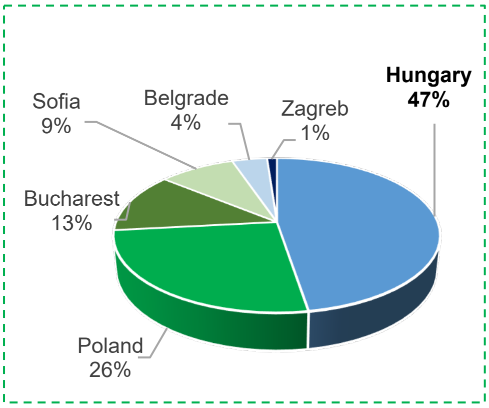
All the financial data in this Report is presented in EUR or PLN and expressed in million unless indicated otherwise

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, MBH Bank, Rempetrol, Concentrix, HTECH Group, 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.

1.7.1.1.1 Overview of the office portfolio

As of 31 December 2024, the Group's office portfolio comprised 39 office buildings (including 1 office asset held for sale) as compared to 40 buildings as of 31 December 2023. Total gross rentable office space was 541,200 sq m as compared to 548,200 sq m as of 31 December 2023. The occupancy rate was 82% as of 31 December 2024 as compared to 84% as of 31 December 2023. The average duration of leases was 3.8 years at the year-end 2024, as compared to 3.5 years as of 31 December 2023. The applied average yield was 7.3% as of 31 December 2024, as compared to 7.6% as of 31 December 2023. The average rental rate generated by the office portfolio was €17.5 sq m/month as of 31 December 2024, as compared to €18.0 sq m/month as of 31 December 2023. The total value of the office portfolio as of 31 December 2024 was €1,273.9 compared to €1,298.8 as of 31 December 2023. The decrease in value is mainly attributable to the sale of Matrix C office building in Zagreb partially offset by an increase of book value of Hungarian portfolio.



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 2024:

Location	Total gross leasable area (sq m)	% of GLA (sq m)	Average occupancy (%)	Book value (€)	% of total book value
Budapest	203,100	37%	86%	606.9	47%
Poland	199,000	37%	74%	325.0	26%
Bucharest	62,500	12%	82%	161.4	13%
Sofia	52,000	10%	85%	113.6	9%
Belgrade	17,700	3%	97%	52.2	4%
Zagreb	6,900	1%	100%	14.8	1%
Total	**541,200**	**100%**	**82%**	**1,273.9**	**100%**

1.7.1.1.1.1 Office portfolio in Budapest

The Group's total gross rentable area in Budapest comprised 203,100 sq m in thirteen office buildings located in Budapest as of 31 December 2024, unchanged from 31 December 2023. The occupancy rate was 86% as of 31 December 2024 as compared to 87% as of 31 December 2023. The average duration of leases was 3.5 years at the year-end as compared to 3.6 years at the year-end 2023. The applied average yield was 6.6% as of 31 December 2024, as compared to 7.2% as of 31 December 2023. The average rental rate generated by the office portfolio in Hungary was €19.3 sq m/month as of 31 December 2024 as compared to €20.3 sq m/month as of 31 December 2023. The book value of the Group's office portfolio in Hungary amounted to €606.9 as of 31 December 2024, as compared to €595.8

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

as of 31 December 2023. This increase is attributable mainly to the increase in value of Center Point following the redevelopment of the property.

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

Property	Location	GTC's share (%)	Total gross rentable area (sq m)	Year of completion
Center Point I&II	Budapest	100%	40,800	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	Budapest	100%	21,100	2017
evosoft Hungary Ltd. Headquarter	Budapest	100%	20,700	2020
V188	Budapest	100%	15,000	2001
Döbrentei	Budapest	100%	2,300	-
Pillar	Budapest	100%	29,100	2022
Rose Hill Campus[2]	Budapest	100%	4,600	2023
		Total	**203,100**	

[1] Property acquired as landbank for future development, with a small office building located on the plot.
[2] Two refurbished office buildings with 4,600 sq. m, additional 10,700 sq. m under redevelopment.

1.7.1.1.2 Office portfolio in Poland

The total gross rentable area in Poland comprised 199,000 sq m in 16 office buildings located in Warsaw, Kraków, Łódź, Katowice, Poznań and Wrocław as compared to 195,500 sq m as of 31 December 2023. The average occupancy rate was at the level of 74% as of 31 December 2024, as compared to 77% as of 31 December 2023. The average duration of leases was 4.1 years at the year-end as compared to 2.8 years at the year-end 2023. Applied average yield was at the level of 8.3% as of 31 December 2024 as compared to 8.3% as of 31 December 2023.The average rental rate generated by the office portfolio in Poland was at the level of €15.2/sq m/month in 2024, as compared to €15.5/sq m/month as of 31 December 2023. The book value of the office portfolio in Poland amounted to €325.0 as of 31 December 2024, as compared to €335.4 as of 31 December 2023. The decrease in value reflects a decrease in occupancy rate.

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

Property	Location	GTC's share (%)	Total gross rentable area (sq m)	Year of completion
Galileo	Kraków	100%	11,000	2003
Globis Poznań	Poznań	100%	14,100	2003
Newton	Kraków	100%	10,850	2007
Edison	Kraków	100%	11,400	2007
Nothus	Warsaw	100%	9,600	2007
Zephirus	Warsaw	100%	9,800	2008
Globis Wrocław	Wrocław	100%	16,600	2008
University Business Park A	Łódź	100%	20,450	2010
Francuska Office Centre A&B	Katowice	100%	23,300	2010
Sterlinga Business Center	Łódź	100%	13,800	2010
Corius	Warsaw	100%	9,600	2011
Pixel	Poznań	100%	14,600	2013
Pascal	Kraków	100%	5,900	2014
University Business Park B	Łódź	100%	20,400	2016
Artico	Warsaw	100%	7,600	2017
		Total	**199,000**	

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1.7.1.1.1.3 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 2024, unchanged from 31 December 2023. The occupancy rate of the Group's office portfolio in Sofia was 85% as of 31 December 2024, as compared to 86% as of 31 December 2023. The average duration of leases was 3.7 years at the year-end, as compared to 4.4 years at the year-end 2023.The applied average yield was 7.7% as of 31 December 2024, as compared to 7.8% as of 31 December 2023.The average rental rate generated by the office portfolio in Sofia was at the level of €16.7/sq m/month as of 31 December 2024, as compared to €16.5/sq m/month as of 31 December 2023. Book value of the Group's office portfolio in Sofia amounted to €113.6 as of 31 December 2024 compared to €113.1 as of 31 December 2023.

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

Property	GTC's share (%)	Total gross rentable area (sq m)	Year of completion
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**	

1.7.1.1.1.4 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 2024, unchanged from 31 December 2023. The occupancy rate was 82% as of 31 December 2024, unchanged from 31 December 2023. The average duration of leases was 3.8 years at the year-end, as compared to 3.7 years at the year-end 2023.The applied average yield was 6.9% as of 31 December 2024, as compared to 7.3% as of 31 December 2023. The average rental rate generated by the office portfolio in Bucharest was at the level of €18.5/sq m/month in 2024, as compared to €19.4/sq m/month as of 31 December 2023. Book value of the Group's office portfolio in Bucharest amounted to €161.4 as of 31 December 2024, compared to €161.9 as of 31 December 2023.

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

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

1.7.1.1.1.5 Office portfolio in Belgrade (asset held for sale)

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The Group's total gross rentable area in Belgrade comprises17,700 sq m in one office building as of 31 December 2024, unchanged from 31 December 2023. The occupancy rate was at the level of 97% as of 31 December 2024 as compared to 100% as of 31 December 2023. The average duration of leases was 3.7 years at the year-end, as compared to 4.9 years at the year-end 2023. The applied average yield was 7.5% as of 31 December 2024, as compared to 7.7% as of 31 December 2023. The average rental rate generated by the office portfolio in Belgrade was at €18.9/sq m/month as of 31 December 2024 as compared to €18.4/sq m/month as of 31 December 2023. The book value of the Group's office portfolio in Belgrade amounted to €52.2 as of 31 December 2024 compared to €49.5 as of 31 December 2023. The disposal of GTC X was completed in February 2025.

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**	

1.7.1.1.6 Office portfolio in Zagreb

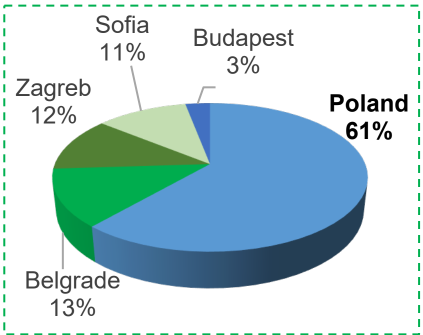
The Group's total gross rentable area in Zagreb comprises 6,900 sq m in one office building as of 31 December 2024 as compared to 17,500 sq m in two office buildings in 2023. The occupancy rate of the Group's office portfolio in Zagreb was 100% as of 31 December 2024, as compared to 95% as of 31 December 2023. The average duration of leases was 2.7 years at the year-end, as compared to 4.2 years at the year-end 2023. The applied average yield was 9.2% as of 31 December 2024 as compared to 7.6% as of 31 December 2023. The average rental rate generated by the office portfolio in Zagreb was at the level of €16.5/sq m/month as of 31 December 2024, as compared to €16.3/sq m/month as of 31 December 2023. Book value of the Group's office portfolio in Zagreb amounted to €14.8 as of 31 December 2024 compared to €43.1 as of 31 December 2023. The decrease in value was attributed to the sale of Matrix C.

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

Property	GTC's share	Total gross rentable area	Year of completion
	(%)	(sq m)	
Avenue Centre	70%	6,900	2007
	Total	**6,900**	

1.7.1.2 Overview of the retail portfolio

As of 31 December 2024, the Group's retail properties comprised six shopping centres with a total gross rentable area of 203,900 sq m, as compared to 204,300 sq m as of 31 December 2023. The occupancy rate was 96% as of 31 December 2024 and 31 December 2023. The average duration of leases was 3.7 years at the year end, as compared to 3.5 years as of 31 December 2023. The applied average yield was 7.4% as of 31 December 2024, as compared to 7.4% as of 31 December 2023. The average rental rate in the retail portfolio was €22.4 sq m/month as of 31 December 2024, as compared to €22.2 /sq m/month as of 31 December 2023. The total value of retail investment properties as of 31 December 2024 was €714.0 compared to €708.6 as of 31 December 2023. The increase in value was attributed mainly to the increase in Poland and Hungary.



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The following table presents the retail portfolio by country as of 31 December 2024:

Location	Total gross leasable area (sq m)	% of total retail portfolio (%)	Average occupancy (%)	Book value (€)	% of total book value
Poland	113,100	55%	94%	435.1	61%
Belgrade	33,900	17%	99%	90.1	13%
Zagreb	27,600	14%	99%	86.0	12%
Sofia	22,800	11%	100%	80.6	11%
Budapest	6,500	3%	100%	22.2	3%
Total	**203,900**	**100%**	**96%**	**714.0**	**100%**

1.7.1.1.2.1 Retail portfolio in Poland

The total gross rentable retail space in Poland comprised 113,100 sq m in two retail schemes located in Warsaw and Częstochowa as of 31 December 2024, as compared to 113,600 sq m as of 31 December 2023. The average occupancy rate was 94% as of 31 December 2024 as compared to 95% as of 31 December 2023. The average duration of leases was 3.1 years at the year-end, as compared to 3.0 years at the year-end 2023. The applied average yield was 6.7% as of 31 December 2024, as compared to 6.6% as of 31 December 2023. The average rental rate generated by the retail portfolio in Poland was €22.8/sq m/month as of 31 December 2024, as compared to €22.1/sq m/month as of 31 December 2023. The book value of the Group's retail portfolio in Poland amounted to €435.1 as of 31 December 2024, as compared to €432.6 as of 31 December 2023. The increase in value was attributed mainly to the increase in rental rates.

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%	64,500	2017
		Total	**113,100**	

1.7.1.1.2.2 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 2024, unchanged from 31 December 2023. The average occupancy rate was 99% as of 31 December 2024, unchanged from 31 December 2023. The average duration of leases was 4.6 years at the year-end, as compared to 3.8 years at the year-end 2023. The applied average yield was 9.0% as of 31 December 2024, unchanged from 31 December 2023. The average rental rate generated by the retail portfolio in Belgrade was at €20.1/ sq m/month as of 31 December 2024, as compared to €19.9/ sq m/month as of 31 December 2023. Book value of the Group's retail portfolio in Belgrade amounted to €90.1 as of 31 December 2024 as compared to €90.0 as of 31 December 2023.

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**	

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1.7.1.1.2.3 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 2024, unchanged from 31 December 2023. The occupancy rate was 99% as of 31 December 2024, unchanged from 31 December 2023. The average duration of leases was 3.5 years at the year-end, as compared to 4.3 years at the year-end 2023. The applied average yield was 8.6% as of 31 December 2024, as compared to 9.1% as of 31 December 2023.The average rental rate generated by the retail portfolio in Zagreb was €22.6/sq m/month as of 31 December 2024, as compared to 23.8/sq m/month as of 31 December 2023. Book value of the Group's retail portfolio in Zagreb amounted to €86.0 as of 31 December 2024 compared to €85.0 as of 31 December 2023.

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**	

1.7.1.1.2.4 Retail portfolio in Sofia

The Group's total gross rentable retail space in Sofia comprises 22,800 sq m in one retail scheme as of 31 December 2024, as compared to 22,700 sqm in 2023. The occupancy rate was 100% as of 31 December 2024, as compared to 99% as of 31 December 2023. The average duration of leases was 5.2 years at the year-end, as compared to 3.9 years at the year-end 2023. The applied average yield was 8.3% as of 31 December 2024, as compared to 8.1% as of 31 December 2023. The average rental rate generated by the retail portfolio in Sofia was €24.5 /sq m/month as of 31 December 2024, as compared to €24.4 /sq m/month as of 31 December 2023. The book value of the Group's retail portfolio in Sofia amounted to €80.6 as of 31 December 2024 as compared to €80.7 as of 31 December 2023.

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%	22,800	2006
	Total	**22,800**	

1.7.1.1.2.5 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 2024, unchanged from 31 December 2023. The occupancy rate was 100% as of 31 December 2024, as compared to 96% as of 31 December 2023. The average duration of leases was 5.4 years at the year-end, as compared to 6.1 years at the year-end 2023. The applied average yield was 7.3% as of 31 December 2024, as compared to 7.8% as of 31 December 2023. The average rental rate generated by the retail portfolio in Budapest was at €20.4/sq m/month as of 31 December 2024, as compared to €20.9/sq m/month as of 31 December 2023. The book value of the Group's retail portfolio in Budapest amounted to €22.2 as of 31 December 2024 as compared to €20.3 as of 31 December 2023, following the yield compression and increase in occupancy.

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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**	

1.7.1.2 Overview of residential income generating portfolio

As of 31 December 2024, the Group had 5,169 flats with a total gross rentable area of 325 thousand sq m and a book value of €452.1, which 83% occupancy rate. The following table lists the Group's residential income generating portfolio as of 31 December 2024:

Portfolio	Book value	GLA thousand	Average Occupancy	Actual Average rent
		sqm	%	EUR/ sqm/m
Kaiserslautern	212.2	135	86%	7.1
Heidenheim	97.1	58	88%	7.6
Helmstedt	64.4	62	83%	6.4
Schöningen	45.3	50	73%	6.4
Other	33.1	20	71%	7.8
Total	**452.1**	**325**	**83%**	**7.0**

1.7.1.3 Overview of properties under construction

As of 31 December 2024, the Group had five projects under construction with a total gross rentable area of 64,900 sq m and a book value of €141.6, which constituted 5% of the Group's total property portfolio (by value). As of 31 December 2024, the Group had four office projects (Center Point 3, Rose Hill Campus, Andrassy and Matrix D) with a total gross rentable area of 60,900 sq m and a book value of €127.4.

The following table lists the Group's properties under construction:

Property	City	Segment	GTC's share	Total gross leasable area (sq m)
Center Point 3	Budapest	office	100%	36,000
Rose Hill Campus[1]	Budapest	office	100%	10,700
Andrassy	Budapest	office	100%	3,600
Elibre	Berlin	residential for rent	100%	4,000
Matrix D	Zagreb	office	100%	10,600
Total				**64,900**

[1] 10,700 sq. m under redevelopment and additional two refurbished office building with 4,600 sq. m.

1.7.1.4 Overview of investment property landbank (including assets held for sale)

As of 31 December 2024, the value of land plots classified as "Investment property landbank" and designated for future commercial development amounted to €111.4 and the land bank's held for sale amounted to €61.8. 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. Property landbank constituted 6% of the Group's total property portfolio (by value). The majority of the landbank is located in Warsaw, Belgrade and Budapest.

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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.

1.7.1.5 Rights of use – investment property (including assets held for sale)

As of 31 December 2024, the Group's right of use of lands under perpetual usufruct amounted to €73.4 which constituted 3% of the Group's total property portfolio, as compared to €40.0 as of 31 December 2023. The rights of use of lands under perpetual usufruct comprised the right of use of investment property landbank in the value of €33.8 and of property landbank held for sale in the value of €39.6.

1.7.2 Residential landbank

As of 31 December 2024, the Group held a residential landbank (including the right of use of residential landbank of €1.0) with a total value of €35.8 which constituted 1% of the Group's total property portfolio, as compared to €27.2 as of 31 December 2023.

1.7.3 Non-current financial assets

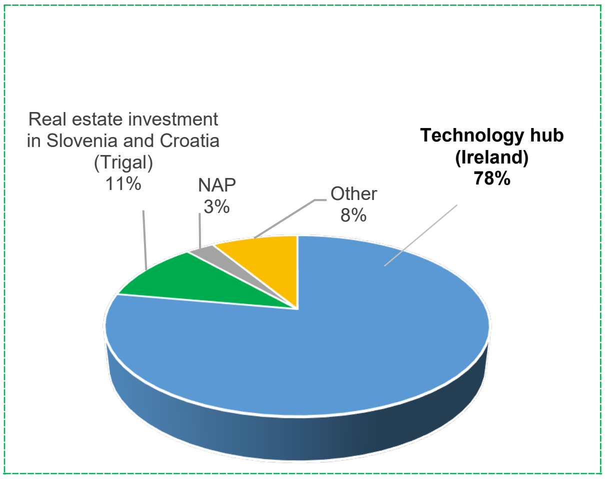
As of 31 December 2024, the Group held non-current financial assets measured at fair value through profit or loss with a total value of €154.7.

GTC mainly invested:

- through a debt instrument into 25% of a technology campus in Ireland. The instrument is valued of €120.4 as of 31 December 2024.

- into 34% units in the Trigal fund holding 4 completed commercial buildings. The fair value of this GTC's investment as of 31 December 2024 amounted to €16.5.

- into 15% shares in the Hungarian public company - NAP Nyrt a producer of solar panel energy with a total capacity of 57.6 MW (AC). The fair value of these shares amounted to €4.4 as of 31 December 2024



- other non-current financial assets such as bonds and fund. The fair value of these other non non-current financial assets amounted to €13.4 as of 31 December 2024.

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

	31 December 2024	31 December 2023
Notes in technology hub (Ireland)	120.4	119.1
Trigal Funds (Real estate investments in Slovenia and Croatia)	16.5	13.9
NAP	4.4	-
Grid Parity Bond	6.6	-
Bonds (ISIN HU0000362207)	3.8	-
ACP Fund	3.0	2.1
Total	**154.7**	**135.1**

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1.7.3.1. 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 project involves the construction of a data centre with power capacity of up to 179 MWs, as well a life science and technology campus. 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 2024 the Company has already additionally invested €5.1 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 February 2024 the contract with a major tenant was signed which is in line with the planning permit.

The next milestone are landlord responsible delivery of site highways and infrastructure works to be completed by end of 2025.

The fair value the GTC's share in the consolidated financial statement amounted to €120.4.

1.7.3.2. TRIGAL FUNDS

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 €16.5.

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**	

1.7.3.3. NAP SHARES

GTC has 15% shares in the Hungarian public company – NAP. NAP registered capital is HUF 8.4 billion (ca. E€21.5) and it already produces "green energy" using 73 solar power plants with a total capacity of 57.6 MW (AC). Through a series of private and public capital raisings, NAP aim to achieve company growth to a total solar power capacity of around 100 MW (AC), which will significantly contribute to Hungary's annual renewable energy generation.

On 11 October 2024, the Board of NAP Nyrt. appointed Mr. Balázs Gosztonyi as a member of the Supervisory Board of NAP Nyrt. The appointment is effective 11 October 2024.

The fair value the GTC's share in the consolidated financial statement amounted to €4.4.

1.7.3.4. OTHER

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 €5 in ACP Fund, and total of €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.

Grid Parity Bond

Grid Parity Bonds were issued for 10 years by HG Energy Zrt on 17 July 2019 with fix interest rate of 4% p.a. The bonds will be repaid at the maturity on 15 July 2029.

MBH Bank Bond

In 2024 the Broker acquired also MBH Bank bonds with ISIN HU0000362207 in the value of €3.9

1.8 Overview of the markets on which the Group operates[2]

This market commentary was prepared by Jones Lang LaSalle IP, Inc. and , iO Partners for commercial properties and by Wüest Partner for residential properties. 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 March 2025.

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1.8.1 Office market

I. Warsaw

After several years of reducing space requirements, portfolio expansion is back on the cards. In JLL's Future of Work Survey, 64% of respondents anticipate company headcount growth by 2030, with 53% expecting an increase in their total footprint over the next five years. Recent announcements from high-profile global businesses indicate a trend toward mandating increased office presence, with some requiring up to five days a week and implementing attendance tracking measures. We predict office attendance policies will continue shifting toward an average of four days per week. Getting there means more space will be required: 57% of our survey respondents, both the 'office-only advocates' and the 'hybrid promoters', cited expansionary activity as a top expectation from 2025 through 2030.

However, in the short term, the focus will be on portfolio rightsizing and transforming spaces into fit-for-purpose workplaces. At the moment, many organizations have high degree of certainty around the hybrid/in-workplace split and are in a position to make real estate decisions. As a result, we expect more CRE leaders to start executing on their strategies after a period of hiatus. This can mean moving to new space or reconfiguring and redesigning existing one to better meet workforce requirements and business expectations. For organizations seeking new space, decisions made in 2025 will need to have a degree of built-in flexibility to allow for future expansion in years to come.

With less new space coming to the market and availability concentrated in less desirable buildings and locations, competition for the best space will continue to intensify. Companies need to affirm their strategy around the kind of space they are looking for and be proactive to secure it. This means more spending on office design, employee experiences and hospitality services. CBD locations, mixed-use neighborhoods, buildings with leading sustainability and green credentials and 'destination workplaces' that can help attract and retain talent will be in highest demand.

In terms of the office stock in Warsaw, it stood at 6.3 million sq m at the end of Q4 2024 of which 473,000 sq m were owner-occupied. In 2024, developers delivered 104,000 sq m in Warsaw, which is still significantly below the average result of the past few years (200,000 - 300,000 sq m). Over the next two years, development activity will remain at a reduced level. In 2025-2026, the average annual level of new supply will be at around 100,000 sq m. Nearly 30% of the space planned for completion during this period consists of renovations of the existing office buildings.

In 2024, the market saw stability in terms of occupiers' activity. The demand for modern office space between Q1 and Q4 reached approx. 740,200 sq m and it was similar to the 2023 result. The City Centre, Central Business District, Służewiec and Jerozolimskie corridor were the most popular districts among occupiers. Tenant's activity was driven by lease renewals which accounted for 46% of total demand.

Financial services companies were the most active occupier group - accounting for 19% of demand. Tenants in the manufacturing sector (13%) and IT sector (11%) came in second and the third.

As compared to Q4 2023, the overall vacancy rate for Warsaw increased by 20 bps to 10.6% at the end of Q4 2024. A slightly weaker but still stable demand for high-quality offices resulted in "COVID vacancies" in buildings delivered between 2020-2023, being almost fully absorbed. Currently, only 3.6% of space is available in these properties. The highest vacancy rate is recorded in buildings completed in 2024 (22.7%). However, it should be remembered that this is approx. 20,000 sq m in the total vacancy which stands at over 650,000 sq m. Most of the vacant space is concentrated in buildings older than 10 years - mainly in Służewiec, City Centre, and CBD. These areas will undergo the greatest transformation in terms of office supply in the coming years.

In 2024, rents for prime office spaces in CBD increased by 7.7% y/y to €28 / sq m / month. Prices for prime assets in the non-central areas recorded a growth of 2.8% y/y to €18.5 / sq m / month. Given the ongoing transformation of the premium segment towards a landlord's market, rents are expected to continue the upward trend over the coming quarters.

II. Regional Cities in Poland

At the end of Q4 2024, the total office stock in eight major office markets in Poland stood at 6.8 million sq m. In FY 2024, 121,000 sq m was completed across those markets. Elevated vacancy and muted new demand translated into a subdued construction activity market wide. A portion of planned office investments have converted their intended function, largely transitioning to various residential formats (e.g., PRS and regular housing). Other projects are being executed over extended timeframes or as mixed-use developments, with a reduced share of office space. As a result, new completion levels will be significantly lower over the coming 2-3 years.

Over the year, the total leasing volumes amounted to 714,000 sq m against 741,000 sq m in FY 2023. Office take-up was largely driven by lease renewals, which made up 51% of total demand. In cities such as Kraków and Wrocław, the share of renegotiations stood at approx. 60%.

At the end of Q4 2024, the vacancy rate for the eight major regional markets amounted to 17.8% as compared to 17.5% in Q4 2023. Nearly all regional markets struggled with relatively high availability of vacant space in properties completed post-2019. It is directly related to subdued activity of the modern business services sector (limited number of new market entrants, space optimisation due to hybrid work, focus on lease renewals). However, the overall vacancy rate is likely to decrease during 2025 on the back of muted new completions and a gradual recovery in occupier demand.

During the year, nearly all regional cities recorded an increase in rents for prime assets. The only exceptions were Katowice and Łódź. Both markets faced elevated vacancy rates, standing at approx. 23%. At the end of 2024, the highest rates among the main regional cities were recorded in Kraków (€ 15.50-18.50 / sq m / month), Poznań (€ 14.50-17.00 / sq m / month) and Wrocław (€ 14.5-16.50 / sq m / month). It is expected that the upward pressure will continue over the coming twelve months. The average lease term for new buildings is 5-7 years (increasingly extending to 10 years). In older properties, where we have observed a high proportion of renegotiations, more flexible leasing terms are available – 3-5 years for new agreements and 2-5 years for renegotiations. The larger flexibility in lease duration and terms of contract undoubtedly presents a competitive advantage for older buildings.

III. Budapest

The total modern office stock in Budapest currently adds up to 4.5 million sq m. It consists of 3.6 million sq m of ‘A’ and ‘B’ category speculative office space as well as 851,605 sq m of owner-occupied space. In 2024, developers handed over 103,700 sq m of office space, a similar amount as in 2023. The three largest deliveries include the north wing of Liberty office building on 19,780 sq m, the fourth phase of Madarász office Park amounting to 14,600 sq m and new HQ building for Richter on 17,400 sq m. At the end of 2024, there was only 96,580 sq m office space under construction which is the lowest figure since 2015.

Furthermore, over 320,000 sq m of office space is under construction as a part of the Hungarian government’s relocation plans on an owner-occupied basis. According to our forecasts, the office stock in Budapest is set to grow by 8% over the next 2.5 years.

Total demand was estimated at 170,630 sq m in Q4 2024 reflecting a 30% increase year-on-year. Renewals reached an exceptionally high share from the total leasing activity, taking up 76% in Q4 2024. New leases accounted for 18% of the total leasing. Expansions took up 4%, while pre-leases reached a share of 2% of the total leasing activity in Q4 2024.

In 2024, total demand amounted to 502,150 sq m, showing 8% increase compared to 2023. Net take-up (excl. renewals and owner-occupied transactions) reached 190,730 sq m in 2024, indicating 20% decrease compared to the annual result of 2023.

In Q4 2024, the office vacancy rate increased slightly to 14.1%, representing a 0.1 pps growth quarter-on-quarter and 0.8 pps increase year-on-year. The lowest vacancy was registered in Central Buda with a vacancy rate of 8%, whereas the highest vacancy rate remained in the Periphery submarket (28.6%).

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 €15.0 - €26.0 /sq m/month. The highest rents were still reported in the CBD submarket.

IV. Bucharest

Bucharest modern office stock remained stable at 3.4 million sq m at the end of 2024 with limited new supply during 2024. In Q4 2024, there was 15,500 sqm of office space delivered, in one project. The ongoing construction of office projects increased by approximately 22% year-on-year to 67,500 sq m with their completion scheduled for Q1 2025-2026. Out of these, 20,600 sq m of One Technology District is a fully pre-leased a built to suit project for Infineon Technologies, marking the start of a new trend for large occupiers. Projects under construction are situated in the Floreasca-Barbu Vacarescu submarket (46.5%), Dimitrie Pompeiu (30.5%) and Center-West (23%).

A total of 321,700 sq m was leased in Bucharest in 2024, which is 21% less than during 2023, but 6% more than the five-year average. Net take-up (gross take-up excluding renewals & renegotiations) amounted to 162,300 sq m, 11% below 2023. The highest gross rental activity was recorded in the Floreasca – Barbu Vacarescu submarket (34%), Center – West (24%), and CBD (12%). The Computers & Hi-Tech sector had the largest share in gross take-up, with 58%, followed by the Manufacturing & Energy Sector (11.4%), and the Consumer Services & Leisure sector (10.1%).

On the back of increasing leasing activity in the last quarter of the year, net absorption* reached approximately 50,000 sqm quarter-on-quarter.

Thus, the vacancy rate recorded only a marginal decrease overall to 12.9%. The largest quarter-on-quarter increase in occupancy was recorded in the Center – West submarket.

Typical rents in Bucharest range between €14.5 and €17.5 per sq m per month. Prime office rents remain stable at €22.0 per sq m.

V. Belgrade

The stock of modern office space in Belgrade (CBD, City Center, Wider City Areas, Other City Areas, and Outer City) amounts to approximately 1.3 million sq m. Currently, ca. 100,000 sq m of modern office space is under construction. Class A represents 70% of the total stock, while Class B 30%. Approximately 70% of modern office space is located in New Belgrade (CBD), 21% in the city centre of Belgrade and the remaining 9% is located in the other parts of the city.

During 2024, the projects Artklasa, Brankov Business Center, and St. Sava Business Center were completed. These projects have increased the office stock by nearly 23,000 sq m. As the result, only around 2% of new office space has been delivered to the market. The completion of the BIGZ office building has been postponed and is currently in its final phase.

About 70% of all new lease deals occurred in the central business district. The majority of the leased areas were of 200-600 square meters. The vacancy rate was at 4.3% on average for the market while for Class A reached under 4.0%. It is approximately 3% lower than reported at the end of 2022.

Prime headline rents for A class range from €17.0 to €18.0 /sq m/month (up from €17.0 reported in 2023).

VI. Zagreb

The office market in Zagreb was relatively stable in 2024. There were no office completions in Zagreb's central business district, though some growth occurred in non-central areas. The current office stock in Zagreb amounts to approximately 1.2 million sq m of Class A and B office space.

Regarding upcoming developments, the completion of GTC's fourth building, Matrix D, is scheduled at the end of 2025. Currently, around 50,000 sq m (VMD business tower with 20,000 sq m and Park Avenue office buildings with over 30,000 sq m) is under construction, expected to be delivered in 2026 and 2027. As for planned projects, there are several developments that are set to begin soon. Notable projects include the Arena Business Centre with 9,900 sq m, as well as the first phase of the Buzin City Island complex, which will add another 150,000 sq m of office space. Additionally, plans include the Supernova Office Tower (15,500 sq m) and the Landmark Green Towers with approximately 32,000 sq m of office space.

The total gross take-up in 2024 amounted to around 17,000 sq m, resulting in an increase compared to the previous year. This situation was influenced by lease agreement renewals. The vacancy rate remained the lowest in the region and was at ca. 4% at the end of 2024. The prime office rent remained between €16.00 and €16.50 per sq m monthly.

1.8.2 Retail market

I. Poland

Although challenging conditions persist, todays' market provides reasons for cautious optimism. This sentiment is supported by expected rebound in the volume of retail sales, which in Poland is projected to increase by 11.7% between 2025 and 2027. The average annual inflation rate declined from a peak of 14.4% in 2022 to 3.8% in 2024. However, it is expected to rise to 4.5% in 2025 before falling to 3.6% in 2026 (Oxford Economics). In addition, forecasts indicate that Poland is set to outperform and close the gap with countries in the eurozone. These catch-up dynamics are expected to take place alongside the easing in inflation.

Selected retail indices:

- GDP: In 2025-2027 Polish economy is forecast to observe a cumulative growth of 10.1%
- CPI: 4.5% forecasted for 2025. Inflation remains elevated, but is expected to gradually ease
- Retail sales: Cumulative three-year retail sales volume growth forecast for Poland is set to outperform established European economies and reach 11.7% (2025-2027).

Almost 600,000 sq m have been delivered to the Polish retail real estate market in 2024, being the record reported since 2017. However, the supply structure has changed. Over 420,000 sq m which was built in the retail park segment is now above the average results achieved in shopping centre segment in the years 2010-2017. Shopping centre format grew by some 55,000 sq m with only one new opening. The shopping centres however, have not been put on hold. While numerous schemes are already being remodeled, the coming years are also expected to be marked by a broad modernization, especially with regard to those shopping centers launched between 2000 and 2010.

New retail projects have been bringing modern retail offers to the smallest towns as well as suburban areas of major agglomerations. The lion's share of the new supply was attributable to cities under 100,000 but also those above 500,000 inhabitants. These two categories were responsible for a total of 400,000 sq m delivered in 2024. At the same time, activity was still observed in the cities of 100,000 – 500,000 inhabitants, where 190,000 sq m was completed.

The retail market in Poland powered ahead with a significant volume of over 460,000 sq m under construction, 80% of which was attributable to retail parks and convenience centres.
A similar pattern describes other projects set for 2025, which have not yet been launched. This means that this year will undoubtedly be driven by new retail parks along with convenience centres openings as well.

As of December 2024, there had been six shopping centres constructed, two exceeding 10,000 sq m.

Highlights and trends to watch in 2025:

- It is not merely shopping: the retail market in Poland follows global trends and is being driven by the urge for experiencing, spending time and belonging. Therefore, more retail schemes are set to become entertainment and food oriented
- Retail parks are continuing to dominate new supply in Poland, especially in small cities and towns. Now, these are more acting as a one-stop shopping experience for local customers

- Last year's sector performance has highlighted these market trends. The best performing centers became even stronger, while poor performing ones showed the need for remodeling and complete repositioning or permanent closure. Some 100,000 sq m has been already withdrawn from the Polish market in 2024
- Polish retail scene continuously attracts and welcomes new brands. In 2024 new openings covered among others: Uniqlo, Arket, Made by Society, Mr. DIY, Kamalion and Luca Bakery
- While rents stabilised and returned to pre-covid levels in 2024, there appears new room for growth, something which is already becoming visible among selected prime properties
- The 1.6 billion euro transacted in Poland in 2024 illustrates the retail sector's appeal to global investors. Easing inflation and rate-cuts are anticipated to additionally boost activities
- In-store and online integration becomes more important than ever. The seamless shopping experience remains challenging, but, when implemented, it will be a major advantage for top retail chains
- 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.

II. Warsaw agglomeration

As of December 2024, the total retail space in the Warsaw agglomeration for large-scale retail properties (GLA ≥ 5,000 sq m) and convenience centres (2,000 ≤ GLA ≤ 4,999 sq m) was 2.2 million sq m. Shopping centres accounted for 63% of the retail market stock, followed by retail parks at 17% and stand-alone retail warehouses at 12%. Additionally, convenience and outlet centres comprised 5% and 3% of retail space.

Regarding shopping centre density, Warsaw agglomeration ranks fifth among other major agglomerations, with 491 sq m of shopping centre space per 1,000 residents. The highest density levels among the major agglomerations are observed in Poznań and Wrocław, with 601 sq m and 588 sq m, respectively. As of December 2024, only one small project (extension of 3,200 sq m) was under construction in the Warsaw agglomeration.

The annual purchasing power per capita in Warsaw agglomeration was €15,814 (2023), approx. 61% higher than the national average of € 9,808 in Poland.

As of the end of 2024, the average vacancy rate in Warsaw was 3.1%, following the downward trajectory from the previous years (4% in 2023 and 4.4% in 2022).

The rate is below the average observed in Poland (for the main agglomerations), which in 2024 stood at 3.4%.

Prime shopping centre rents (fashion, 100 sq m boutiques) in Warsaw were estimated at 110 - 135 euros/ sq m/month. Prime rents for retail parks (1,000 sq m unit) ranged from 12 to 19 euros/ sq m/month.

III. Belgrade

During 2024, the total retail stock in Belgrade increased to 431,000 sq m, reflecting a steady expansion of the retail market. Although, no new shopping centers were completed during the year, as the market continued to evolve through the renovation and expansion of existing retail properties. One of the most notable developments was the expansion of Ava Shopping Center, which added an additional 10,000 sq m to its total retail space.

The trend of refurbishing and modernizing existing retail spaces has remained a key characteristic of the sector. In 2023, Zira Retail Center underwent a significant renovation. This trend continued into 2024, with the commencement of a large-scale reconstruction project at Ušće Shopping Center. Additionally, the planned renovation and expansion of Beo Shopping Center, which is expected to add approximately 4,000 sq m of new retail space, further highlights the focus on improving existing assets rather than developing entirely new centers.

Despite the ongoing developments and growth of supply, the overall market conditions have remained relatively stable compared to 2023. Rental levels for retail spaces in prime locations continue to range between €26.0 and €29.0 per sqm per month, while the prime rent stands at approximately €60.0 per sqm per month. The sustained level of rental prices, combined with continued investment in refurbishments and expansions, indicates the resilience of the retail market and a steady demand for quality retail space in Belgrade.

IV. Zagreb

Over the past several years, retail parks in Croatia have consistently emerged as the most active and dynamic subsector of the retail market. In 2024, the retail park stock grew by 7%, reaching a total of ca. 600,000 sq m. This growth highlights the ongoing and robust demand for retail park spaces across the country. The total stock of shopping centers in Zagreb was stable at 454,000 sq m, while the overall retail space stock in Croatia amounted to approximately 1.2 million sq m.

A key development in the wider Zagreb area was completion of the Stop Shop in Dugo Selo, a retail park spanning 9,000 sq m. Additionally, the town of Vodice saw the opening of SunPark, the first retail park in the area, covering approximately 6,000 sq m. This expansion aligns with the growing demand for retail space in smaller towns and reflects the ongoing trend of retail park growth in suburban and peripheral regions. As previously mentioned, the primary focus remains on the continued development and expansion of retail parks, which have proven to be the most promising sector in terms of attracting investment. In Zagreb, the FT Park Jankomir is currently under construction, set to significantly increase the city's retail capacity. In addition, the Designer Outlet Ikea is undergoing an expansion, further enhancing Zagreb’s retail landscape. There are also plans for the development of the Ingka retail park.

Regarding investment returns, prime yields for shopping centers were in the range of 8.00% to 8.25% in Q4 2024, reflecting a stable and steady market. Prime yields for retail parks were slightly higher, ranging from 8.25% to 8.50%.

V. Sofia

There is currently one shopping centre under construction in Plovdiv (57,000 sq m) and 121,000 sq m of 11 retail parks in Sofia (87,000 sq m) as well as countryside (34,000 sq m). These will add to the existing shopping centre stock of 671,000 sq m (out of which 402,000 sq m is located in Sofia) and 198,000 sq m of retail parks (out of which 124,000 sq m is located in the capital city as well).

Growth in consumer demand combined with the development of commercial chains, leads to continuous demand for 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.

Take-up in shopping centres during the first half of the year amounted to over 8,440 sq m. This volume does not include relocations within the same shopping centre. The number is comparable to H1 2023 and we expect similar volumes at the year end.

The average vacancy rate in the existing retail parks and shopping centres is around 3% (decrease from 5% a year ago).

Prime rental rates remained unchanged comparing to the end of 2023 being at the level of € 43 per sq m per month in shopping centres and € 11 per sqm per month in retail parks. Rental rates are expected to remain stable in the short term, with an upward trend in the quality projects in the mid-term. This trend is due to the lack of vacant areas, increased demand from local and international retailers and the improved purchasing power of the population.

Shopping centres are rereporting rising footfall levels, turnover, rental rates and occupancy. In this context, the trend of tenant mix optimization will continue.

There is also a trend towards more mono-brand stores opening. This is a sign of market development, as the individual concept allows for better representation of a specific brand. Part of the retail evolution is that a growing number of retailers are planning modern outlet formats in stand-alone stores.

1.8.3 Residential market

I. Germany

The supply shortage in the rental housing market continues. In the fourth quarter of 2024, the number of newly listed rental units remained below the level of the previous quarter. The ongoing demand further reinforces the trend of rising rents. As a result, rents in the 4th quarter of 2024 exceeded both the previous year and the previous quarter in all municipal categories.

At the same time, the number of building permits recorded a further decline. In 2024, the number of approved residential units fell by 16.8% compared to the previous year. The German government's target of 400,000 new building permits per year was significantly missed in 2024, with only approximately 216,000 building permits. Against this backdrop, the rental housing market is expected to remain tight in 2025, particularly in major cities, further driving up asking rents.

It remains to be seen which housing policy measures the newly elected government will implement following the federal election and how these will affect rental prices and new housing construction.

1.8.4 Investment market

I. Poland

The fourth quarter of 2024 provided clear evidence of investors' renewed engagement in the investment market. A significant increase in capital allocation and competitive bidding for opportunities has been observed. Globally, the fear of making a mistake is being overtaken by the fear of missing out, this trend seems to manifest in the Polish investment landscape as well.

Transaction volumes of €2.3 billion in Q4 alone were comparable to the full-year investments of 2023 and brought the 2024’s total to €4.8 billion. Improved market sentiment was evident in large-scale transactions, especially in the office and retail sectors. The value of transactions in each of these segments totalled €1.6 billion, which in both cases represented almost fourfold increase compared to the challenging year of 2023.

The office sector returned as a key driver of Poland’s investment market. The investor activity was incomparable higher versus previous year. Office investments exceeded €600 million during the final quarter of 2024. What is even more optimistic, apart from the large entity deals, the market has been also driven by core transactions in Warsaw. Simultaneously, Core+ and Value-add Warsaw transactions remained popular as well. What’s more, the market has seen the first prime transactions outside the capital city since 2022.

The growing number of active bidders, observed in 2024 brought stabilisation in current prime cap rates level for most of the markets. As of the end of December, the yield for prime Warsaw office assets, with lease agreements exceeding five years, was expected at approx. 6.00%. The prime cap rates in Kraków, which remains the core regional city, are currently estimated at approx. 7.00%.

In terms of the retail sector investments, the lion’s share of turnover was generated by three large-scale shopping centre acquisitions: Silesia City Center in Katowice, Magnolia shopping centre in Wrocław and sale of Cromwell’s retail portfolio.

There has not been recent transactional evidence in Warsaw, however based on the overall market sentiment JLL estimates the Q4 2024 prime shopping centre yields in the region of 6.50%. The prime cap rates for the best retail parks are currently estimated at ca. 7.25%.

II. Hungary

The 2024 annual investment volume amounted to ca. € 425 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, the lack of benchmark transactions and the elevated borrowing costs.

It is no surprise that in such turbulent times local buyers are more willing to commit to acquisitions; they generated nearly 75% of the 2024 volume. According to our conversations with buyers, Hungarian and regional investors continue to dominate the purchasing landscape (in 2023 local buyers represented 90%).

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

The decline in activity within the office asset class, evident throughout 2023, continued in 2024, with only two income-producing office deals closed. At the same time, it is important to note that there are various buildings currently under offer, and we anticipate numerous transactions during the first half of 2025. Based on our experience, assets with value-creation potential or offered at opportunistic pricing, typically with smaller ticket sizes below €30 million, are the most attractive. Anything above this threshold struggles to generate significant interest unless it offers a unique selling point, such as a CBD location or a long WAULT with a fully leased property. In total, we recorded eight deals in this asset class: two income producing assets, two for owner occupation and four for redevelopment. These eight assets collectively amounted to approximately €90 million. The most notable transaction in the asset class was the off-market disposal of Honvéd Center, a prime, CBD asset on 6,500 sq m by WING. The asset was sold to a new German market entrant, Helmut Greve Bau und Boden.

Retail assets showed robust activity in 2024, contributing approximately 24% to the total investment volumes and amounting to ca €104 million. Highly desirable assets were those occupied by high-performing retailers, usually with long WAULTs. The most notable transaction of the year was the sale of Vörösmarty No1 by Revetas to Indotek. The deal was signed at the end of 2023 and the transactional closing took place in Q1 2024. Furthermore, two countryside Interspar units were purchased by the Hungarian Unione, a seasoned professional in the asset class, who increased the size of their retail portfolio to 6 with these acquisitions. Erste Real Estate Fund continued expanding its retail portfolio by acquiring an OBI stand-alone DIY store in the outskirts of Budapest from the Hungarian investment manager, Adventum. Additionally, the fund purchased a brand-new Aldi grocery store with an exceptionally long lease in Budapest. Two sale and leaseback transactions involving Decathlon units in Kecskemét and Zalaegerszeg were also recorded.

In our opinion prime yields were at 6.75% for offices (but CBD buildings can trade below) and 7.25% for shopping centres as of Q4 2024.

III. Romania

The property investment volume in Romania totaled over €900 million in 2024, more than 50% higher than in 2023, which was a record year. Investment volumes were dominated by industrial representing 40% followed by retail with 31% and office with ca. 23% share.

The investment market was modest in Q4 2024, as several important transactions slipped into 2025. Still, yearly volumes were almost 50% higher compared to 2023 and we expect the positive trend to be continued in 2025.

The main transaction of 2024 was represented by the sale of Globalworth Industrial Portfolio to CTP. The size of the portfolio was 270,000 sq m as reported € 170 million.

There were several office investment transactions concluded in Romania. Thus, office transactions during 2024 reached a total of €143.5 million, more than double over the same period of 2023.

From the other sectors, the key transactions included sale of Expo Market Doraly (retail) to WDP, Brasov Retail Park to local investor and Funshop Park Turda (retail) to BT Asset Management.

Prime yields were stable for offices at the end of 2024 compared to the previous year and stood at 7.75%. For shopping centres and industrial increased moderately by 25bp to 8.00%. Overall, market liquidity is expected to improve in the course of 2025, as inflation is projected to decrease and interest rates will subsequently readjust to more manageable levels.

IV. Serbia

The real estate market in the Republic of Serbia maintained stable growth dynamics throughout 2024, recording an annual increase of approximately 5% compared to the previous year. Investment activity was primarily driven by the retail and hospitality sectors, with notable transactions also occurring in the office segment.

The most significant transaction of the year was in the shopping center sector, where BIG CEE acquired the Promenada Novi Sad shopping center for €177 million, marking the largest retail deal in Serbia in recent years.

The office market, while more subdued, still recorded important transactions. The sale of two office buildings within Hyde Park City for €21 million and the Mia Dorćol office building for €9 million contributed to the overall investment volume in the segment. Despite moderate transaction activity, office assets remain an attractive option for investors.

Prime yield for office buildings was within a similar range for several years, ranging from 8.00% to 8.50% also as of Q4 2024.

V. Croatia

Croatia has been consistently a regional leader in the number and size of real estate transactions over recent years. Despite the transaction volume decreased in 2024, the market remained active, demonstrating the resilience and stability of Croatia's real estate sector.

For example, S Immo signed an agreement to sell the Zagreb Tower of ca. 26,000 sq m to OTP Group. Additionally, sale of HOTO Business Tower of 15,500 sq m in Zagreb was announced for an undisclosed sum. Furthermore, Immofinanz has successfully completed the sale of the Grand Center Zagreb16,000 sq m office property to a Croatian real estate company.

VI. Bulgaria

The significant 106% rise in investment volumes in 2024 was driven by a single logistics portfolio deal, seeking to benefit from the geographic location of the country along the South-North transport axis of the continent. The rest of the volume was comprised of hotel and office assets acquired by domestic players. Total investment volume was reported at the level of € 194 million.

The distribution of investments by sector in 2024 was as follows: 74% are industrial and logistics space transactions, followed by hotels (15%), offices (8%) and development land (3%).

The share of Bulgarian buyers had been constantly increasing since 2020. However, in the first half of 2024 it was not the case, as international capital was representing 77% of the volume. Income-generating property transactions covered over 81% while the remaining were related to speculative properties.

At the end of 2024, prime yields remained stable comparing to those reported at the end of 2023 for industrial (7.50%) and increased moderately for retail and offices to 7.75% (from 7.50%).

VII. Germany

The residential investment market in Germany benefited from numerous investments in residential, student and senior housing properties in 2024. In total, residential real estate generated a transaction volume of EUR 10.5 billion, accounting for 30% of total investment. Growing demand combined with limited supply has resulted in very good occupancy rates, a low probability of rent losses and an overall positive market environment.

Prime yields remained largely stable throughout 2024, with prime residential yields in the top seven cities averaged 3.56%. Increased competition for prime locations and improved financing options point to rising rents and a positive outlook for the investment market in 2025.

2. Selected financial data

The following tables present the Group's selected historical financial data for the year ended 31 December 2024 and 31 December 2023. The historical financial data should be read in conjunction with *Item 2. Operating and financial review* of this Report and the consolidated financial statements for the year ended 31 December 2024 (including the notes thereto).

Selected financial data presented in PLN is derived from the consolidated interim financial statements for the year ended 31 December 2024 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.

	For the 12-month period ended 31 December			
	2024		2023	
(in million)	€	PLN	€	PLN
Consolidated Income Statement				
Revenues from operations	187.5	807.5	183.4	833.2
Cost of operations	(57.0)	(245.5)	(55.2)	(250.8)
Gross margin from operations	**130.5**	**562.0**	**128.2**	**582.4**
Selling expenses	(2.0)	(8.6)	(2.7)	(12.3)
Administration expenses	(18.0)	(77.5)	(20.4)	(92.7)
Loss from revaluation	(2.2)	(9.4)	(56.3)	(258.7)
Finance income/(cost), net	(40.1)	(172.7)	(33.2)	(150.8)
Net profit	**53.0**	**228.3**	**12.4**	**53.7**
Basic earnings per share (not in million)	0.09	0.38	0.02	0.08
Diluted earnings per share (not in million)	0.08	0.35	0.02	0.08
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	98.0	422.0	95.2	431.9
Net cash used in investing activities	(234.5)	(1,009.9)	(108.0)	(488.7)
Net cash from/(used in) financing activities	130.0	561.1	(42.8)	(196.7)
Cash and cash equivalents at the end of the period	55.2	235.9	60.4	262.6

	As of 31 December			
		2024		2023
	€	PLN	€	PLN
Consolidated statement of financial position				
Investment property (commercial completed and under construction)	2,063.1	8,815.7	2,074.9	9,021.6
Residential Investment property (completed and under construction)	466.3	1,992.4	-	-
Investment property landbank	111.4	476.0	158.5	689.2
Right of use (investment property)	33.8	144.5	40.0	173.9
Residential landbank	35.8	153.0	27.2	118.3
Assets held for sale	157.2	671.7	13.6	59.1
Cash and cash equivalents	53.4	228.2	60.4	262.6
Non-current financial assets measured at fair value through profit or loss	154.7	661.0	135.1	587.4
Others	147.9	631.9	146.9	638.7
Total assets	**3,223.6**	**13,774.4**	**2,656.6**	**11,550.8**
Non-current liabilities	1,656.1	7,076.6	1,444.0	6.278.5
Current liabilities	391.2	1,671.5	86.4	375.6
Total Equity	**1,176.3**	**5,026.3**	**1,126.2**	**4,896.7**
Share capital	12.9	57.4	12.9	57.4

3. Operating and financial review

3.1 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 2.4% in December 2024);
- impact of interest rate movements (however, as of 31 December 2024, 95% of the Group's borrowings were either based on fixed interest rate or hedged against interest rate fluctuations, mainly through interest rate swaps and cap transactions);
- 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).

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

3.2 Specific factors affecting financial and operating results

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

During the year ended 31 December 2024 the following factors affected financial and operating results:

- fully drawn down new loan in the amount of €55.0 loan granted by DSK Bank AD and OTP Bank PLC to Mall of Sofia and Sofia Towers.
- fully drawn down new loan in the amount of €31.6 granted by Santander Bank Polska S.A.
- new loan in the amount of €190 granted by certain affiliates of The Baupost Group, L.L.C. and Diameter Capital Partners LP for acquisition of German residential portfolio
- acquisition of 6,000 bonds issued by GTC Aurora and transferred then to GTC Group (as a result income in the amount of €0.6 was recognized)
- decrease the amount on the escrow held for buy-back and transfer of €14.2 in cash to GTC
- acquisition of MBH Bank bonds with ISIN HU0000362207 in the value of €3.9
- acquisition of Grid Parity Bond in the value of EUR 6.9
- assumption of existing senior bank loans for German portfolio in the value of €185.4

TRANSACTIONS

During the year ended 31 December 2024 the following factors affected financial and operating results:

- acquisition of German residential portfolio consisting of 5,169 flats with 325 thousand sqm residential space for €209 (€167 in cash and the Participating Notes with a total nominal value of approximately €42)

- acquisition of investment property under construction (senior housing for rent) in Berlin for €32.0 (including taxes and transaction costs). The first instalment of €12.0 was paid on 25 June 2024. Remaining part should be settled in cash received from future external financing that is yet to be obtained.
- acquisition of shares in the Hungarian public company - NAP Nyrt for €4.9.
- finalized sale of GTC LCHD Projekt in July 2024 for €13.2, out of which €11.4 has already been collected.
- sale of GTC Seven Gardens d.o.o., the owner of office building Matrix C for €13 (equal to the net proceeds from the transaction). GTC Seven Gardens d.o.o was sold together with its bank loan obligation (€14). In January 2025 first instalment of €10 was received by Company.
- sale GOC EAD, the owner of a landbank with a total area of 2,417 sqm located in Sofia, Bulgaria, for €3.25.
- acquisition of WOB Projekt Alheim GmbH and WOB Projekt Bad Berleburg GmbH holding a land plots intended for the senior housing for €3.4.

OTHER

In September 2024, €29.3 (PLN 126.3) dividend was paid.

3.3 Presentation of differences between achieved financial results and published forecasts

The Group did not publish forecasts for 2024.

3.4 Statement of financial position

ASSETS

Total assets increased by €567.0 (21%) to €3,223.6 as of 31 December 2024 from €2,656.6 as of 31 December 2023, mainly as a result of acquisition of German residential portfolio.

The value of investment property increased by €401.2 (18%) to €2,674.6 as of 31 December 2024 from €2,273.4 as of 31 December 2023, mainly due to acquisition of German residential portfolio (€452.1), investment in development of assets under construction (€48.5) and capex and fit-out in completed properties (€36.6), and purchase of investment property under construction (Elibre) of €13.8, partially offset by reclassification of GTC X and land in Wilanów to assets held for sale (€104.5), sale of Matrix C (€27.3) and reclassification the right-of-use related to assets held for sale of €38.2.

The value of assets held for sale increased by €143.6 to €157.2 as of 31 December 2024 from €13.6 as of 31 December 2023, mainly due to reclassification of Wilanów land (including right-of-use) and GTC X to assets held for sale.

The value of non-current financial assets increased by €19.6 (15%) to €154.7 as of 31 December 2024 from €135.1 as of 31 December 2023, mainly due to acquisition of shares in the Hungarian public company - NAP Nyrt for the total consideration of €4.4, acquisition of bonds for €10.4 and increase of fair value of Trigal units by €2.6.

The value of derivatives decreased by €8.2 (58%) to €6.0 as of 31 December 2024 from €14.2 as of 31 December 2023, mainly due to utilization of derivatives due to repayment of interest in the period.

The value of prepayments and other receivables decreased by €13.8 (26%) to €38.6 as of 31 December 2024 from €52.4 as of 31 December 2023, mainly as a result of utilization of the escrow account held for the purpose of acquiring green bonds issued by GTC Aurora.

The value of cash and cash equivalents decreased by €7.0 (12%) to €53.4 as of 31 December 2024 from €60.4 as of 31 December 2023. The cash balance was decreased mostly due to purchase of residential assets in Germany in the amount of €172.0, expenditures on investment properties of €71.7, repayment of long-term borrowings of €55.9, dividend payment in the amount of €29.6, interest paid in the amount of €35.2 and purchase of investment property under construction of €12.0 partially offset by acquisition of new long-term secured loan of €265.2 mainly due to new loan for acquisition of German portfolio, new loan for Mall of Sofia and new loan for Artico and Aeropark, net cash proceeds from operating activities of €98.0, sale of subsidiary, net of cash in disposed assets of €14.5 and change in short-term deposits designated for bonds buy back of €14.2.

LIABILITIES

The value of loans and bonds increased by €335.6 (26%) to €1,609.6 as of 31 December 2024 as compared to €1,274.0 as of 31 December 2023, mainly due to (i) proceeds from long-term borrowings in the amount of €265.2 mainly due to a new loan for acquisition of German portfolio (€190) and new loan for Mall of Sofia (€55) and (ii) assumption of senior loans on German residential portfolio as a result of acquisition in Germany in the amount of €183.0 compensated by (iii) repayments during the period in the amount of €55.9, (iv) reclassification of €24.8 to liabilities related to assets held for sale and (v) foreign exchange differences on bonds denominated in HUF of €10.3. The current portion of long-term debt increased mainly due to reclassification of loan related to Galeria Jurajska and new loans related to new German residential portfolio.

The value of liabilities related to assets held for sale increased by €68.8 to €69.2 as of 31 December 2024 as compared to €0.4 as of 31 December 2023, mainly due to reclassification of GTC X and land in Wilanów to assets held for sale.

The value of derivatives increased by €18.5 (99%) to €37.2 as of 31 December 2024 from €18.7 as of 31 December 2023, mainly due to change in fair value of cross-currency interest rate swaps on the Hungarian bonds.

The value of lease liabilities decreased by €6.1 (14%) to €37.6 as of 31 December 2024 from €43.7 as of 31 December 2023, mainly due to reclassification of lease liabilities related to land in Wilanów to liabilities related to assets held for sale, partially offset by lease liabilities recognized in new German residential portfolio.

The value of liabilities for put options on non-controlling interests and other long term payables increased by €35.0 to €40.2 as of 31 December 2024 from €5.2 as of 31 December 2023, mainly due to €18.6 liability for the put option for the non-controlling shares of Peach at the present value of the redemption amount to be paid to the non-controlling shareholders, €7.3 accrual for tax legal case, €4.8m liability for the minimum dividend payment (GTC Paula SARL).

The value of other financial liabilities increased by €31.7 to €31.7 as of 31 December 2024 from €0 as of 31 December 2023, mainly due to recognition of €9 financial liabilities regarding retained purchase price for shareholder loans which will be paid together with the fee for the call option to LFH and a liability at the present value of the redemption amount to be paid to the non-controlling shareholders under the call option (€22.6).

EQUITY

The value of equity increased by €50.1 (4%) to €1,176.3 as of 31 December 2024 from €1,126.2 as of 31 December 2023 mainly due to recognition of participating notes in the amount of €41.7, a result from the period of €53.0 and increase in non-controlling interest of €24.2, partially offset by a dividend payment of €29.3, a decrease in the value of capital reserve of €23.0 and a decrease in the value of hedge reserve of €14.4.

The value of participating notes increased by €41.7 to €41.7 as of 31 December 2024 from €0 as of 31 December 2023 mainly due to issuance of 418 bearer participating series A notes for acquisition of German residential portfolio.

The value of capital reserve decreased by €23.0 to €72.3 as of 31 December 2024 from €49.3 as of 31 December 2023 primarily due to the recognition of liabilities arising from the German portfolio transaction. This includes an €18.6 obligation related to the option price for the minority shares of Peach, as well as a €4.9 liability for the minimum dividend payment to minority shareholders.

The value of non-controlling interest notes increased by €24.2 (100%) to €48.5 as of 31 December 2024 from €24.3 as of 31 December 2023 mainly due to acquisition of a new minority shareholder – Peach Property Group.

3.5 Consolidated income statement

REVENUES FROM RENTAL ACTIVITY

Rental and service revenues increased by €4.1 (2%) to €187.5 in the year ended 31 December 2024, compared to €183.4 in the year ended 31 December 2023.

The Group recognized an increase in rental revenues following the completion of GTC X in Belgrade, Rose Hill Business Campus in Budapest and Matrix C in Zagreb combined with an increase in an average rental rate following the indexation of rental rates to the European CPI.

COST OF RENTAL ACTIVITY

Service costs increased by €1.8 (3%) to €57.0 in the year ended 31 December 2024, as compared to €55.2 in the year ended 31 December 2023. The Group recognized an increase in service costs following an increase in operating costs coming mainly from inflation.

GROSS MARGIN FROM OPERATIONS

Gross margin (profit) from operations increased by €2.3 (2%) to €130.5 in the year ended 31 December 2024, as compared to €128.2 in the year ended 31 December 2023, mainly due to an increase in rental and service revenues partially offset by an increase in the service charge cost due to inflation.

The gross margin on rental activities remained unchanged at 70% in both year ended 31 December 2024 and 2023.

ADMINISTRATION EXPENSES

Administration expenses decreased by €2.4 (12%) to €18.0 in the year ended 31 December 2024, from €20.4 in the year ended 31 December 2023, mainly due to decrease in remuneration and fees and share based payment.

PROFIT/(LOSS) FROM THE REVALUATION

Net loss from the revaluation of the assets amounted to €2.2 in the year ended 31 December 2024, compared to a net loss of €56.3 in the year ended 31 December 2023. Net loss from the revaluation was mainly due to a decrease in the value of completed office portfolio in Poland as a result of a decrease in occupancy rate compared to 2023 and capitalized expenses, mainly on completed properties, partially offset by an increase in the value of landbank in the amount of €13.2. and increase in value of Galeria Jurajska (€3.9), Hegyvidék Office and Retail Center (€1.8) and Center Point 1-3 (€6.4)

FINANCE COST, NET

Finance cost, net increased by €6.9 (21%) to €40.1 in the year ended 31 December 2024 as compared to €33.2 in the year ended 31 December 2023. The increase was mainly due to new loans signed and drawn down in and of 2023 and during 2024 resulting in an increase in the weighted average interest rate (including hedges and excluding liabilities related to assets held for sale) to 3.45% as of 31 December 2024 from 2.48% as of 31 December 2023 combined with a one-off €3.0 interests related to the withholding tax court proceeding.

RESULT BEFORE TAX

Profit before tax amounted to €61.9 in the year ended 31 December 2024, compared to a profit before tax of €14.4 in the year ended 31 December 2023. Net profit in the year ended 31 December 2024 includes a profit from operations in the amount of €130.5 and loss from revaluation in the amount of €2.2.

TAXATION

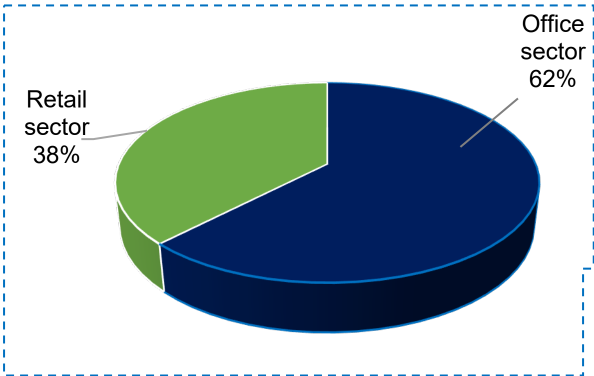
Tax amounted to €8.9 for the year ended 31 December 2024, compared to €2.0 in the year ended 31 December 2023. The tax included current tax expense amounting to €6.6 compared to €6.5 in year 2023 and deferred tax amounting to €2.3 compared to €4.5 deferred tax income in year 2023 resulting mainly from unrecognized deferred tax asset on losses in year 2023.

NET RESULT

Net profit was €53.0 in the year ended 31 December 2024, compared to a net profit of €12.4 in year ended 31 December 2023. The difference comes mainly from the difference in the result on revaluation.

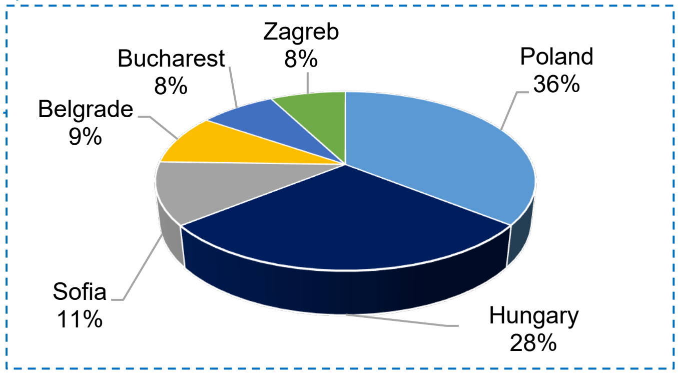
SECTOR ANALYSIS OF RENTAL INCOME, GORSS MARGIN AND REAL ESTATE VALUE

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 2024.

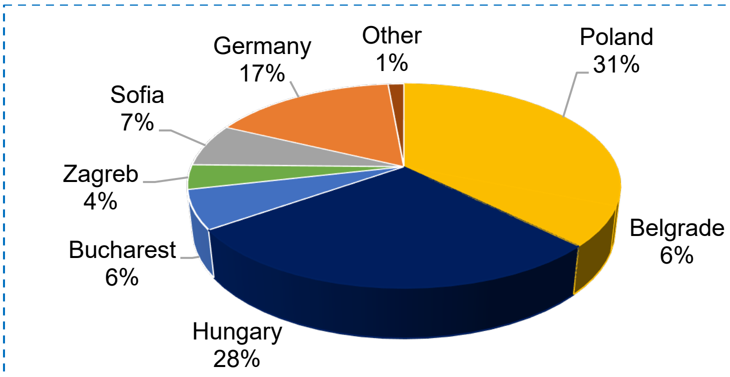


The chart presents rental income from completed commercial properties by sector in the year ended 31 December 2024, which is virtually unchanged from 2023.

The chart presents gross margin from operations by country in the year ended 31 December 2024, as compared to year 2023: 39% Poland, 28% Budapest, 11% Sofia, 8% Belgrade, 7% Zagreb and 7% Bucharest.



The chart below presents real estate value share by country in the year ended 31 December 2024, as compared to year 2023: 37% Poland, 32% Budapest, 8% Sofia, 8% Belgrade, 8% Bucharest, 6% Zagreb, and 1% other.



3.6 Consolidated cash flow statement

Net cash flow from operating activities was €98.0 in year ended 31 December 2024 as compared to €95.2 in the year ended 31 December 2023. An increase of €2.7 was mainly due to an increase in gross margin from operation by €2.3.

Net cash flow used in investing activities amounted to €234.5 in the year ended 31 December 2024 compared to €108.0 cash flow used in investing activities in the year ended 31 December 2023. Cash flow used in investing activities is mainly composed of expenditure on purchase of residential assets in Germany of €172.0, expenditure on investment properties of €71.7 and purchase of investment property of €12.0 compensated by an increase in the deposits designed for bonds buy-back of €14.2.

Net cash flow from financing activities amounted to €130.0 in the year ended 31 December 2024, compared to €42.8 of cash flow used in financing activities in the year ended 31 December 2023. Cash flow from financing activities is mainly composed of proceeds from long-term borrowings of 265.2 mainly due to new loan for acquisition of German portfolio, new loan for Mall of Sofia and new loan for Artico and Aeropark, offset partially by repayment of long-term borrowings of €55.9, dividend payment in the amount of €29.6 and interest paid in the amount of €35.2.

Cash and cash equivalents as of 31 December 2024 amounted to €55.2 compared to €60.4 as of 31 December 2023.

3.7 Future liquidity and capital resources

As of 31 December 2024, 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 short term 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 2024, the Group's non-current liabilities amounted to €1,656.1 compared to €1,444.0 as of 31 December 2023.

The Group's total debt from long and short-term loans and borrowings as of 31 December 2024, amounted to €1,634.6 (includes €25.0 related to assets held for sale), as compared to €1,274.0 as of 31 December 2023.

The Group's net loan-to-value ratio amounted to 52.7% as of 31 December 2024 as compared to 49.3% as of 31 December 2023 mainly due to an increase in investment property following the acquisition of German residential portfolio and capital expenditures on investment property under construction and acquisition of new assets.

As of 31 December 2024, 95% 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.

The interest cover as of 31 December 2024 was 3.71.

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.

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

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 Group is affected by macroeconomic conditions, especially the 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 the instability of the financial markets may have a negative impact on the Group's operations, as well as the availability and cost of debt financing/refinancing.

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 36* to the consolidated financial statements for the year 2024.

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

As of 31 December 2024, the Group does not have any long-term loans granted to its associates or joint ventures.

The Company provides asset management services to its subsidiaries. Transactions with related parties are concluded on market terms. Loans granted and received from subsidiaries are subject to interest using the reference interest rate (WIBOR or EURIBOR) increased by a margin (between 2.6% and 4.35%). Long-term loans granted by the Company to subsidiaries and paid in 2024 amounted to PLN 69.7. These loans were granted in the following currencies: euro in the amount of EUR 13.4 (PLN 57.8), Polish zloty in the amount of PLN 11.8 and dollars in the amount of USD 0.014 (PLN 0.1). The maturities of these loans are until 2030. Additionally, in 2024, the Company concluded agreements with subsidiaries for long-term loans in euro in the amount of EUR 19.9 (PLN 85.3) with maturity until 2030 and in the amount of EUR 41.8 (PLN 178.2) with maturity until 2044.

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

On 20 December 2024, GTC Paula SARL wholly-owned subsidiaries of the Company, have signed €190 loan with certain affiliates of Baupost Group, L.L.C. and Diameter Capital Partners LP with a maturity on 20 December 2029. As of 31 December 2024, English law governed guarantee granted by Globe Trade Centre S.A. under the term facilities agreement dated 20 December 2024 concluded between, among others, GTC Paula SARL as borrower, GTC SA, GLAS SAS, Frankfurt Branch as Agent and Global Loan Agency Services GMBH as Security Agent (the "Facilities Agreement")

GTC SA granted an irrevocable and unconditional guarantee in favour of each finance party (as defined in the Facilities Agreement[3]) for punctual performance of the Obligors' obligations under the Finance Documents (as defined in the Facilities Agreement) and for payment of any amount due under the Finance Documents by any Obligor, including inter alia, principal, interest (including default interest), commissions and other claims. The guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Obligor under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part. The guarantee is valid until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full.

In the year ended 31 December 2024, the Company sold shares in GTC Seven Gardens d.o.o. One of the subsequent condition is repayment by the Buyer of the bank loan. For the scenario when Buyer cannot fulfil that requirement, GTC SA provided joint and several guarantee to Erste for all present and

[3] as of the date of the Facilities Agreement: 1. GTC Paula SARL, 2. GTC SA, 3. GTC Holding SARL, 4. GTC Origine Investments Ingatlanfejlesztő Zártkörűen Működő Részvénytársaság, 5. Portfolio Heidenheim I November, 6. Portfolio Helmstedt November, 7. Portfolio K'lautern I November, 8. Portfolio K'lautern II November, 9. Portfolio K'lautern III November, 10. Portfolio K'lautern IV November (Sic!), 11. Portfolio K'lautern VII November, 12. Portfolio KL Betzenberg IV November, 13. Portfolio KL Betzenberg V November, 14. GTC UNIVERZUM, 15. GTC KOMPAKTLAND, 16. GTC ADA

future monetary obligations of GTC Seven Gardens d.o.o. („GTC Seven Gardens“) under or in connection with the term facility agreement dated 25 April 2023 between Erste and GTC Seven Gardens d.o.o. (the „Facility Agreement“) or any other Finance Document (as defined in the Facility Agreement), whether expressed as principal, interest, default interest, fees, provisions, commissions, costs, expenses, taxes or damages, including any claim that Erste may have against GTC Seven Gardens as a result of the Facility Agreement being set aside or declared null and void. The joint and several guarantee is valid until all claims under the Facility Agreement and other Finance Documents are irrevocably and unconditionally paid in full

Simultaneously, on 13 January 2025, the Company received a guarantee from the purchaser of GTC Seven Gardens d.o.o., under which the purchaser undertakes to cover all claims against Erste that will be brought against the Company.

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.

6. Off balance sheet assets and liabilities

COMMITMENTS

As of 31 December 2024 (and as at 31 December 2023), the Group had contractual commitments in relation to future capital expenditures on investment properties amounting to €77.7 (€104.7 as at 31 December 2023). 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.

CONTINGENT LIABILITIES

In reference to the transaction described in Item 1.2 Main events in 2024 regarding purchase of Elibre project, as of 31 December 2024, there is the contingent liability for the amount of €20 as the difference between purchase price and already invested amount. That liability should be settled in cash received from future external financing that is yet to be obtained. The amount will be due for payment only after certain milestones are completed.

In reference to the transaction described in note 28 regarding minimum dividend payment obligation, as of 31 December 2024 there is a contingent liability for the amount of €5.2 for LFH Portfolio Acquico S.À R.L. and ZNL Investment S.À R.L. The amount will be due only if the call option for the acquisition of minority shareholders is not exercised by GTC.

In reference to the transaction described in note 28 there is a contingent liability regarding call and put option for non-controlling interest of Peach. Management assumption is that it will not be executed before 10 years due to adverse impact for the seller. Potential impact is €9, which is the floor price of that option.

CROATIA

In relation to the Marlera Golf project in Croatia, a part of the land is leased from the State. From 2014 there are two open court cases. During 2024, an agreement was reached with the expropriator, and a purchase agreement was concluded based on which Marlera acquired ownership of the property. A joint submission was sent to suspend the expropriation procedure. The exposure is covered by a provision in the amount of €1.4.

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

On 15 November 2024, the Company entered into a series of share purchase agreements with, inter alia, Peach Property Group AG and LFH Portfolio Acquico S.À R.L., as the sellers, leading to the acquisition of the portfolio of residential assets in Germany currently held by Peach Property Group AG,.

In January 2025, the transaction was legally finalized, with accounting control over the entire portfolio being acquired as of 31 December 2024. For the detailed description of the transaction please refer to the current report no. 1/2025 from 2 January 2025 or Item 1.2 Main Events of 2024.

As of 31 December 2024, the Group held non-current financial assets measured at fair value through profit or loss with a total value of €154.7. The details of those assets are provided *Item 1.7.3 non-current financial assets.*

8. Remuneration policy and human resources management

8.1 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 2024 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 2024 additional benefits, such as: (i) private medical care; 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 2024 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. None 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 2024, 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.

8.2 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.

8.2.1 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.

8.3 Agreements concluded between GTC and management board members

In 2024 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 2024 none of the members of the management board joined 3-year Phantom Shares program.

8.4 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.

8.5 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 2024 for the 12 months ended 31 December 2024:

Name	Periods	Fixed remuneration[1] (€) (not in million)	Variable remuneration[1] (€) (not in million)	Vested Phantom Shares (not in million)
Gyula Nagy	1 January - 31 December 2024	300 000	180 000	-
Zsolt Farkas	1 January - 31 December 2024	216 000	120 000[3]	-
Balázs Gosztonyi	24 April - 31 December 2024	162 860	-	-
György Stofa	1 September - 3 December 2024	61 269	-	-
Barbara Sikora	1 January - 18 March 2024	300 000	674 000 [2]	-

[1] Remuneration (or fees to entities in which the holder is key personnel) consists of payment for 2024 and success fee amounts paid for present and the past year in addition to Group's Phantom Shares program exercised during 2024, as detailed in Item 8.2. Phantom shares. Fixed remuneration includes fringe benefits.

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

[3] This remuneration was granted by a resolution of the Supervisory Board, but was not paid before the date of this report.

SUPERVISORY BOARD

The following table presents the remuneration of the members of the supervisory board as of 31 December 2024 for the 12 months ended 31 December 2024:

Name	Periods	Remuneration (€) (not in million)
János Péter Bartha	1 January - 31 December 2024	55 814
Csaba Cservenák	15 March - 31 December 2024	23 094
Lóránt Dudás	1 January - 31 December 2024	37 815
Balázs Figura	1 January - 15 March 2024	6 008
Mariusz Grendowicz	1 January - 15 March 2024	6 008
László Gut	1 January - 31 December 2024	37 815
Artur Kozieja	1 January - 31 December 2024	40 186
Marcin Murawski	1 January - 31 December 2024	43 621
Magdalena Frąckowiak	25 September - 31 December 2024	7 740
Dr. Tamás Sándor	15 March - 31 December 2024	31 886
Bálint Szécsényi	1 January - 31 December 2024	29 023
Dr. Leonz Meyer	13 March – 17 June 2024	10 386
Sławomir Niemierka	1 January - 25 September 2024	21 364
Dominik Januszewski	1 January - 31 December 2024	30 914

8.6 Number of employees

As of 31 December 2024 and 2023, the number of full time equivalent working employees in the Group companies was 242 and 219, respectively.

8.7 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.

8.8 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.

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

SHARES HELD BY MEMBERS OF THE MANAGEMENT BOARD

The following table presents shares owned directly or indirectly by members of the Company's management board and supervisory board of the date of publication of this annual 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 2024) on 26 November 2024.The information included in the table below is based on information received from members of the management board and supervisory board.

	Balance as of 28 April 2025 (not in million)	The nominal value of shares in PLN (not in million)	Change since 26 November 2024 (not in million)
Management board members			
Gyula Nagy	0	0	No change
Zsolt Farkas	0	0	No change
Balázs Gosztonyi	0	0	No change
György Stofa[1]	0	0	No change
Total Management board members	**0**	**0**	
Supervisory board members			
János Péter Bartha	0	0	No change
Csaba Cservenák	0	0	No change
Lóránt Dudás[2]	0	0	No change
Magdalena Frąckowiak	0	0	No change
László Gut	0	0	No change
Dominik Januszewski	0	0	No change
Artur Kozieja	0	0	No change
Marcin Murawski	0	0	No change
Dr. Tamás Sándor	0	0	No change
Bálint Szécsényi[3]	0	0	No change
Total Supervisory board members	**0**	**0**	

[1] Balance as of 3 December 2024
[2] Balance as of 5 January 2025
[3] Balance as of 18 March 2025

Detailed description of changes in composition of the management board and supervisory board is presented under *item 1.4* this Report.

10. 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 year ended 31 December 2024 in Note 34 Related Party Transactions.

In the year ended 31 December 2024, the Group did not conduct any material transactions with the related parties on terms other than market terms.

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

In February 2024, Dorado 1 EOOD, a wholly-owned subsidiary of the Company, has signed €55.0 loan agreement with DSK Bank AD and OTP Bank PLC with a maturity in March 2029. The full amount was drawn down.

On 25 June 2024, Globis Poznań sp. z o.o., a wholly-owned subsidiary of the Company, signed the annex with Santander Bank Polska S.A. which extended repayment date from 30 June to 31 August 2024. The loan was repaid on the maturity date in the amount of €14.8.

On 14 August 2024, GTC Aeropark sp. z o.o. and Artico sp. z o.o., wholly-owned subsidiaries of the Company, have signed EUR 31.6 loan agreement with Santander Bank Polska S.A. with a 5-year maturity after 29 August 2024, the utilization date. The full amount was drawn down.

In December GTC Group acquired German residential portfolio together with existing senior bank loans of approximately EUR 185.4 currently provided to certain project companies by multiple banks including: DZ Hyp AG, Landesbank Baden-Württemberg, Sparkasse Kaiserslautern, and Volksbank BRAWO eG with a maturity in the period from 30 June 2025 to 28 February 2029.

On 20 December 2024 GTC Paula SARL wholly-owned subsidiaries of the Company, have signed EUR 190 loan with certain affiliates of The Baupost Group, L.L.C. and Diameter Capital Partners LP with a maturity on 20 December 2029. Loan is guaranteed in particular by the Company, and entities from GTC Group, on terms and conditions set forth in the Facility Agreement.

All signed in year 2024 loan agreements are denominated in euro and almost all interest is based on margin plus Euribor. The weighted average on the Group's long term debt and bonds (excluding liabilities related to assets held for sale) as of 31 December 2024 amounted to 3.45% p.a.

12. 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

In the year ended 31 December 2024, the Group did not received any information on contracts which could result in a change in the shareholding structure in the future. However, 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.

13. 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.

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

On 15 November 2024, the Company entered into a series of share purchase agreements with, inter alia, Peach Property Group AG and LFH Portfolio Acquico S.À R.L., as the sellers, leading to the acquisition of the portfolio of residential assets in Germany currently held by Peach Property Group AG In January 2025, the transaction was legally finalized, with accounting control over the entire portfolio being acquired as of 31 December 2024. For the detailed description of the transaction please refer to the current report no. 1/2025 from 2 January 2025 or Item 1.2 Main Events of 2024.

15. 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 2024 and 31 December 2024.

	For year ended	
	31 December 2024	**31 December 2023**
	€ thousand	€ thousand
Fee for audit and review of financial statements	1,025	840
Assessment of the remuneration report of the management board and the supervisory board, and other assurance and related services	16	14
Total	**1,041**	**854**

16. Key risk factors

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 the 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 the instability of the financial markets may have a negative impact on the Group's operations, rental income, the market value of the Group's properties, as well as the availability and cost of debt financing/refinancing.	▪ Ongoing monitoring of the market and macroeconomic conditions; ▪ securing of rental income through the execution of long-term lease agreements with indexed rent rates; ▪ ongoing analysis of the behaviour and needs of the tenants; ▪ making decisions on new projects based on current and estimated market conditions; and ▪ efforts to maintain a sufficient level of cash and available credit limits.

Geopolitical risk	Geopolitical factors, including the war in Ukraine, the economic sanctions imposed on Russia and Belarus, conflict in the Middle East, tensions between China and Taiwan, and the uncertainties surrounding US foreign policy in light of the recent political transition may present uncertainties for the region. Combined with a number of other macroeconomic and geopolitical factors, including general political uncertainty in certain countries in which the Group conducts its operations (including Hungary and Germany), may negatively affect the Group's operations and financial results. The continuation of existing conflicts may result in further disruption in supply chains, limited availability of subcontractors and a general increase in the prices of materials, along with an increase in energy prices.	▪ Ongoing monitoring of 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, which result directly from existing conflicts, which may have impacted the Group's operations, financial results or development process.
Risks related to the implementation of strategy	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) that 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 carry out its planned sale strategy in its entirety or in part or at the assumed prices (which may differ from the acquisition value) or, with respect to certain projects, cooperation of the majority partner in joint venture projects may be required. 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 a regulatory, legal, financial, social or operational nature,	▪ 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; and ▪ 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.

	some of which may be beyond the Group's control, such as volatile market conditions, 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	The Group decided to pursue potential new investments in certain new sectors and geographical regions, including in: (i) innovation and technology parks; (ii) renewable energy facilities; and (iii) broad living sector, covering PRS, senior living and student housing properties. No assurance can be given that its 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 an 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 may change.	▪ 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; and ▪ 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	A post-pandemic change in the typical work model resulting in a share of employees working in 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 a result, could have a material adverse effect on the	▪ Conducting ongoing analyses of the latest trends based on industry reports and own analyses of consumer preferences; ▪ flexibly responding to changing consumer and tenant preferences; ▪ attempting to secure high-quality projects that are attractive to tenants; ▪ improving amenities for tenants and implementing tenant-friendly solutions in buildings; and ▪ adapting the Group's strategy in accordance with the changing market trends and situation.

	Group's business, financial condition and results of operations.	
Risk related to the development process	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 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 the obtaining of an amended local spatial development plan or planning permission. Obtaining the required permission cannot be guaranteed, and the Group has encountered such difficulties in the past.	▪ 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 the 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; and ▪ limiting the number of new developments of the Group conducted at the same time (in light of the fact that development is not a core business operation of the Group).
Risk related to potentially insufficient capital expenditures allocated for the residential portfolio in Germany	The portfolio of residential real estate for rent in Germany bought by the Group comprises properties built from 1950 to 1969, along with newer properties built from 1970 to 1984. The Group has allocated funds for capital expenditures to carry out planned refurbishment work to bring the buildings into ESG compliance, however, it may turn out that the allocated amount is insufficient. It may also be the case that the buildings require additional work that is not included in the technical assessments of the buildings made prior to their acquisition. Additionally, the European Union may adopt new regulations concerning mandatory refurbishment that the Group will be required	▪ Extensive experience in bringing buildings into ESG compliance; ▪ a comprehensive technical assessment of the portfolio conducted prior to any acquisitions; and ▪ monitoring regulations concerning ESG requirements.

	to perform, the costs of which are not included in the secured capital expenditures.	
Risk of not adjusting the Group's properties to sustainability criteria and not reducing its impact on the environment	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 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 place great importance on working from home (in an effort to generate fewer or even no carbon emissions) instead of working from an 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; moreover, making such changes may require additional capital expenditures.	▪ 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; ▪ 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; ▪ publishing a comprehensive ESG report (being the first commercial developer in CEE to do so); ▪ supporting local communities and educational and cultural activities by working with over a hundred organisations, including NGOs, schools and universities; ▪ implementing a diversity and inclusion policy, employing an array of employees that vary in terms of gender, age, education, and cultural background; and ▪ 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, Germany 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.	▪ 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; and ▪ cooperating with renowned legal advisors in the jurisdictions where the Group conducts business activities.
Risk related to regulations concerning maximum increases of rent in Germany	The residential real estate for rent sector in Germany, in which the Group commenced operations, is tightly regulated, including regulations concerning the maximum increases of rent by landlords. One cannot rule out that, in light of the current political situation in Germany, further limits on rent increases or even a nationwide rent freeze may be introduced. The unpredictability of the regulator in this respect is seen as the greatest risk on the income side. It is also quite relevant that approximately 30% of the residential portfolio of the Group is rented by public entities. The regulatory cap on rent increases in housing stock would be particularly adverse in the face of rising costs (e.g. for the maintenance and repair of apartments). This, combined with the cost of financing for the acquisition of the portfolio, may result in the Group not achieving targeted investment returns, having difficulties in the disposal of a part of the portfolio at improved prices, and/or the lack of repayment of the financing within the assumed timeframe.	▪ Ongoing monitoring of changes in German laws applicable to the Group's operations, in particular concerning the cap on rent increases; ▪ a plan to bring buildings up to ESG standards, which in the long term should result in both increasing the attractiveness of the portfolio and decreasing the maintenance costs; and ▪ cooperating with renowned legal advisors with respect to rental agreements and the permitted rent increases under German law.

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 for 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 a risk that new tax law regulations will be introduced, which may result in greater costs due to circumstances related to complying with any changed or new regulations. Moreover, in relation to the cross-border nature of the Group's business, international agreements, including double taxation 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 executing the transaction in line with such interpretation; ▪ hiring experienced accountants and financial specialists; and ▪ 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 executed 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 executed 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 set out in such agreements.	▪ Applying high standards in the fields of health, safety and the environment; ▪ monitoring 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); and ▪ cooperating with renowned legal advisors in the case of a dispute.

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 the 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 sign replacement leases on commercial terms satisfactory for the Group (especially taking into account increasing tenant expectations in respect of fit-out standards and incentives). This risk is particularly noticeable on the Hungarian market, where the level of rentals as well as pre-rentals of both the existing buildings of the Group as well as buildings under construction (e.g. Centerpoint 3) is not satisfactory for the Group. This is not only due to a relatively high office vacancy rate that is approximately 14% but also taking into account the current macroeconomic and political situation of Hungary. Furthermore, it is plausible that the vacancy rates on the private office market in Hungary will be further reduced as a consequence of public programmes aimed at increasing the supply of state-controlled office space, which is currently under construction. All of such factors may result in the failure to achieve the target rental level or even lead to a further decrease of the rental level and, in consequence, negatively affect the financial results of the Group.	▪ Attempting to secure high quality projects that are attractive to tenants; ▪ strengthening the rental and marketing strategies; ▪ 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; and ▪ 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 buildings increase, the Group must cover the portion of the service charges that is related to the vacant space. Some of the lease	▪ 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; and ▪ limited caps on service charges passed on to tenants.

	agreements concluded by the Group provide for a cap on increases of the service changes 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.	
Risk related to the valuation of the Group's properties	The Group's income depends partially on changes in the value of assets on property markets, which are subject to fluctuations. 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 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 revenue 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.	▪ Performing valuations of the Group's properties semi-annually (as at 30 June and 31 December of each year); ▪ having reputable external valuers assess the properties; and ▪ conducting internal reviews of property valuations and, if necessary, having a certified independent appraiser confirm such valuations.

Risk related to the Group's debt financing	The Group's existing leverage and external debt financing may have material adverse consequences for the Group, including: (i) increasing its vulnerability to and reduced possibility 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, which may be necessary for the Group to achieve the envisaged returns on its project, as well as 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 the allotment of a substantial portion of the Group's cash flows from operations to the payment of the principal and the interest on its indebtedness; and (v) placing the Group at a competitive disadvantage compared to its competitors that are less leveraged. A potential risk of obtaining financing and/or obtaining it on favourable terms may apply to financing of several investment properties under construction. This may be due to several factors, including low pre-leasing levels during the construction process, slower sales of residential units during the construction phase. As a result, higher levels of equity may be required to be deployed for the purposes of development of new investment properties and the recycling of such equity may take longer and depend on external conditions.	▪ 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 the companies thereof 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; and ▪ 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 the 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 that 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	▪ Monitoring the regular repayment of debt and securing funds for such repayment; ▪ employing specialists responsible for handling the existing debt financing of the Group; ▪ ensuring that loan funds are spent in accordance with the purpose of a given loan; and ▪ conducting monitoring to ensure the proper performance of all obligations of the Group under existing financing

	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.	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. The costs of new financing and/or refinancing may be significantly higher than under the existing facility agreements. 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 any changes in the relevant interest rates may increase the Group's costs of borrowing in relation to existing loans, thus impacting its profitability. This risk is particularly relevant to the bonds issued by the Group on 23 June 2021 with a value of EUR 500,000,000 and a maturity date of 23 June 2026. The Group may face difficulties in the repayment or refinancing of such bonds prior to their maturity date. This may, in particular, result in the reclassification of such bonds as short-term financial liabilities one year prior to the repayment date. The cost of debt following the refinancing may be higher than the costs under the existing	▪ 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; ▪ consolidation of cash prior to the maturity date of the bonds through the disposal of non-core assets; ▪ owning significant assets that can serve as collateral for financing banks; ▪ owning significant assets that can be disposed of for the purposes of partial repayment of existing debt; ▪ 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; and ▪ 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 hedging instruments.

	bonds, which will affect the profitability of the Group. Any combination of the above may have material adverse effects on the Group's business, cash flows, financial condition and results of operations.	
Currency risk	The Group's functional currency is euro. The Group is exposed to currency risks arising, *inter alia,* 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 income is 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 fluctuated historically. 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).	▪ 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; and ▪ 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	There is a potential risk of a loss of liquidity by the Group in the case of significant disturbance in the balance between its receivables and liabilities, and a material cash flow disruption in the absence of access to debt financing.	▪ Permanent monitoring of the 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; ▪ maintaining free credit limits on current accounts; ▪ experienced management of the Group; and ▪ 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 related to the Group's controlling shareh older	GTC's dominant entity is Optimum Venture Private Equity Fund ("**Optima**"), which indirectly holds 62.61% of the shares in the Company's share capital. Optima is controlled by Pallas Athéné Domus Meriti, a Hungarian foundation which was founded by the National Bank of Hungary. Optima and the foundation controlling it have recently been the subject of ongoing media reports and public commentary relating to alleged irregularities. These matters do not concern the Company, any of its group companies, or their respective employees. The Company remains an independent legal entity, not responsible for, nor guaranteeing, any obligations of its shareholders. None of the Company's assets have been pledged as collateral in relation to any liabilities of its shareholders, nor do the Company's shareholders provide any form of financing to the Company beyond their already-fulfilled equity contributions. While the Company is not involved in any way in these matters, and operates under the oversight of the supervisory board (several of the members of which are independent), it cannot be ruled out that further developments, depending on their nature and public response, could affect the perception of the Company among certain investors, financing institutions, or business partners. This could potentially influence the Company's ability to access capital, refinance the existing debt, or pursue certain commercial opportunities. Moreover, the Group cannot exclude the risk of a potential conflict of	▪ Applying most of the 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), adhering to independence criteria for at least two supervisory board members, and special approval requirements for related-party transactions; and ▪ periodic monitoring of media reports, adhering to high standards of corporate governance, transparency, and operational independence.

	interest between Optima 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 it might compete over investments.	
Risk associated with related-party transactions	As the Group executes 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.	▪ Monitoring legal and tax regulations as well as amendments to laws governing related-party transactions; ▪ monitoring market practice (including the approach of the authorities) in determining arm's-length terms for the purpose of related-party transactions; and ▪ cooperating with experienced tax and legal advisors.

RISK FACTOR RELATED TO THE MARKETS IN WHICH THE GROUP OPERATES

Risk	Description	Risk management method
Risk associated with countries in emerging markets	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	▪ 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 a detailed due diligence review prior to making a decision on whether to proceed with a new project; ▪ implementing legal protection measures in concluded contracts; and ▪ securing rental income by way of the execution of long-term lease agreements.

	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 certain real properties (e.g. due to reprivatisation claims).	
Risk related to operations in a new geographical market (Germany)	In 2024, the Group commenced operations in Germany in the residential sector (an operating portfolio of residential real estate for rent and a portfolio of senior housing for rent that is under construction). The German economy continues to face headwinds and is experiencing significant difficulties amid a loss of competitiveness and weak domestic and foreign demand for manufactured goods. Combined with the unstable political situation in the country, this creates uncertainty as to future political or economic decisions that may affect the Group's operations on the German market. In particular, certain political decisions as well as the economic crisis may cause an outflow of immigrants from Germany, which in turn may reduce the demand for rental housing. Such situation may result in a reduction of the Group's profit or a failure to achieve the expected level of profitability of its investments in Germany in the residential real estate for rent sector. Furthermore, the Group may encounter additional challenges associated with the commencement of activities in an entirely new	▪ Ongoing monitoring of the geopolitical situation as well as the market and macroeconomic conditions in Germany in terms of their potential impact on the Group; ▪ satisfactory results of comprehensive analyses of new sectors on the German market conducted prior to any acquisitions; ▪ as at the date of this Report, the Group has not identified specific risks that result directly from the economic and/or political situation in Germany and that have an impact on the Group's operations, financial results or development process.

	geographical market and a segment of the real estate market in which it has limited prior experience, expertise, or personnel.	

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.	▪ 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; and ▪ building employee awareness in the field of cybersecurity.

17. 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

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	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 ("sqm") 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.

18. Statement on the application of the principles of corporate governance for the financial year ended 31 December 2024

Globe Trade Centre S.A.

STATEMENT ON APPLICATION OF THE PRINCIPLES OF

CORPORATE GOVERNANCE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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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 2024.

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.

In 2024, the Company did not comply 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	**1.4.2** 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.	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.

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2. Management board, supervisory board	**2.1** 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%.	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.
2 Management board, supervisory board	**2.2** Decisions to elect members of the management board or the supervisory board of companies should ensure that the 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.	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.

Additionally, on 10 December 2024, the GTC Group reported the incidental violation of rule 1.7 of the Best Practice for GPW. On 27 November 2024, the Management Board of GTC. received a shareholder’s request for information concerning the company pursuant to Article 428 § 6 of the Commercial Companies Code, i.e. outside the Company’s general meeting.

Under Article 428 § 6 of the Commercial Companies Code, where a shareholder submits a request for information regarding the Company outside the general meeting, the management board may provide the requested information in writing, subject to the limitations set out in Article 428 § 2 of the Commercial Companies Code. This provision is discretionary, enabling the management board to determine whether such information should be provided. Furthermore, pursuant to Article 428 § 2, the management board is obliged to withhold information if its disclosure could harm the Company, its affiliates, or its subsidiaries, particularly by revealing technical, commercial, or organisational secrets of the enterprise.

In view of the above, compliance with Rule 1.7 of the Best Practice for GPW Listed Companies 2021, i.e., immediately providing information to an investor about the Company, would contradict the restrictions under the provision of Article 428 § 2 of the Commercial Companies Code. This is because, in the Company's view, providing certain information requested by the shareholder could result in harm to the Company and its subsidiaries, particularly through the disclosure of commercially sensitive information. Furthermore, certain requested information is protected by confidentiality agreements binding the Company, and its disclosure without prior third-party consent could breach these agreements, exposing the Company to potential claims for damages and reputational harm. For the outstanding information, following a cautious approach and taking into account the discretionary nature of Article 428 § 6 of the Commercial Companies Code, the Company’s management board decided not to disclose the information covered by the shareholder's request.

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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.

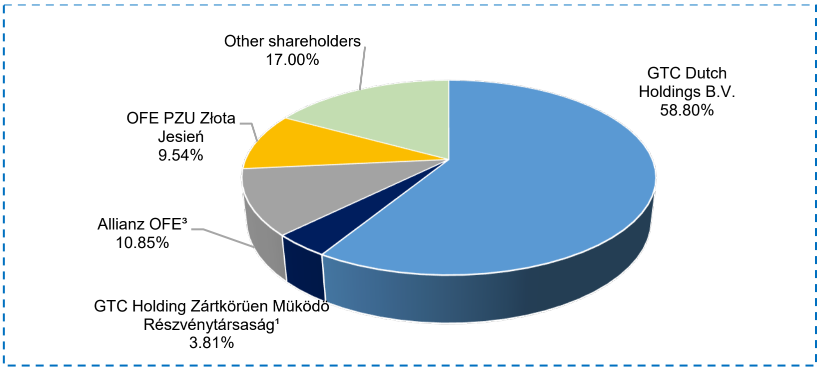
One of the basic elements of control in the preparation of financial statements of the Company and the Group is verification carried out by independent auditors. An auditor is chosen from a group of reputable firms which guarantee a high standard of service and independence. The Group's supervisory board 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 2024 and 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 2024 and the date of this report:

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 Sep 2024 (not in million)
GTC Dutch Holdings B.V.	337,637,591	58.80%	337,637,591	58.80%	No change
GTC Holding Zártkörűen Működő Részvénytársaság[1]	21,891,289	3.81%	21,891,289	3.81%	No change
Allianz OFE	62,330,336	10.85%	62,330,336	10.85%	No change
OFE PZU Złota Jesień	54,808,287	9.54%	54,808,287	9.54%	No change
Other shareholders	97,587,619	17.00%	97,587,619	17.00%	No change
Total	**574,255,122**	**100.00%**	**574,255,122**	**100.00%**	**No change**

[1] Ultimate shareholder of GTC Dutch Holding B.V. and GTC Holding Zrt. is Optimum Venture Private Equity Funds, which indirectly holds 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.

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 2024,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 2024:

Name and surname	Function	Year of the first appointment	Year of appointment for the current term	Last financial year of service as board member
Gyula Nagy	President of the management board	2023	2023	2026
Balázs Gosztonyi	Member of the management board and CFO	2024	2024	2027
Zsolt Farkas	Member of the management board and CSO	2023	2023	2026

Detailed description of changes in composition of the management board is presented under *Item 1.4* of Management board's report on the activities of Globe Trade Centre S.A. Capital Group in the financial year ended 31 December 2024 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.

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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 2024, 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	Last financial year of service as board member	Lapse of the appointment
János Péter Bartha	Chairman of the supervisory board Independent Member of the supervisory board [1]	2020	2024	2027	2028
Csaba Cservenák*	Member of the supervisory board	2024	2024	2027	2028
Lóránt Dudás*	Member of the supervisory board	2020	2024	2027	2028*
Magdalena Frąckowiak	Independent member of the supervisory board [1]	2024	2024	2027	2028
László Gut	Member of the supervisory board	2023	2023	2026	2027
Dominik Januszewski	Independent member of the supervisory board [1]	2023	2023	2026	2027
Artur Kozieja	Shareholder Meeting Delegate [2] Independent member of the supervisory board [1]	2022	2022	2025	2026
Marcin Murawski	Independent member of the supervisory board [1]	2013	2022	2025	2026
Dr. Tamás Sándor*	Independent member of the supervisory board [1]	2024	2024	2027	2028
Bálint Szécsényi*	Member of the supervisory board	2020	2024	2027	2028

[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 5 January, Mr. Lóránt Dudás resigned from the position of member of the Supervisory Board of GTC S.A.
On 18 March 2025 Mr. Bálint Szécsényi resigned from the position of member of the Supervisory Board of GTC S.A.
On 22 April 2025 Mr. Csaba Cservenák and Dr. Tamás Sándor were revoked from the position of member of the Supervisory Board of GTC S.A.

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Detailed description of changes in composition of the management board and the supervisory board is presented under *Item 1.4* of Management board's report on the activities of Globe Trade Centre S.A. Capital Group in the financial year ended 31 December 2024 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 2024, the Audit Committee meet 5 times in total.

The following table presents the details on the Audit Committee members as of 31 December 2024:

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
Marcin Murawski	Chairman of the audit committee	Yes	Yes [2]	Yes
Artur Kozieja	Member of the audit committee	Yes	Yes [1]	Yes [1]
János Péter Bartha	Member of the audit committee	Yes	Yes[3]	No
Tamás Sándor	Member of the audit committee	Yes	No	No[4]
László Gut	Member of the audit committee	No	Yes[5]	No[5]
Lóránt Dudás	Member of the audit committee	No	No[6]	Yes[6]
Dominik Januszewski	Member of the audit committee	Yes	Yes[7]	Yes [7]

[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 Metropolo 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.

[4] Dr. Tamas Sandor is a specially trained and experienced attorney-at-law who was and has been member and/or chairman of Supervisory Boards of several companies in the Hungarian market. Mr. Sandor has more than 17 years of experience as a lawyer in international Real Estate Development and M&A markets, as well as in corporate governance and commercial law. Mr. Sandor has acquired postgraduate Master of Laws (LL.M.) in Real Estate Law in 2010 at Eötvös Lóránd University (ELTE) – Budapest.

[5] László Gut graduated from the Faculty of Finance and Accountancy of the Budapest Business School in 2014. Mr. Gut started his career as an auditor at Ernst & Young, gaining significant experience – among others - in real estate and oil & gas industries. As an auditor, he observed the operation of listed companies from close and participated in a number of management boards, audit committee and supervisory board meetings. After 8 years, he decided to look for new challenges in his professional career and joined Optima Investment Ltd. Since January 2022 he leads the financial department.

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[6] Dr. Lóránt Dudás has more than 17 years of experience as a lawyer in international real estate development and finance. Dr. Dudás worked for Optima Investment Ltd., where he started as senior legal counsel to become a General Counsel and Member of the Board. He advises on real estate, corporate and commercial law and investment law matters. Prior to joining Optima Investment Ltd, Dr. Dudás provided support to Takarékbank Zrt. as senior legal counsel (2014-2016); worked as a senior attorney focusing on real estate, corporate and commercial law and dispute resolution in CHSH Dezső & Partners International Law Firm (2011-2014). Between 2007 and 2011 he provided general legal support to an economic and financial agency that supported the Ministry of Defence. Dr. Dudás also studied economics at the Faculty of International Business Economics of the Budapest Business School, as well as completed the Corporate Compliance training program of the Budapest Institute of Banking (BIB) and the International Training Center for Bankers.

[7] Dominik Januszewski is a Polish Chartered Auditor. Mr. Januszewski is a Senior Advisor in the field of management and finance with more than 25 years of experience in Ernst&Young and Artur Andersen. Between 2005-2019 he worked as a Partner in Ernst&Young, responsible for business advisory, transaction consulting, privatization projects, as well as financial audits. Between 2016 and 2019 was a member of European Executive Boards of Ernst&Young Financial Sector Division. He completed many professional trainings relating to advisory and management. Dominik Januszewski graduated from University of Łódź, Economics and Sociology Department, Finance and Banking Faculty.

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 2024, the Remuneration Committee meet 4 times in total.

The following table presents the details on the Remuneration Committee members as of 31 December 2024:

Member	Function
Janos Peter Bartha	Chairman of the remuneration committee
Artur Kozieja	Member of the remuneration committee
Marcin Murawski	Member of the remuneration committee
Tamás Sándor	Member of the remuneration committee
László Gut	Member of the remuneration committee
Lóránt Dudás	Member of the remuneration committee

12. Audit partner

The recommendation to select the audit firm to audit the financial statements met all the biding 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 2024, including review of the remuneration report.

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

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

Balázs Gosztonyi, Member of the Management Board

hereby represents that:

- to the best of its knowledge the consolidated financial statements for year ended 31 December 2024 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, 29 April 2025

Gyula Nagy, President of the Management Board	Zsolt Farkas, Member of the Board	Balázs Gosztonyi, 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 2024 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 2024 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, 29 April 2025

Gyula Nagy, President of the Management Board	Zsolt Farkas, Member of the Board	Balázs Gosztonyi, 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, 29 April 2025

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 2024,

- standalone financial statements of the issues for year 2024,

- consolidated financial statements of the capital group of the issuer for the year 2024.

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 2024 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 2024.

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 2024 and report on activities of the Company and the Company's capital group for the year 2024 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 2024, 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 2024 and the report on activities of the Company and the Company's capital group for the year 2024 based on:

- content of the above statements, submitted by the Company's Management Board;

- draft of the 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 2024 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, 29 April 2025

János Péter Bartha
Chairman of the Supervisory Board

GLOBE TRADE CENTRE S.A.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(in millions of EUR)

	Note	31 December 2024	31 December 2023
ASSETS			
Non-current assets			
Investment property	17,28	2,674.6	2,273.4
Residential landbank	19	35.8	27.2
Property, plant and equipment	16	15.3	16.0
Blocked deposits	22	15.8	13.1
Deferred tax asset	15	3.4	1.8
Derivatives	20	0.4	2.3
Non-current financial assets measured at fair value through profit or loss	18	154.7	135.1
Other non-current assets		3.2	0.2
Loan granted to non-controlling interest partner	25	11.6	11.6
		2.914,8	**2,480.7**
Current assets			
Accounts receivables		19.6	15.7
VAT and other tax receivables		5.9	3.1
Income tax receivables		2.0	1.5
Prepayments and other receivables	30	38.6	52.4
Derivatives	20	5.6	11.9
Short-term blocked deposits	22	26.5	17.3
Cash and cash equivalents	23	53.4	60.4
Assets held for sale	31	157.2	13.6
		308.8	**175.9**
TOTAL ASSETS		**3.223,6**	**2,656.6**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(in millions of EUR)

	Note	31 December 2024	31 December 2023
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	32	12.9	12.9
Share premium		668.9	668.9
Participating notes	28	41.7	-
Capital reserve	32	(72.3)	(49.3)
Hedge reserve	20	(13.7)	0.7
Foreign currency translation reserve		(2.6)	(2.6)
Accumulated profit	32	492.9	471.3
		1,127.8	**1,101.9**
Non-controlling interest	25	48.5	24.3
Total Equity		**1,176.3**	**1,126.2**
Non-current liabilities			
Long-term portion of borrowings	26	1,389.6	1,228.7
Lease liabilities	27	37.0	43.2
Deposits from tenants	24	15.8	13.1
Liabilities for put options on non-controlling interests and other long term payables	29	40.2	5.2
Derivatives	20	37.0	18.7
Deferred tax liabilities	15	136.5	135.1
		1,656.1	**1,444.0**
Current liabilities			
Current portion of borrowings	26	220.0	45.3
Trade payables and provisions	21	62.9	34.0
Other financial liabilities	28	31.7	-
Deposits from tenants	24	3.6	2.4
VAT and other taxes payables		2.1	1.9
Income tax payables		1.5	2.4
Derivatives	20	0.2	-
Liabilities related to assets held for sale	31	69.2	0.4
		391.2	**86.4**
TOTAL EQUITY AND LIABILITIES		**3,223.6**	**2,656.6**

CONSOLIDATED INCOME STATEMENT
(in millions of EUR)

	Note	Year ended 31 December 2024	Year ended 31 December 2023
Rental revenue	10,14	140.3	137.2
Service charge revenue	10,14	47.2	46.2
Service charge costs	10,14	(57.0)	(55.2)
Gross margin from operations		**130.5**	**128.2**
Selling expenses	11	(2.0)	(2.7)
Administration expenses	12	(18.0)	(20.4)
Loss from revaluation	17	(2.2)	(56.3)
Other income		1.4	0.7
Other expenses		(7.1)	(4.2)
Net operating profit		**102.6**	**45.3**
Foreign exchange differences		(0.6)	2.3
Finance income	13	3.6	1.4
Finance costs	13	(43.7)	(34.6)
Result before tax		**61.9**	**14.4**
Taxation	15	(8.9)	(2.0)
Result for the year		**53.0**	**12.4**
Attributable to:			
Equity holders of the Parent Company		50.9	10.5
Non-controlling interest	25	2.1	1.9
Basic earnings per share (in Euro)	33	0.09	0.02
Diluted earnings per share (in Euro)	33	0.08	0.02

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 2024	Year ended 31 December 2023
Result for the year	**53.0**	**12.4**
Other comprehensive income for the period, not to be reclassified to profit or loss in subsequent periods, net of tax	-	-
Result on hedge transactions	(18.3)	8.0
Income tax	2.3	0.2
Net result on hedge transactions	**(16.0)**	**8.2**
Foreign currency translation	-	-
Other comprehensive income for the period, to be reclassified to profit or loss in subsequent periods, net of tax	(16.0)	8.2
Total comprehensive income	**37.0**	**20.6**
Attributable to:		
Equity holders of the Company	34.9	18.7
Non-controlling interest	2.1	1.9

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

	Share capital	Share premium	Participating notes	Capital reserve	Hedge reserve	Foreign currency translation reserve	Accumulated profit	Total	Non-controlling interest ("NCI")	Total
Balance as of 1 January 2024	**12.9**	**668.9**	**-**	**(49.3)**	**0.7**	**(2.6)**	**471.3**	**1,101.9**	**24.3**	**1,126.2**
Other comprehensive income/(loss)	-	-	-	-	(16.0)	-	-	(16.0)	-	(16.0)
Result for the year	-	-	-	-	-	-	50.9	50.9	2.1	53.0
Total comprehensive income	**-**	**-**	**-**	**-**	**(16.0)**	**-**	**50.9**	**34.9**	**2.1**	**37.0**
Issuance of participating notes	-	-	41.7	-	-	-	-	41.7	-	41.7
Other movements	-	-	-	0.5	1.6	-	-	2.1	-	2.1
Dividend paid	-	-	-	-	-	-	(29.3)	(29.3)	-	(29.3)
Transaction with NCI (see note 28)	-	-	-	(23.5)	-	-	-	(23.5)	23.6	0.1
Dividend paid to NCI	-	-	-	-	-	-	-	-	(1.5)	(1.5)
Balance as of 31 December 2024	**12.9**	**668.9**	**41.7**	**(72.3)**	**(13.7)**	**(2.6)**	**492.9**	**1,127.8**	**48.5**	**1,176.3**

	Share capital	Share premium	Participating notes	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	-	-	-	-	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**
Transaction with NCI	-	-	-	-	-	-	-	-	1.9	1.9
Dividend paid	-	-	-	-	-	-	(29.7)	(29.7)	-	(29.7)
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**

CONSOLIDATED STATEMENT OF CASH FLOWS
(in millions of EUR)

	Note	Year ended 31 December 2024	Year ended 31 December 2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Result before tax		61.9	14.4
Adjustments for:			
Loss from revaluation	17	2.2	56.3
Foreign exchange differences		0.6	(2.3)
Finance income	13	(3.6)	(1.4)
Finance cost	13	43.7	34.6
Expenditure on residential landbank		(7.5)	-
Share based payment profit	12	-	(0.8)
Depreciation	16	1.4	1.0
Operating cash before working capital changes		**98.7**	**101.8**
Increase in accounts receivables and other current assets		(1.3)	(4.0)
Increase in deposits from tenants		1.6	2.0
Increase (decrease) in trade and other payables		6.9	2.7
Cash generated from operations		**105.9**	**102.5**
Tax paid in the period		(7.9)	(7.3)
Net cash from operating activities		**98.0**	**95.2**
CASH FLOWS FROM INVESTING ACTIVITIES			
Expenditures on investment property	17	(71.7)	(113.7)
Purchase of completed assets and land	17,28	(172.0)	(14.1)
Purchase of investment property under construction	9	(12.0)	-
Change in short term deposits designated for investment	30	14.2	(29.5)
Sale of subsidiary, net of cash in disposed assets	9	14.5	0.4
Sale of completed assets		-	49.2
Expenditure on non-current financial assets		(7.2)	(3.6)
Change in advances received for assets held for sale		(0.4)	0.3
VAT/tax on purchase/sale of investment property		(2.8)	2.2
Interest received		2.9	0.8
Net cash used in investing activities		**(234.5)**	**(108.0)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term borrowings	26	265.2	74.1
Repayment of long-term borrowings	26	(55.9)	(48.2)
Interest paid		(35.2)	(30.5)
Dividend paid to shareholders	32	(29.6)	(28.6)
Repayment of lease liabilities	27	(0.8)	(0.9)
Loans origination payment		(3.4)	(1.0)
Dividend paid to non-controlling interest	25	(0.9)	(2.2)
Decrease/(increase) in short term deposits		(9.4)	(5.5)
Net cash from/(used in) financing activities		**130.0**	**(42.8)**
Net foreign exchange differences, related to cash and cash equivalents		**1.3**	**0.9**
Net increase/ (decrease) in cash and cash equivalents		**(5.2)**	**(54.7)**
Cash and cash equivalents at the beginning of the period	23	**60.4**	**115.1**
Cash and cash equivalents at the end of the period	23	**55.2**	**60.4**

(in millions of EUR)

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, Germany, 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, retail and residential space.

As of 31 December 2024 and 31 December 2023, the number of full-time equivalent working employees in the Group companies was 242 and 219, respectively.

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

As of 31 December 2024, 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 are 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 2024	31 December 2023
PLN/EUR	4.2730	4.3480
USD/EUR	1.0419	1.1049
HUF/EUR	410.09	382.78

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 difference between IFRS as adopted by International Accounting Standards Board 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 include 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 36.

As of 31 December 2024, the Group's net working capital (defined as current assets less current liabilities) was negative and amounted to EUR 82.4. It was mainly a result of presentation of bank loan in Galeria CTWA sp. z o.o. in the amount of EUR 100.6 and bank loans in acquired entities in Germany in the amount of EUR 101.2 as current liabilities. Due to the repayment schedule the loans must be repaid until 31 March 2025.

On 24 February 2025, GTC Galeria CTWA sp. z o. o., the Company's wholly owned subsidiary, signed a prolongation of the existing facility with Erste Group Bank AG and Raiffeisenlandesbank Niederosterreich-Wien AG. Final repayment date was extended by 5 years from the signing date.
Portfolio Kaiserslautern I GmbH & Co. KG, Portfolio Kaiserslautern II GmbH & Co. KG, Portfolio Kaiserslautern III GmbH, Portfolio KL Betzenberg IV GmbH and Portfolio KL Betzenberg V GmbH signed the annex with DZ Hyp which extended repayment date from 31 March to 30 June 2025. The principal amount outstanding under the loans was EUR 94.2. Portfolio Kaiserslautern VII GmbH signed the annex with Sparkasse Kaiserslautern which extended repayment date from 31 March to 30 September 2025. The principal amount outstanding under the loan was EUR 7.0. The Company's Management Board is taking appropriate actions to secure refinancing and ongoing negotiations are in place.

In the beginning of 2025, the Group finalized the disposal of land plot in Warsaw's Wilanów district and the entire share capital of Seven Gardens d.o.o. (Matrix C) and Glamp d.o.o. Beograd (Project X). Net proceeds from that disposals amounts to around EUR 90.

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 of cash flow projections for the next 12 months from the date of these financial statements, including actions to secure refinancing (mainly related to German portfolio as described above) and the current cash liquidity of the Company, even considering current negative Group's net working capital, 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 2023 except for the new standards, which are effective as at 1 January 2024 (see note 6).

6. New standards and interpretations that have been issued

STANDARDS ISSUED AND EFFECTIVE FOR FINANCIAL YEARS BEGINNING ON OR AFTER 1 JANUARY 2024:

- Amendments to IFRS 16 Leases. In September 2022, the IASB amended IFRS 16 Leases to add subsequent measurement requirements for lease liabilities arising from sale and leaseback transactions that satisfy the requirements of IFRS 15 to be accounted for as a sale. The amendments require a seller-lessee to measure lease liabilities arising from a leaseback in a manner that precludes the recognition of any gain or loss attributable to the retained right of use. This requirement is particularly relevant where a leaseback arrangement includes variable lease payments that are not linked to an index or rate, as such payments are excluded from the definition of 'lease payments' under IFRS 16.

- IAS 1 Presentation of Financial Statements. The amendments to IAS 1 clarify the presentation of liabilities as either current or non-current and specify how contractual covenants that an entity must comply with affect their classification. The amended IAS 1 provides that liabilities are classified as current or non-current depending on the rights existing at the end of the reporting period. This classification is unaffected by the entity's expectations or by events occurring after the reporting date, such as credit facility covenants that must be met post-reporting.

- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – disclosure of information about supplier finance arrangements. Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures introduce new disclosure requirements for supplier finance arrangements (e.g. reverse factoring). Entities must disclose specific information on supplier finance arrangements to enable users of financial statements to assess their impact on the entity's liabilities and cash flows, as well as their implications for liquidity risk exposure. The amendments are intended to enhance the transparency of disclosures related to such arrangements without altering the principles of recognition and measurement.

The Group's assessment is that the above changes (new standards/amendments) have no material impact on the financial statements of the Group.

STANDARDS ISSUED BUT NOT YET EFFECTIVE:

- Annual Improvements to IFRS Accounting Standards (issued in July 2024 and effective from 1 January 2026),
- Amendments to IFRS 9, *Financial Instruments*, and IFRS 7, *Financial Instruments: Disclosures, Amendments to the Classification and Measurement of Financial Instruments* (effective for annual reporting periods beginning on or after 1 January 2026),

- IFRS 18 *Presentation and Disclosure in Financial Statements* (issued on 9 April 2024 and effective for annual periods beginning on or after 1 January 2027).

The Group is currently assessing the impact of the amendments on its financial statements. The requirements of the new IFRS 18 standard mainly concern three issues: the statement of profit or loss, required disclosures regarding performance measures and issues related to the aggregation and disaggregation of information included in the financial statements, which will affect the data presentation and disclosures in the consolidated financial statements.

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 makes estimates in determining the value of assets and liabilities recognised in the financial statements after the acquisition (note 28).

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 36.

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

The Group determines whether it controls an investee based on IFRS 10. In the year ended 31 December 2024 Group acquired residential portfolio in Germany for which assessed was moment of control obtaining – please refer to note 28 for detailed judgement description.

The Group determines based on IAS 32 if instrument fulfils requirements to be classified as debt or equity. In the year ended 31 December 2024 Company issued Participating Notes which were assessed as equity instrument – for detailed judgment description please refer to note 28.

The Group determines whether a transaction or other event is a business combination by applying the definition of a business in IFRS 3. In the year ended 31 December 2024 Group acquired residential portfolio in Germany which was accounted for as an asset acquisition – please refer to note 28 for detailed judgement description.

The Group determines whether controls over an investee is lost based on requirements in IFRS 10.

The Group assess when the liabilities for exercising the options to acquire non-controlling interest are recognised and whether these options transfer risks and rewards to the Group or leave them with non-controlling interest. In the year ended 31 December 2024 the Group acquired residential portfolio in Germany and the options for the acquisition of shares from the non-controlling shareholders – please refer to note 28 for detailed judgement description.

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.

(in millions of EUR)

8. Investments 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 2024.

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 2024	31 December 2023
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 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 Wilanów 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%
Centre Point I. Kft.	GTC Hungary	Hungary	100%	100%
Centre Point II. Kft.	GTC Hungary	Hungary	100%	100%
Riverside Apartmanok Kft.[1]	GTC Hungary	Hungary	-	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.[2]	GTC Hungary	Hungary	-	100%
Kompakt Land Kft.[2]	GTC Kompaktland SARL	Hungary	100%	-
GTC White House Kft.	GTC Hungary	Hungary	100%	100%
Globe Office Investments Kft.	GTC Hungary	Hungary	100%	100%

[1] Liquidated.
[2] Sold to newly established entities in Luxembourg for the purpose of share pledges establishment required for securing financing granted by Baupost for GTC Paula SARL (described in note 28).

(in millions of EUR)

Name	Holding Company	Country of incorporation	31 December 2024	31 December 2023
GTC Investments Sp. z o.o.	GTC Hungary	Poland	100%	100%
GTC Univerzum Projekt Kft.[3]	GTC Hungary	Hungary	-	100%
GTC Univerzum Projekt Kft.[3]	GTC Univerzum SARL	Hungary	100%	-
GTC Future Kft.	GTC Hungary	Hungary	100%	100%
VRK Tower Kft.	GTC Hungary	Hungary	100%	100%
GTC Kapitalbeteiligung GmbH[4]	GTC Germany GmbH	Germany	100%	-
GTC Elibre GmbH & Co. KG[4]	GTC Germany GmbH	Germany	100%	-
WOB Projekt Alheim GmbH[5]	GTC Germany GmbH	Germany	100%	-
WOB Projekt Bad Berleburg GmbH[5]	GTC Germany GmbH	Germany	100%	-
GTC Origine Investments Pltd. ("GTC Origine")	GTC S.A.	Hungary	100%	100%
GTC HBK Project Kft.	GTC Origine	Hungary	100%	100%
GTC VI188 Property Kft.	GTC Origine	Hungary	100%	100%
GTC FOD Property Kft.	GTC Origine	Hungary	100%	100%
G-Delta Andrassy 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.	GTC Origine	Serbia	100%	100%
GTC K43-45 Property Kft.	GTC Origine	Hungary	100%	100%
GTC Liffey Kft.	GTC Origine	Hungary	100%	100%
Clara Liffey GP SARL[5]	GTC Liffey Kft.	Luxembourg	100%	-
GTC Germany GmbH[4]	GTC Origine	Germany	100%	-
GTC UK Real Estate Investments Ltd.	GTC Origine	United Kingdom	100%	100%
GTC VRSMRT Projekt Kft.	GTC Origine	Hungary	100%	100%
GTC LCHD Projekt Kft.[6]	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.	GTC S.A.	Croatia	100%	100%
GTC Seven Gardens d.o.o.[6]	GTC S.A.	Croatia	-	100%
GTC Trinity d.o.o. [4]	GTC S.A.	Croatia	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.[7]	GTC S.A.	Romania	-	100%
City Rose Park 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%
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[6]	GTC S.A.	Bulgaria	-	100%
GTC Flex EAD	GTC S.A.	Bulgaria	100%	100%
Commercial Development d.o.o. Beograd[3]	GTC S.A.	Serbia	-	100%

[3] Sold to newly established entities in Luxembourg for the purpose of share pledges establishment required for securing financing granted by Baupost for GTC Paula SARL (described in note 28).
[4] Newly established wholly-owned subsidiary.
[5] Acquired.
[6] Sold. Please refer to note 9 *Events in the period*.
[7] Liquidated.

(in millions of EUR)

Name	Holding Company	Country of incorporation	31 December 2024	31 December 2023
Commercial Development d.o.o. Beograd[8]	GTC Ada SARL	Serbia	100%	-
Glamp d.o.o. Beograd[9]	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%
GTC Holding SARL.[10]	GTC S.A.	Luxembourg	100%	-
GTC Paula SARL[10]	GTC Holding SARL	Luxembourg	100%	-
GTC Kompaktland SARL[10]	GTC Paula SARL	Luxembourg	100%	-
GTC Ada SARL[10]	GTC Paula SARL	Luxembourg	100%	-
GTC Univerzum SARL[10]	GTC Paula SARL	Luxembourg	100%	-
GTC Lifey SARL[10]	GTC Paula SARL	Luxembourg	100%	-
Portfolio Kaiserslautern IV November SARL[10]	GTC Paula SARL	Luxembourg	100%	-
Portfolio Kaiserslautern I November SARL[10]	GTC Paula SARL	Luxembourg	100%	-
Portfolio Heidenheim November SARL[10]	GTC Paula SARL	Luxembourg	100%	-
Portfolio Kaiserslautern III November SARL[10]	GTC Paula SARL	Luxembourg	100%	-
Portfolio KL Betzenberg IV November SARL[10]	GTC Paula SARL	Luxembourg	100%	-
Portfolio KL Betzenberg V November SARL[10]	GTC Paula SARL	Luxembourg	100%	-
Portfolio Kaiserslautern II November SARL[10]	GTC Paula SARL	Luxembourg	100%	-
Portfolio Kaiserslautern VII November SARL[10]	GTC Paula SARL	Luxembourg	100%	-
Portfolio Helmstedt November SARL[10]	GTC Paula SARL	Luxembourg	100%	-
Portfolio Kaiserslautern I GmbH & Co. KG[11]	GTC Paula SARL	Germany	89.9%	-
Portfolio Kaiserslautern II GmbH & Co. KG[11]	GTC Paula SARL	Germany	89.9%	-
Portfolio Heidenheim I GmbH[11]	GTC Paula SARL	Germany	79.8%	-
Portfolio Kaiserslautern III GmbH[11]	GTC Paula SARL	Germany	79.8%	-
Portfolio KL Betzenberg IV GmbH[11]	GTC Paula SARL	Germany	79.8%	-
Portfolio KL Betzenberg V GmbH[11]	GTC Paula SARL	Germany	79.8%	-
Portfolio Kaiserslautern VI GmbH[11]	GTC Paula SARL	Germany	79.8%	-
Portfolio Kaiserslautern VII GmbH[11]	GTC Paula SARL	Germany	79.8%	-
Portfolio Helmstedt GmbH[11]	GTC Paula SARL	Germany	79.8%	-
GTC Peach Verwaltungs GmbH [11]	GTC Paula SARL	Germany	51%	-
AcquiCo Heidenheim GmbH[10]	GTC Paula SARL	Germany	100%	-
AcquiCo Helmstedt GmbH[10]	GTC Paula SARL	Germany	100%	-
AcquiCo KL Betzenberg IV GmbH[10]	GTC Paula SARL	Germany	100%	-
AcquiCo KL Betzenberg V GmbH[10]	GTC Paula SARL	Germany	100%	-
AcquiCo K´lautern II GmbH[10]	GTC Paula SARL	Germany	100%	-
AcquiCo K´lautern III GmbH[10]	GTC Paula SARL	Germany	100%	-
AcquiCo K´lautern VII GmbH[10]	GTC Paula SARL	Germany	100%	-
Portfolio K'lautern I GmbH & Co. KG[10]	GTC Paula SARL	Germany	100%	-
Portfolio K'lautern VI GmbH[10]	GTC Paula SARL	Germany	100%	-
GTC Paula GP GmbH[10]	GTC Paula SARL	Germany	100%	-

[8] Sold to newly established entities in Luxembourg for the purpose of share pledges establishment required for securing financing granted by Baupost for GTC Paula SARL (described in note 28).
[9] 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.
[10] Newly established subsidiary.
[11] Acquired. Please refer to note 28.

9. Events in the period

TRANSACTIONS

On 21 June 2024, GTC Elibre GmbH acquired investment property under construction (senior housing for rent) in Berlin area from a party related to the management board member, not associated with the majority shareholder, for the total consideration of EUR 32.0 (including taxes and transaction costs). First instalment of EUR 12.0 was paid as a part of forward funding transaction and legal title was transferred as of 25 June 2024. Remaining part should be settled in cash received from future external financing that is yet to be obtained. Elibre project will provide 50 residential units with the total living space of 4,014 sqm. Transaction is accounted for as an asset deal.

In the year ended 31 December 2024, GTC Origine Investments Pltd., a wholly-owned subsidiary of the Company, acquired shares in the Hungarian public company - NAP Nyrt for the total consideration of EUR 4.9 (further details in note 18).

On 4 July 2024 the disposal of GTC LCHD Projekt Kft, a wholly-owned subsidiary of GTC Origine Investments Pltd. was completed in accordance with the sale-and-purchase agreement.

In August 2024, GTC KLZ 7-10 Kft. signed a general agreement for the development of a residential for sale project in the city centre of Budapest. Contracted cost of development is EUR 16.4. Planned completion is November 2027. Project will provide 120 residential units with the total living space of 5,500 sqm. The Hungarian State heavily subsidizes residential projects in the national housing programme and this residential project is fully in line with the subsidised program.

On 18 September 2024, the Management Board of the Company adopted resolution regarding the disposal of GTC Seven Gardens d.o.o., a wholly-owned subsidiary of the Company. GTC Seven Gardens d.o.o. portfolio consists of the office building in Zagreb - Matrix C. On 20 December 2024 the share purchase agreement was signed. The sale price was EUR 13.0 (equal to the net proceeds from the transaction). GTC Seven Gardens d.o.o was sold together with its bank loan obligation (EUR 14.0). On 31 December 2024 sale was finalized and in January 2025 first instalment of EUR 10.0 was received by Company.

On 23 October 2024, GTC Group signed a sale and purchase agreement concerning the sale of Glamp d.o.o., an owner of A-class office building in Belgrade – GTC X for EUR 52.2. Net proceeds from sale of subsidiary shall be EUR 22.7. Difference between the sale price and net proceeds is mainly due to the fact that part of the price will be used for bank loan repayment before the sale. In January 2025 the sale was finalized. Further details about that transaction are presented in note 37 *Subsequent events.*

On 15 November 2024 the Group entered into a series of share purchase agreements with, inter alia, Peach Property Group AG and LFH Portfolio Acquico S.À R.L., as the sellers, leading to the acquisition of the portfolio of residential assets in Germany (the “Portfolio”) Further details about that transaction are presented in note 28 *Acquisition of the German residential portfolio*.

On 6 December 2024 the Company signed shares purchase agreement concerning the sale of GOC EAD, a wholly owned subsidiary of the Company and the owner of a landbank with a total area of 2,417 sqm located in Sofia, Bulgaria. The sale price under the Agreement is EUR 3.25. Transaction was finalized in 2024.

In 2024 GTC Group acquired WOB Projekt Alheim GmbH and WOB Projekt Bad Berleburg GmbH holding a land plots intended for the senior housing the for total purchase price of EUR 3.4.

FINANCING

In February 2024, Dorado 1 EOOD, a wholly-owned subsidiary of the Company, has signed EUR 55.0 loan agreement with DSK Bank AD and OTP Bank PLC with a maturity in March 2029. The full amount was drawn down.

In December 2023, the Group transferred EUR 29.5 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”). In the year ended 31 December 2024, the Broker bought back 6,000 Aurora bonds and transferred to GTC Group with nominal value of EUR 6.0 at cost of EUR 5.4. GTC Group recognized income from buy-back of Aurora bonds in amount of EUR 0.6. The broker acquired also MBH Bank bonds with ISIN HU0000362207 in the value of EUR 3.9 and Grid Parity Bond in the value of EUR 6.9 that were transferred to GTC Group.

In addition, GTC Group decided to lower the amount on the escrow held for buy-back, EUR 14.2 (EUR 12.2 in first quarter of 2024 and EUR 2 in third quarter of 2024) in cash was returned to GTC including the interest income accumulated. Agreement expired in December 2024 and was not extended for further period.

On 25 June 2024, Globis Poznań sp. z o.o., a wholly-owned subsidiary of the Company, signed the annex with Santander Bank Polska S.A. which extended repayment date from 30 June to 31 August 2024. The loan was repaid on the maturity date.

On 14 August 2024, GTC Aeropark sp. z o.o. and Artico sp. z o.o., wholly-owned subsidiaries of the Company, have signed EUR 31.6 loan agreement with Santander Bank Polska S.A. with a 5-year maturity after utilisation date. The full amount was drawn down.

MEMBERS OF THE GOVERNING BODIES

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.

On 23 April 2024, the Supervisory Board of GTC appointed Mr. Balázs Gosztonyi as a member of the Management Board of GTC S.A. The appointment is effective 24 April 2024.

On 30 August 2024, the Supervisory Board of GTC appointed Mr. György Stofa as a member of the Management Board of GTC S.A. The appointment is effective 1 September 2024.

On 3 December 2024, Mr. György Stofa resigned from his seat on the Management Board of the GTC S.A. The resignation was effective as of 3 December 2024.

OTHER

On 26 June 2024, the Company’s shareholders adopted a resolution regarding the distribution of a dividend in the amount of EUR 29.3 (PLN 126.3 million). The dividend paid by the Company amounted to PLN 0.22 per share. The dividend was paid in September 2024.

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 2024.

(in millions of EUR)

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 2024 of EUR 5.9 (2023: EUR 6.1). 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, Germany 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 2024	31 December 2023
Within 1 year	127	130
Within 2 year	105	105
Within 3 year	81	80
Within 4 year	61	57
Within 5 year	41	37
Within 6 year	27	14
More than 6 years	29	16
Total	**471**	**439**

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 type and by country are presented in note 14.

(in millions of EUR)

Service charge costs comprise the following:

	Year ended 31 December 2024	Year ended 31 December 2023
Usage of materials and energy	11.0	13.3
Third party services	33.3	30.0
Remuneration and fees	2.9	2.8
Taxes and fees	9.2	8.5
Other	0.6	0.6
Total	**57.0**	**55.2**

11. Selling expenses

Selling expenses comprise the following:

	Year ended 31 December 2024	Year ended 31 December 2023
External services – advertising and marketing	0.4	0.7
Payroll and related expenses	1.6	2.0
Total	**2.0**	**2.7**

12. Administration expenses

Administration expenses comprise the following:

	Year ended 31 December 2024	Year ended 31 December 2023
Remuneration and other employee benefits	10.0	13.5
Audit and valuations	1.3	1.4
Legal, tax, IT and other advisory	2.7	1.9
Office and insurance expenses	1.4	1.8
Travel expenses	0.3	0.4
Supervisory board remuneration fees	0.4	0.4
Depreciation	1.4	1.0
Investors relations and other expenses	0.5	0.8
Total before share based payment	**18.0**	**21.2**
Share based payment	-	(0.8)
Total	**18.0**	**20.4**

13. Finance income and finance expense

Finance income comprises the following:

	Year ended 31 December 2024	Year ended 31 December 2023
Interest on deposits and other	1.5	0.8
Dividend from investment in ACP Fund	0.8	-
Gain on Aurora Bond buy-back	0.6	-
Interest on loan granted to non-controlling interest	0.7	0.6
Total	**3.6**	**1.4**

(in millions of EUR)

Finance expense comprises the following:

	Year ended 31 December 2024	Year ended 31 December 2023
Interest expenses[12] (including hedge effect)	(35.7)	(30.2)
Finance costs related to lease liability	(2.9)	(1.9)
WHT case – interests (note 29)	(3.0)	-
Other	(2.1)	(2.5)
Total	**(43.7)**	**(34.6)**

The weighted average interest rate (including hedges) on the Group's loans (excluding loans related to assets held for sale) as of 31 December 2024 was 3.45% p.a. (2.48% p.a. as of 31 December 2023).

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 identified by geographical zones, which have common characteristics and reflect the nature of management reporting structure: Poland, Hungary, Germany, 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 2024 and 31 December 2023 is presented below:

	Year ended 31 December 2024	Year ended 31 December 2023
Rental income from office sector	86.5	85.1
Service charge revenue from office sector	28.8	29.1
Rental income from retail sector	53.7	52.1
Service charge revenue from retail sector	18.5	17.1
Total	**187.5**	**183.4**

Segment analysis of rental income and costs for the years ended 31 December 2024 and 31 December 2023 is presented below:

	Year ended 31 December 2024				Year ended 31 December 2023			
Portfolio	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	51.8	18.5	(23.7)	46.6	53.9	17.9	(22.2)	49.6
Hungary	39.1	14.2	(16.1)	37.2	38.6	14.7	(16.8)	36.5
Sofia	16.0	3.8	(5.1)	14.7	15.3	3.7	(4.5)	14.5
Belgrade	11.9	3.9	(3.9)	11.9	10.6	3.6	(3.9)	10.3
Bucharest	10.7	2.8	(3.4)	10.1	9.6	2.6	(3.2)	9.0
Zagreb	10.8	4.0	(4.8)	10.0	9.2	3.7	(4.6)	8.3
Total	**140.3**	**47.2**	**(57.0)**	**130.5**	**137.2**	**46.2**	**(55.2)**	**128.2**

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

(in millions of EUR)

Segment analysis of assets and liabilities as of 31 December 2024 is presented below:

	Real estate[13]	Cash and deposits	Other	Total assets	Loans, bonds and leases[14]	Deferred tax liabilities	Other	Total liabilities
Poland	893.4	29.2	10.5	**933.1**	277.7	54.4	20.8	**352.9**
Belgrade	181.0	4.6	2.7	**188.3**	26.1	2.6	6.1	**34.8**
Hungary	802.7	26.0	23.8	**852.5**	259.2	22.4	29.2	**310.8**
Bucharest	177.1	3.9	1.0	**182.0**	6.9	12.8	3.0	**22.7**
Zagreb	112.2	3.1	13.5	**128.8**	43.8	16.5	4.1	**64.4**
Sofia	195.4	11.9	1.1	**208.4**	91.1	8.8	5.7	**105.6**
Germany	473.9	7.1	18.7	**499.7**	381.1	3.5	58.1	**442.7**
Other	40.5	0.1	0.3	**40.9**	1.9	-	1.0	**2.9**
Non allocated[15]	-	13.1	176.8	**189.9**	644.1	18.1	48.3	**710.5**
Total	**2,876.2**	**99.0**	**248.4**	**3,223.6**	**1,731.9**	**139.1**	**176.3**	**2,047.3**

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

	Real estate[13]	Cash and deposits	Other	Total assets	Loans, bonds and leases[14]	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[16]	-	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**

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, Germany 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.

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

[13] Comprise investment properties, residential landbank, assets held for sale and value of buildings (including right of use).
[14] Excluding deferred issuance debt expenses.
[15] Other assets represent mainly non-current financial assets. Loans, bonds and leases comprise mainly issued bonds. Other liabilities include mainly derivatives.
[16] Other assets represent mainly non-current financial assets. Loans, bonds and leases comprise mainly issued bonds. Other liabilities include mainly derivatives.

(in millions of EUR)

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 2024	Year ended 31 December 2023
Poland	19%	19%
Hungary	9%	9%
Bulgaria	10%	10%
Serbia	15%	15%
Croatia	18%	18%
Romania	16%	16%
Germany[17]	15.825%	-
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 2024	Year ended 31 December 2023
Current corporate income tax and capital gain tax	6.6	6.5
Deferred tax expense / (income)	2.3	(4.5)
Total	**8.9**	**2.0**

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

	Year ended 31 December 2024	Year ended 31 December 2023
Accounting result before tax	61.9	14.4
Taxable expenses at the applicable tax rate	**2.5**	**(4.1)**
Tax effect of expenses that are not deductible	0.2	1.0
Tax effect of foreign currency differences	1.6	0.8
Withholding tax	0.6	0.6
Unrecognised deferred tax asset on losses in current year	2.6	3.5
Other	1.4	0.2
Tax expense / (income)	**8.9**	**2.0**

[17] Tax rate for most our portfolio companies is at 15.825%. The rax rate of all other German subsidiaries is at 32.45%

(in millions of EUR)

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 2023	Credit / (charge) to income statement	Credit / (charge) to equity	As of 31 December 2023	Credit / (charge) to income statement	Credit / (charge) to equity	Sold	As of 31 December 2024
Financial instruments[18]	19.6	(6.0)	(1.4)	12.2	4.8	0.9	-	17.9
Tax loss carried forwards	3.5	1.5	-	5.0	(1.4)	-	(0.1)	3.5
Differences in non-current assets[19]	2.4	(2.0)	-	0.4	7.0	-	-	7.4
Accruals	1.1	(0.2)	-	0.9	2.1	-	-	3.0
Netting[20]	(23.4)	6.9	(0.2)	(16.7)	(11.5)	(0.2)	-	(28.4)
Net deferred tax assets	**3.2**	**0.2**	**(1.6)**	**1.8**	**1.0**	**0.7**	**(0.1)**	**3.4**

Net deferred tax liability comprises the following:

	As of 1 January 2023	Credit / (charge) to income statement	Credit / (charge) to equity	As of 31 December 2023	Credit / (charge) to income statement	Credit / (charge) to equity	Other	Reclassified to liabilities related to assets held for sale	Sold	As of 31 December 2024
Financial instruments[18]	(26.2)	(1.9)	1.5	(26.6)	(0.9)	1.1	(0.4)	-	-	(26.8)
Differences in non-current assets[19]	(138.4)	13.3	-	(125.1)	(13.9)	-	(2.1)	2.6	0.5	(138.0)
Other	-	-	-	-	(0.1)	-	(0.2)	-	-	(0.3)
Netting[20]	23.4	(7.1)	0.3	16.6	11.5	0.5	-	-	-	28.6
Net deferred tax liability	**(141.2)**	**4.3**	**1.8**	**(135.1)**	**(3.4)**	**1.6**	**(2.7)**	**2.6**	**0.5**	**(136.5)**

[18] Mostly unrealized interest, foreign exchange differences and valuation of derivatives.
[19] Related to difference between book value and tax value of investment properties.
[20] 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.

(in millions of EUR)

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 2024 available in the amount of EUR 157.5 (EUR 128.5 as of 31 December 2023). The expiry dates of these tax losses are presented below:

Expiry date	Year ended 31 December 2024	Year ended 31 December 2023
Within one year	21.5	22.6
2-5 years	75.8	82.6
Afterwards	60.2	23.3

As of 31 December 2024, the Group did not recognize deferred tax assets for tax losses carried forward in the amount of EUR 76.4 (EUR 72.0 as of 31 December 2023), 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 2024 was as follows:

(in millions of EUR)

	Buildings and related improvements	Right of use assets[21]	Equipment and software	Vehicles	Total
Gross carrying amount					
As of 1 January 2024	**13.4**	**2.7**	**2.6**	**1.7**	**20.4**
Additions	-	-	0.5	0.1	0.6
Reclassified to assets held for sale	(1.1)	-	(0.1)	-	(1.2)
Acquisition	0.2	-	1.1	0.3	1.6
Disposals and other decreases	-	-	-	(0.4)	(0.4)
As of 31 December 2024	**12.5**	**2.7**	**4.1**	**1.7**	**21.0**
Accumulated Depreciation					
As of 1 January 2024	**1.6**	**0.4**	**1.7**	**0.7**	**4.4**
Charge for the period	0.6	0.3	0.3	0.2	1.4
Transfers	(0.1)	**-**	**-**	-	(0.1)
Acquisition	-	-	-	-	-
Disposals and other decreases	-	-	-	-	-
As of 31 December 2024	2.1	0.7	2.0	0.9	**5.7**
Net book value	**10.4**	**2.0**	**2.1**	**0.8**	**15.3**

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	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	-	-	-	-	**0.0**
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**

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, retail and residential 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 2024 and 31 December 2023 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.

[21] Mainly relates to building and related improvements.

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.

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.

(in millions of EUR)

(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 2024	31 December 2023
Completed investment property	2,387.8	2,007.4
Investment property under construction	141.6	67.5
Investment property landbank	111.4	158.5
Right of use of lands under perpetual usufruct (IFRS 16)	33.8	40.0
Total	**2,674.6**	**2,273.4**

(in millions of EUR)

The movement in investment property for the periods ended 31 December 2024 and 31 December 2023 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 2023	**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[22]	-	-	-	13.1	13.1
Reclassification[23]	-	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)
Classified to assets for own use	-	(2.4)	-	-	(2.4)
Other changes	(0.1)	0.4	-	-	0.3
Revaluation of right of use of lands under perpetual usufruct	(0.8)	-	-	-	(0.8)
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**
Capitalised expenditure	-	34.5	48.5	2.1	85.1
Purchase of investment property under constructions[24]	-	-	13.8	-	13.8
Reclassification[25]	-		4.1	(4.1)	-
Reclassified to assets held for sale[26]	(38.2)	(49.5)	-	(55.0)	(142.7)
Gain/(loss) from revaluation	-	(30.6)	7.7	13.2	(9.7)
Sale[27]	-	(27.3)	-	(3.3)	(30.6)
Acquisition[28]	7.3	452.1	-	-	459.4
Change in right of use of lands under perpetual usufruct	23.5	-	-	-	23.5
Revaluation of right of use of lands under perpetual usufruct	(0.3)	-	-	-	(0.3)
Other changes	-	1.2	-	-	1.2
Foreign exchange differences	1.5	-	-	-	1.5
Carrying amount as of 31 December 2024	**33.8**	**2,387.8**	**141.6**	**111.4**	**2,674.6**

[22] 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
[23] Completion of a part of Rose Hill project (EUR 10.9) in Budapest (Hungary) in Q2 2023 and Matrix C (EUR 23.1) in Zagreb (Croatia) in Q3 2023. Moreover, commencement of G-Delta Andrassy project in Budapest (transfer from landbank to under construction) in Q2 2023.
[24] Further details in note 9 *Events in the period*.
[25] Matrix D transferred from landbank to IPUC due to start of construction in December 2024.
[26] Please refer to note 31 *Assets held for sale and liabilities related to assets held for sale*.
[27] On 31 December 2024, the Group finalized the sale of Matrix C and land plot in Sofia. Please refer to note 9 *Events in the period*.
[28] Further details in note 28 *Acquisition of the German residential portfolio*.

(in millions of EUR)

Reconciliation between capitalized expenditures and paid expenditures is presented below:

	Year ended 31 December 2024	Year ended 31 December 2023
Capitalized expenditures (including purchase of completed assets and land)	**98.9**	**98.2**
Change in payables and provisions related to investing activities	(7.2)	11.0
Change in receivables related to investing activities	(9.0)	14.1
Expenditures related to residential landbank	-	1.3
Purchase of property, plant and equipment	0.3	3.2
Other	0.7	-
Paid expenditures in line with cash flow statement	**83.7**	**127.8**

Fair value and impairment adjustment consists of the following:

	Year ended 31 December 2024	Year ended 31 December 2023
Adjustment to fair value of completed investment properties	(30.6)	(66.2)
Adjustment to the fair value of investment properties under construction	7.7	(2.4)
Adjustment to the fair value of landbank	13.2	11.1
Total adjustment to fair value of investment property	**(9.7)**	**(57.5)**
Adjustment to fair value of financial assets and other	8.4	2.7
Revaluation of right of use of lands under perpetual usufruct (including residential landbank)	(0.3)	(0.8)
Impairment of residential landbank	(0.6)	(0.7)
Total recognised in profit or loss	**(2.2)**	**(56.3)**

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

	Year ended 31 December 2024	Year ended 31 December 2023
Poland	(27.6)	(45.1)
Belgrade	(0.6)	(0.4)
Hungary	5.5	(14.0)
Bucharest	(3.2)	(7.0)
Zagreb	(1.5)	4.6
Sofia	(3.2)	(4.3)
Total adjustment to fair value of completed assets	**(30.6)**	**(66.2)**

(in millions of EUR)

Assumptions used in the fair value valuations of completed assets (office and retail) as of 31 December 2024 are presented below:

Portfolio	Book value	GLA thousand	Average Occupancy	Actual Average rent	Average ERV[29]	Average Yield[30]
		sqm	%	EUR/ sqm/m	EUR/ sqm/m	%
Poland retail	435.1	113	94%	22.8	23.4	6.7%
Poland office	325.0	199	74%	15.2	14.5	8.3%
Belgrade retail	90.1	34	99%	20.1	21.4	9.0%
Hungary office	606.9	203	86%	19.3	17.7	6.6%
Hungary retail	22.2	6	100%	20.4	21.4	7.3%
Bucharest office	161.4	62	82%	18.5	18.6	6.9%
Zagreb retail	86.0	28	99%	22.6	23.8	8.6%
Zagreb office	14.8	7	100%	16.5	15.3	9.2%
Sofia office	113.6	52	85%	16.7	16.3	7.7%
Sofia retail	80.6	23	100%	24.5	24.6	8.3%
Total	**1,935.7**	**727**	**85%**	**19.0**	**16.2**	**7.3%**

In the year ended 31 December 2024 the Group acquired residential portfolio in Germany. Assumptions used in the fair value valuations of that assets as of 31 December 2024 are presented below:

Portfolio	Book value	GLA thousand	Average Occupancy	Actual Average rent	Current Discount Rate[31]
		sqm	%	EUR/ sqm/m	%
Kaiserslautern	212.2	135	86%	7.1	4.1%
Heidenheim	97.1	58	88%	7.6	4.0%
Helmstedt	64.4	62	83%	6.4	4.9%
Schöningen	45.3	50	73%	6.4	5.3%
Other	33.1	20	71%	7.8	4.4%
Total	**452.1**	**325**	**83%**	**7.0**	**4.2%**

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

Portfolio	Book value	GLA thousand	Average Occupancy	Actual Average rent	Average ERV[29]	Average Yield[30]
		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%**

[29] 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).
[30] Average yield is calculated as in-place rent divided by fair value of asset.
[31] The discount rate is the percentage rate used to discount all cash flows. The level of the chosen discount rate (per cashflow or valuation) reflects the risk assessment.

(in millions of EUR)

Inter-relationship between key unobservable inputs and fair value measurements of completed assets (office and retail) for the discounted cash flow (DCF) method in the years ended 31 December 2024 and 31 December 2023:

	31 December 2024		31 December 2023	
	Estimated change	Estimated total fair value of completed assets following the change	Estimated change	Estimated total fair value of completed assets following the change
Increase of 5% in ERV	89.0	2,024.7	86.3	2,093.7
Decrease of 5% in ERV	(89.8)	1,845.9	(86.4)	1,921.0
Increase of 25bp in Average Yield	(53.1)	1,882.6	(48.8)	1,958.6
Decrease of 25bp in Average Yield	56.6	1,992.3	50.9	2,058.3

Inter-relationship between key unobservable inputs and fair value measurements of completed assets (residential) for the discounted cash flow (DCF) method in the year ended 31 December 2024:

	Estimated change	Estimated total fair value of completed assets following the change
Increase of 5% in rental income	36.5	488.6
Decrease of 5% in rental income	(36.6)	415.5
Increase of 20bp in Current Discount Rate	(20.5)	431.6
Decrease of 20bp in Current Discount Rate	22.6	474.7

Information regarding investment properties under construction as of 31 December 2024 and 31 December 2023 is presented below:

	31 December 2024	31 December 2023	Estimated area (GLA)
			thousand sqm
Budapest (Center Point III)	89.0	41.4	36
Budapest (G-Delta Andrassy)	23.6	19.2	4
Budapest (Rose Hill Business Campus)	10.7	6.9	11
Germany (GTC Elibre)	14.2	-	4
Zagreb (Matrix D)	4.1	-	11
Total	**141.6**	**67.5**	**66**

The following table presents significant unobservable inputs used in the fair value measurement of investment property under construction for the residual method in the years ended 31 December 2024 and 31 December 2023:

Significant unobservable inputs	31 December 2024	31 December 2023
Estimated rental value (ERV)	16.0 – 46.95 EUR/sqm /month	12.0 – 19.75 EUR/sqm /month
Capitalisation rate (Cap rate)	5.78% – 6.9%	6.0 – 6.9%
Hard costs	1,600.0 – 3,500.0 EUR/sqm	2,000 – 4,700 EUR/sqm/GLA

(in millions of EUR)

Information regarding book value of investment property landbank for construction as of 31 December 2024 and 31 December 2023 is presented below:

	31 December 2024	31 December 2023
Poland	11.3	53.1
Hungary	47.4	47.4
Serbia	37.9	36.2
Romania	7.7	7.5
Bulgaria	-	3.5
Croatia	7.1	10.8
Total	**111.4**	**158.5**

Inter-relationship between key unobservable inputs and fair value measurements of investment property under construction for the residual method in the years ended 31 December 2024 and 31 December 2024:

	31 December 2024		31 December 2023	
	Estimated change	Estimated total fair value of IPUC following the change	Estimated change	Estimated total fair value of IPUC following the change
Increase of 5% in ERV	10.5	152.1	8.8	76.3
Decrease of 5% in ERV	(10.5)	131.1	(8.6)	58.9
Increase of 25bp in Cap rates	(8.0)	133.6	(6.7)	60.8
Decrease of 25bp in Cap rates	8.7	150.3	7.5	75.0
Increase of 5% in expected construction costs	(4.3)	137.3	(5.4)	62.1
Decrease of 5% in expected construction costs	4.1	145.7	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 years ended 31 December 2024 and 31 December 2024:

Significant unobservable inputs	31 December 2024	31 December 2023
Capitalisation rate (Cap rate)	7.0% - 8.75%	7.75% - 8.0%

Inter-relationship between key unobservable inputs and fair value measurements of investment property landbank for the residual method in the years ended 31 December 2024 and 31 December 2023:

	31 December 2024		31 December 2023	
	Estimated change	Estimated total fair value of landbank following the change	Estimated change	Estimated total fair value of landbank following the change
Increase of 25bp in Cap rates	(0.4)	45.1	(6.7)	42.5
Decrease of 25bp in Cap rates	0.5	46.0	7.5	52.4

(in millions of EUR)

Inter-relationship between key unobservable inputs and fair value measurements of investment property landbank for the comparable method in the years ended 31 December 2024 and 31 December 2023:

	31 December 2024		31 December 2023	
	Estimated change	Estimated total fair value of landbank following the change	Estimated change	Estimated total fair value of landbank following the change
Increase of 5% in price	3.3	114.5	5.6	116.8
Decrease of 5% in price	(3.3)	107.9	(5.6)	105.6

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

As of 31 December 2024 and 31 December 2023 the fair values of non-current financial assets were as follows:

	31 December 2024	31 December 2023
Notes (Ireland)	120.4	119.1
Units (Trigal)	16.5	13.9
NAP shares	4.4	-
Bonds (ISIN HU0000362207)	3.8	-
ACP Fund	3.0	2.1
Grid Parity Bond	6.6	-
Total	**154.7**	**135.1**

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 project involves the construction of a data centre with power capacity of up to 179 MWs, as well a life science and technology campus. 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 2024 the Company has already additionally invested EUR 5.1, 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 February 2024 the contract with a major tenant was signed which is in line with the planning permit.

The next milestone are landlord responsible delivery of site highways and infrastructure works to be completed by end of 2025.

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 2024 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 of the notes between EUR 120 and EUR 140. Taking into account no significant difference between the valuation and book value, no update to the balance as of 31 December 2024 in regards to the Ireland investment amount was presented. The project value used in the valuation of the instrument was established by Kroll Advisory (Ireland) Limited as of 31 December 2024, 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. For the purpose of last valuation Management decided to amend the assumption regarding the expected exit date due to the current market conditions, but it does not affect Company's sales strategy. The change in that assessment combined with significant value drivers (mainly discount rate) resulted in Kildare's valuation remaining the same as in the previous period.

(in millions of EUR)

The following table presents significant unobservable inputs used in the fair value measurement of the notes in the years ended 31 December 2024 and 31 December 2023:

Significant unobservable inputs	31 December 2024	31 December 2023
Estimated discount rate	27.43%	35.23%
Gross Development Value (GDV)	4,200 EUR	4,600 EUR

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

	31 December 2024		31 December 2023	
	Total Fair Value of financial instrument		Total Fair Value of financial instrument	
	Increase	Decrease	Increase	Decrease
Change in estimated discount rate by 5%	115.1	126.2	118.5	129.1
Change in estimated discount rate by 10%	110.2	132.5	113.9	135.1
Change in estimated GDV by 2.5%	124.3	116.5	128.5	118.6
Change in estimated GDV by 5%	128.2	112.8	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).

18.4 NAP shares

NAP registered capital is HUF 8.4 billion (ca. EUR 21.5) and it already produces "green energy" using 73 solar power plants with a total capacity of 57.6 MW (AC). Through a series of private and public capital raisings, NAP aim to achieve company growth to a total solar power capacity of around 100 MW (AC), which will significantly contribute to Hungary’s annual renewable energy generation. Valuation is based on the public share price (fair value level 1).

On 11 October 2024, the Board of NAP Nyrt. appointed Mr. Balázs Gosztonyi as a member of the Supervisory Board of NAP Nyrt. The appointment is effective 11 October 2024.

18.5 MBH Bank Bonds (ISIN HU0000362207)

The bonds are measured at fair value through profit and loss. The measurement of the bonds is at fair value Level 1 based on public bond quotes.

(in millions of EUR)

18.6 Grid Parity Bond

Grid Parity Bonds were issued for 10 years by HG Energy Zrt on 17 July 2019 with fix interest rate of 4% p.a. The bonds will be repaid at the maturity on 15 July 2029. The bonds are measured at fair value through profit and loss. The measurement of the bonds is at fair value Level 1 based on public bond quotes.

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 2023 and 31 December 2024 was as follows:

	Residential landbank
Carrying amount as of 1 January 2023	**26.6**
Capitalized expenditure	1.3
Reversal of impairment/(impairment)	(0.7)
Carrying amount as of 31 December 2023	**27.2**
Capitalized expenditure	3.2
Acquisition	6.0
Reversal of impairment/(impairment)	(0.6)
Carrying amount as of 31 December 2024	**35.8**

The carrying amount of residential landbank as of 31 December 2024 refers to non-core land plots designated for residential development in Croatia, Hungary, Romania and Germany.

20. Derivatives

The Group uses derivative financial instruments, such as cross-currency interest rate swaps, interest rate swaps and caps, to hedge its interest rate risk and foreign currencies' rates 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.

(in millions of EUR)

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.

Derivatives are presented in financial statements as below:

	31 December 2024	31 December 2023
Non-current assets	0.4	2.3
Current assets	5.6	11.9
Non-current liabilities	(37.0)	(18.7)
Current liabilities	(0.2)	-
Total	**(31.2)**	**(4.5)**

The movement in derivatives for the years ended 31 December 2024 and 31 December 2023 was as follows:

	31 December 2024	31 December 2023
Fair value as of the beginning of the year	**(4.5)**	**(24.1)**
Charged to other comprehensive income	(18.3)	8.0
Charged to profit or loss[32]	(8.4)	11.6
Fair value as of the end of the year	**(31.2)**	**(4.5)**

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 2024 and 31 December 2023 was as follows:

	31 December 2024	31 December 2023
Hedge reserve as of the beginning of the year	**0.7**	**(7.5)**
Charged to other comprehensive income	(26.7)	19.6
Realized in the period (charged to profit or loss)[32]	8.4	(11.6)
Total impact on other comprehensive income	(18.3)	8.0
Income tax on hedge transactions	2.3	0.2
Other movements	1.6	-
Hedge reserve as of the end of the year	**(13.7)**	**0.7**

Derivatives as of 31 December 2024 and 31 December 2023 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%) – (3.2%)	n/a
SWAP (fixed to fixed / HUF to EUR)	Fair value	0.92% - 0.99%	360.33 – 367.66

	Nature of hedge item	Nominal amount of hedge item	Currency	31 December 2024	Nominal amount of hedge item	Currency	31 December 2023
IRS (EURIBOR 3M)	Loans	413	EUR	2.8	325	EUR	12.5
SWAP (fixed to fixed / HUF to EUR)	Bonds	59,400	HUF	(33.7)	59,400	HUF	(18.3)
Other derivatives				(0.3)			1.3
Total				**(31.2)**			**(4.5)**

For more information regarding derivatives, see note 36.

[32] This amounts reflects hedging effect that was within reporting period recognised initially in OCI and exercised in P&L in accordance to GTC hedge accounting principles. This profit/loss mainly offset mainly a foreign exchange differences on bonds nominated in HUF (P&L effect in line *Foreign exchange differences*).

(in millions of EUR)

21. Trade payables and provisions

Main titles of trade payables and provisions are presented below:

	31 December 2024	31 December 2023
Payables related to investing activity	18.7	13.1
Current portion of lease liabilities	0.6	0.5
Payables related to withholding tax	2.2	2.0
Advances received	5.3	2.1
Provision for perpetual usufruct	3.1	2.0
Payables in newly acquired entities	12.2	-
Other trade payables and provisions	20.8	14.3
Total	**62.9**	**34.0**

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 17% of cash and cash equivalents and blocked deposits is financial institution with credit rating BBB-. Second bank with major Group's cash and cash equivalents and blocked 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).

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at 31 December 2024 and 31 December 2023:

	31 December 2024	31 December 2023
Cash at banks and on hand	53.4	60.4
Cash at banks related to assets held for sale	1.8	-
Cash and cash equivalents at the end of the period	**55.2**	**60.4**

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+.

(in millions of EUR)

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.

The Company has indirectly acquired, through its subsidiary, GTC Paula SARL from the Peach Group Companies 89.9% of the limited liability partnerships: Kaiserslautern I GmbH & Co. KG (or its legal successor) and Kaiserslautern II GmbH & Co. KG (or its legal successor) and from LFH Portfolio Acquico S.À R.L., 89.9% of the limited liability companies: Portfolio Kaiserslautern III GmbH, Portfolio KL Betzenberg IV GmbH, Portfolio KL Betzenberg V GmbH, Portfolio Kaiserslautern VI GmbH, Portfolio Heidenheim I GmbH, Portfolio Kaiserslautern VII GmbH and Portfolio Helmstedt GmbH. In addition, the Company has indirectly acquired 51% of the shares in the property managing company managing the Portfolio, GTC Peach Verwaltungs GmbH from the Peach Group Companies.

Summarized financial information of the material non-controlling interest as of 31 December 2024 and 31 December 2023 is presented below:

	Euro Structor d.o.o. 31.12.2024	Germany Portfolio 31.12.2024	Total 31.12.2024	Euro Structor d.o.o. 31.12.2023
Non-current assets	140.4	500.8	641.2	139.2
Current assets	3.8	17.7	21.5	2.8
Total assets	**144.2**	**518.5**	**662.7**	**142.0**
Equity	83.0	220.4	303.4	80.9
Non-current liabilities	59.5	181.1	240.6	59.2
Current liabilities	1.7	117.0	118.7	1.9
Total equity and liabilities	**144.2**	**518.5**	**662.7**	**142.0**
Revenue	12.5	-	12.5	12.1
Profit /(loss) for the year	7.1	-	7.1	6.4
Other comprehensive profit/(loss)	-	-	-	-
NCI share in equity	**24.9**	**23.6**	**48.5**	**24.3**
Loan granted to NCI	**(11.6)**	**-**	**(11.6)**	**(11.6)**
Loan received from NCI	**-**	**-**	**-**	**-**
NCI share in profit / (loss)	**2.1**	**-**	**2.1**	**1.9**

In 2024 dividend was distributed to non-controlling interest in the amount of EUR 1.5.

In 2023 dividend was distributed to non-controlling interest in the amount of EUR 2.2.

(in millions of EUR)

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 2024	31 December 2023
Bonds	644.2	660.0
Bank loans	985.7	620.5
Long-term borrowings' acquisition costs	(20.3)	(6.5)
Total borrowings	**1,609.6**	**1,274.0**
Of which		
Long-term borrowings	1,389.6	1,228.7
Short-term borrowings	220.0	45.3
Total borrowings	**1,609.6**	**1,274.0**

BONDS

	31 December 2024		31 December 2023	
	Current portion	Long-term portion	Current portion	Long-term portion
Green bonds mature in 2027-2030 (HU0000360102)	0.1	96.5	0.1	103.4
Green bonds mature in 2028-2031 (HU0000360284)	0.4	48.3	0.4	51.7
Green bonds mature in 2026 (XS2356039268)	5.8	493.1	5.9	498.5
Total bonds	**6.3**	**637.9**	**6.4**	**653.6**

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.

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 36.

As at 31 December 2024, the Group continues to comply with the financial covenants set out in the loan agreements and bonds' terms and conditions.

(in millions of EUR)

Movements in long term loans and bonds for the years ended 31 December 2024 and 31 December 2023 were as follows:

	31 December 2024	31 December 2023
Balance as of the beginning of the year	**1,274.0**	**1,237.9**
Drawdowns	265.2	74.1
Acquisition	183.5	-
Repayments	(55.9)	(48.2)
Reclassified to liabilities related to AHFS	(24.8)	-
Disposal	(13.8)	-
Buy-back of Aurora bonds	(6.0)	-
Change in accrued interest	(0.7)	1.2
Acquisition deferred issuance debt expenses	(0.5)	-
Change in deferred issuance debt expenses	(1.4)	1.6
Other	0.3	(2.5)
Foreign exchange differences	(10.3)	9.9
Balance as of end of the year	**1,609.6**	**1,274.0**

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, Serbia and Germany.

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) and in such cases, the lease is expensed without balance sheet recognition. The value of such expenses is immaterial.

(in millions of EUR)

The balance of right of use as of 31 December 2024 and 31 December 2023 was as follows:

	31 December 2024	31 December 2023
Completed investment property	49.6	22.1
Investment property landbank at cost	1.3	17.9
Residential landbank	1.0	1.0
Property, plant and equipment	2.0	2.3
Total	**53.9**	**43.3**

The balance of lease liability as of 31 December 2024 and 31 December 2023 was as follows:

Country	31 December 2024	31 December 2023	Discount rate
Poland	18.8	32.6	4.2%
Romania	6.9	6.6	5.7%
Serbia	0.8	0.8	7.6%
Croatia	1.3	1.4	4.4%
Germany	7.4	-	4.1%
Other	2.4	2.3	3.0%
Total	**37.6**	**43.7**	

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 2024 and 31 December 2023 was as follows:

	2024	2023
Balance as of 1 January	**43.3**	**42.4**
Recognition / (derecognition) of right of use asset for lands under perpetual usufruct and other assets	23.5	0.2
Acquisition	24.4	-
Revaluation and amortization of right of use	(0.3)	(1.3)
Reclassification to assets held for sale	(38.2)	-
Foreign exchange differences	1.2	2.0
Balance as of 31 December	**53.9**	**43.3**

The movements in lease liabilities for the years ended 31 December 2024 and 31 December 2023 was as follows:

	2024	2023
Balance as of 1 January	**43.7**	**41.9**
Recognition / (derecognition) of lease liability for lands under perpetual usufruct and other assets	23.5	0.2
Acquisition	7.3	-
Payments of leases	(0.8)	(0.9)
Change in provision	(1.4)	(0.3)
Change in accrued interest	1.7	0.8
Reclassification to liabilities related to assets held for sale	(38.2)	-
Foreign exchange differences	1.8	2.0
Balance as of 31 December	**37.6**	**43.7**

The Group pays an annual amount of EUR 2.5 (EUR 2.0 in 2023) as lease payment (principal and interest) for lands under perpetual usufruct. Payment of leases in the table above relates only to principal repayment.

28. Acquisition of the German residential portfolio

On 15 November 2024 the Group entered into a series of share purchase agreements with, inter alia, Peach Property Group AG and LFH Portfolio Acquico S.À R.L., as the sellers, leading to the acquisition of the portfolio of residential assets in Germany (the "Portfolio") held by Peach Property Group AG (the "Transaction").

Consequently, the Company has indirectly acquired, through its subsidiary, GTC Paula SARL:
(i) from the Peach Group Companies 89.9% of the limited liability partnerships: Kaiserslautern I GmbH & Co. KG (or its legal successor) and Kaiserslautern II GmbH & Co. KG (or its legal successor) (the "Portfolio Partnerships"), and
(ii) from LFH Portfolio Acquico S.À R.L., 79.8%[33] of the limited liability companies: Portfolio Kaiserslautern III GmbH, Portfolio KL Betzenberg IV GmbH, Portfolio KL Betzenberg V GmbH, Portfolio Kaiserslautern VI GmbH, Portfolio Heidenheim I GmbH, Portfolio Kaiserslautern VII GmbH and Portfolio Helmstedt GmbH (the "Portfolio Companies") at an adjusted property value of approximately EUR 448.0 based on 100% ownership of the Portfolio.

In addition, the Company has indirectly acquired 51% of the shares in the property managing company managing the Portfolio, GTC Peach Verwaltungs GmbH (the "PM Company"), from the Peach Group Companies.

Upon completion, 89.9% of the shares in the Portfolio Partnerships and 79.8% of the shares in the Portfolio Companies were acquired for a total consideration comprising EUR 167.0 in cash and the Participating Notes with a total nominal value of approximately EUR 42 (as described in letter B (Description of the Participating Notes)), subject to adjustments, as well as a 51% stake in the PM Company.

The Peach Group Companies retained a 10.09% stake in the Portfolio Partnerships and a 10.1% stake in the Portfolio Companies as well as a 49% stake in the PM Company, while co-investors, LFH Portfolio Acquico S.À R.L. and ZNL Investment S.À R.L., retained the remaining 10.1% stake in Portfolio Heidenheim I GmbH, Portfolio Kaiserslautern VII GmbH and Portfolio Helmstedt GmbH and a 5% stake in Portfolio Kaiserslautern III GmbH, Portfolio KL Betzenberg IV GmbH, Portfolio KL Betzenberg V GmbH and Portfolio Kaiserslautern VI GmbH, while acquiring a 0.01% stake in the Portfolio Partnerships. A further minority shareholder, Mr. Marco Garzetti, retained a 5.1% stake in Portfolio Kaiserslautern III GmbH, Portfolio KL Betzenberg IV GmbH, Portfolio KL Betzenberg V GmbH and Portfolio Kaiserslautern VI GmbH.

Additionally, GTC Paula SARL. was granted an option against LFH Portfolio Acquico S.À R.L. and ZNL Investment S.À R.L. to purchase all of the shares of LFH Portfolio Acquico S.À R.L. and ZNL Investment S.À R.L. in the Portfolio Companies at a price determined in accordance with the formula used to calculate the total consideration amount (the "Call Option"), provided that no reinvestments will be made. Consequently, upon exercising the Call Option, the Company will indirectly hold 89.9% of the Portfolio Partnerships, up to 89.9% of Portfolio Heidenheim I GmbH, Portfolio Kaiserslautern VII GmbH and Portfolio Helmstedt GmbH and up to 85% of Portfolio Kaiserslautern III GmbH, Portfolio KL Betzenberg IV GmbH, Portfolio KL Betzenberg V GmbH, Portfolio Kaiserslautern VI GmbH.

As of 31 December 2024 the Management made the judgement regarding the Call Option for the non-controlling shares held by LFH Portfolio Acquico S.À R.L. and ZNL Investment S.À R.L. Based on management analysis it was assessed that as of the date of these financial statements the risk and rewards relating to the non-controlling interest covered by the call option have already been transferred to GTC. The main reason behind such conclusion was present intention of management to exercise the option at agreed timeline i.e. before 31 March 2025 (which has happened as described in section B of this note) and the fact that not exercising the call option would trigger additional liabilities for the Group, including mandatory fixed dividends. Moreover, the exercise of the option is a covenant in the debt financing explained in point C below and impacts the Participating Notes as explained in point B below. Therefore, based on Management assessment, GTC has present obligation to realise the call option and present access to returns associated to their ownership interest, and as a result non-

[33] This percentage share does not reflect total participation as of 31 December 2024 due to aspects described in following paragraphs.

controlling shares of LFH Partner and ZNL were not recorded as NCI, but present value of the call option price was recorded as financial liability in the consolidated financial statements in line *Other financial liabilities*.

Through realisation of the Call Option, the Group becomes a party to the Put and Call Options regarding the non-controlling shares held in the Portfolio Partnerships and the Portfolio Companies. Through the Put and Call Options the Group will have the option to call the remaining NCI related to Peach Group after 5/10 years, and Peach Group will have the option to put the interests after 10 years to GTC Group. The exercise price in the Put and Call Options is the higher of Floor of EUR 9 (which is minimum option price) and Fair Market Value of shares the Portfolio Partnerships and the Portfolio Companies at the date of the exercise of the option. As required by IAS 32 para 23 the Group recognized a liability for the put option at the present value of redemption amount. As the price of the Put and Call Options is based on the market value, the Management considers that these Options do not give the Group present access to returns associated with their ownership interest, therefore non-controlling interest relating to Peach shares keeps being recognized in these consolidated financial statements.

A. Funding structure

The Transaction was funded through:
1. assumption of existing senior bank loans of approximately EUR 185.4 currently provided to certain project companies by multiple banks including: DZ Hyp AG, Landesbank Baden-Württemberg, Sparkasse Kaiserslautern, and Volksbank BRAWO eG;
2. issuance of 418 bearer participating series A notes, with a nominal value of EUR 100,051.17[34] each and a total nominal value of EUR 42 (the “Participation Notes”), further described in letter B (Description of the Participating Notes) below.
3. external financing obtained by GTC Group, further described in letter C (Debt financing) below.

B. Description of the Participating Notes

As the part of the Transaction, the Company has issued the Participating Notes, which were transferred to LFH Portfolio Acquico S.À R.L., as an in-kind settlement of the portion of the purchase price under the share purchase agreement concluded with LFH Portfolio Acquico S.À R.L. The Participating Notes were issued as participating notes within the meaning of Article 18 of the Act of 15 January 2015 on Bonds (the “Bonds Act”) – ustawa o obligacjach. The Participating Notes are unsecured, subordinated to all other liabilities owed to GTC's creditors, and have a final effective maturity extending beyond all of GTC's debt (i.e. 2044).

Each year, if the General Meeting adopts a resolution on distribution of profit and payment of dividend (the “Resolution”), the Participating Notes will entitle the noteholders to participate in the Company’s profit. If the Resolution declares that no dividend is due, no payment will accrue or be payable for the Participating Notes. If the Resolution declares that a dividend is to be paid, the amount payable for the Participating Notes will correspond to the dividend amount attributable to a number of shares calculated as follows: (i) the aggregate nominal value of the Participating Notes divided by (ii) the average GTC share price on the regulated market as of 17 December 2024. Consequently, each of 418 Notes will entitle its holder to a payment corresponding to the dividend payable for 107,628 shares in the Company’s share capital (in total, corresponding to the dividend due out of 44,988,504 shares in the Company’s share capital).

The Participating Notes do not constitute convertible notes or notes with priority rights under the Bonds Act or the provisions of the Act of 15 September 2000 – Commercial Companies Code (the “Commercial Companies Code”) - kodeks spółek handlowych. However, under the terms and conditions of the Participating Notes, if GTC Paula SARL exercises and settles the Call Option to purchase non-controlling shares held by LFH Portfolio Acquico S.À R.L. and ZNL Investment S.À R.L before 15 April 2025, the Company will be entitled to exercise its right to early redemption, provided that the General Meeting adopts a resolution to increase the Company’s share capital (which would require the exclusion of pre-emptive rights of the Company’s shareholders) and/or any other resolution which may be required to effectuate the exercise of the Company’s right to early redemption (“Share Capital Increase”). If GTC Paula SARL fails to exercise and settle the Call Option before 15 April 2025, the right to demand early redemption will pass to the Noteholder, subject to the relevant Share Capital Increase. In each case, upon early redemption, the Participating Notes will be redeemed, with the redemption amount set off against the subscription price of the Company’s shares to be subscribed for by the noteholder under the

[34] Not in millions.

Share Capital Increase, and, in particular, no additional redemption amount will be due, nor any cash payable to the noteholders. The total number of new shares that the Noteholders will be entitled to subscribe for (or exercise the right from subscription warrants entitling them to subscribe for) will equal the 44,988,504.

On 31 March 2025, GTC Paula SARL. exercised an option against LFH Portfolio Acquico S.À R.L. and ZNL Investment S.À R.L. to purchase all of the shares held by LFH Portfolio Acquico S.À R.L. and ZNL Investment S.À R.L. in Kaiserslautern I GmbH & Co. KG, Kaiserslautern II GmbH & Co. KG, Portfolio Kaiserslautern III GmbH, Portfolio KL Betzenberg IV GmbH, Portfolio KL Betzenberg V GmbH, Portfolio Kaiserslautern VI GmbH, Portfolio Heidenheim I GmbH, Portfolio Kaiserslautern VII GmbH and Portfolio Helmstedt GmbH (the "Call Option"). Settlement of the Call Option has not yet occurred and is expected to occur by 30 April 2025.

Under the amended terms and conditions of the Participating Notes, if Paula SARL settles the Call Option before 30 April 2025, the Company will be entitled to exercise its right to early redemption of the Participating Notes, provided that the General Meeting adopts a resolution to increase the Company's share capital (requiring the exclusion of pre-emptive rights of the Company's shareholders) and/or any other resolution necessary to effectuate the Company's right to early redemption (the "Share Capital Increase"). Additionally, from 15 April 2025 onwards, the noteholder is allowed to request early redemption of the Participating Notes, subject to the relevant Share Capital Increase.

In each case, upon early redemption, the Participating Notes will be redeemed by way of set-off against the subscription price of the equity instruments to be subscribed for by the noteholder under the Share Capital Increase, with no additional redemption amount due and no cash payable to the noteholder.

As of date of these financial statements the Call Option was exercised and Management' intention is to settle the Call Option in the agreed timeline, ie. by 30 April 2025.

In financial statements for the year ended 31 December 2024 participating notes are presented as equity instrument in accordance with IAS 32 *Financial instruments – presentation*. This is primarily due to the fact that if, in accordance with the resolution on the distribution of the Company's result, a dividend is not paid, no payment under the Participating Bonds will be accrued or paid. In addition, early redemption at the Company's discretion is implemented by issuing a fixed number of the Company's shares for a fixed number of bonds, as determined on the issue date. In summary, the Company as the issuer retains full unilateral freedom to avoid cash settlement by converting the bonds into equity through the issue of subscription warrants resulting in new shares, which ensures that the instrument is treated as equity. Although the right to early redemption is conditional on exercising and settling the Call Option, the Management as at 31 December 2024 believed that the exercise of the Call Option was within their control and already recognised the liability for that exercise as explained above, which is confirmed by actual exercise on 31 March 2025 and the payment is expected to happen by 30 April 2025.

C. Debt financing

To provide additional financing for the Transaction, the Company has secured EUR 190 loan (the "Loan"), to be granted by certain affiliates of The Baupost Group, L.L.C. and Diameter Capital Partners LP (the "Lenders") on terms and conditions set forth in the Term Facilities Agreement (the "Facility Agreement") executed on 20 December 2024. The Loan is entered by an indirect subsidiary of the Company, GTC Paula SARL (the "Borrower"), and is guaranteed in particular by the Company, and entities from GTC Group, on terms and conditions set forth in the Facility Agreement. The Facility Agreement requires certain entities being members of GTC Group to establish certain security interest as well as the subordination of liabilities (governed by local laws) pursuant to agreements executed in particular with Agent and / or the Security Agent (as defined in the Facilities Agreement). One of the covenants in the Loan contract is the exercise of the Call Option to purchase non-controlling shares held by LFH Portfolio Acquico S.À R.L. and ZNL Investment S.À R.L.

D. Accounting treatment

Company performed detailed analysis of Transaction accounting treatment. Based on analysis of requirements included in IFRS 10 *Consolidated Financial Statements* and IFRS 3 *Business Combinations*, Management concluded that control was passed to GTC on 31 December 2024. The main reason behind such conclusion was the ability to influence returns (i.e. power) which could be demonstrated before January 2025 when the

Transaction was closed from legal perspective. GTC was involved in operations of acquired portfolio and/or had veto rights in decision-making. Furthermore, at the payment date which occurred on 30 December 2024 Peach Group as the prior owner lost the authority to reverse any decisions made with collaboration with GTC. Although the registration of transfer of shares in the Target Companies was completed on 6 January 2025, the shares were on 31 December 2024 held by agent who confirmed the receipt of the payment and from the payment date the Group had de facto decision making rights related to relevant activities.

Management performed the optional concentration test and observed that approximately 92% of the gross assets acquired are related to the Investment Property being acquired, primarily consisting of similar assets - residential units. As a result, the concentration test was passed, and the transaction is accounted for as an asset acquisition. Since the concentration test is met, the set of activities and assets was determined not to be a business, and no further assessment was required.

As a part of a concluded transaction based on IFRS 9 *Financial Instruments* Management Board identified other obligations and material financial instruments as below:

- Minimum dividend payment obligation (EUR 4.9) as a contractual obligation to make yearly payments to the minority shareholders i.e. Peach Partner and Peach KG. Amount of the obligation was calculated using amortized cost method. As of 31 December 2024 EUR 4.8 presented as *Liabilities for put options on non-controlling interests and other long term payables* and EUR 0.1 in *Other financial liabilities*.
- The Group did not recognize minimum dividend payment obligation towards LFH Portfolio Acquico S.À R.L. and ZNL Investment S.À R.L – as explained above, based on Management assessment, GTC had present obligation to realise the call option and present access to returns associated to their ownership interest which releases the Group from further obligations towards LFH Portfolio Acquico S.À R.L. and ZNL Investment S.À R.L. The Minimum dividend payment obligation is a contractual obligation to make yearly payments to the minority shareholders i.e. LFH and ZNL. The amount of the obligation was calculated using amortized cost method and as of 31 December 2024 is EUR 5.2 and is a contingent liability due to the reasons explained above.
- As explained above, the Call Option for the minority shares of LFH Partner and ZNL was recognized as a liability at the present value of the redemption amount to be paid to the non-controlling shareholders under the call option (EUR 22.6). The Group also recognized a liability for the put option for the non-controlling shares of Peach at the present value of the redemption amount to be paid to the non-controlling shareholders (EUR 18.6). Subsequently, the changes in the carrying amount of the put financial liability will be recognized in profit or loss, in accordance with IFRS 9. As of 31 December 2024 the liability relating to the put option presented in *Liabilities for put options on non-controlling interests and other long term payables*.
- The Group also recognized a financial liability of EUR 9 regarding retained purchase price for shareholder loans which will be paid together with the fee for the call option to LFH. As of 31 December 2024 presented in *Other financial liabilities*.
- Put and call option for 49% shares of PM Company with Peach Group with a fixed price of EUR 0.45. Management assume that it will be exercised at end of 2027 so we recognized EUR 0.42 in long term payables at amortised cost. Based on agreement with Peach, they are not entitled for any dividend or share of profit, therefore no NCI is recognized.

(in millions of EUR)

The following table shows the values of acquired portfolio used for the purpose of calculation purchase price:

Assets	
Investment properties	447.6
Upstream loans receivables (Loans granted to Peach by acquired entities)	38.0
Other assets	10.2
	495.8
Liabilities	
Financial liabilities toward external banks	185.5
Loans received from Peach Group	69.7
Other liabilities	11.3
	266.5
Net assets (100%)	**229.3**
Net assets acquired (without NCI part)	**205.8**
Settlement of loans to and from Peach Group	33.4*
Net assets adjusted by settlements of loans towards Peach Group	**239.2**
Net consideration paid in cash	(166.9)
Transaction costs related to the acquisition	(9.1)
Transaction costs not paid as of 31 December 2024	4.0
Expenditures from the purchase of completed assets	**(172.0)**
Total consideration increased by transaction costs	**239.2**
Consideration paid in cash	166.9
Issued participating notes in fair value	41.8
Liability due to exercise the call option	22.6
Transaction costs	9.1
Other adjustments reducing net consideration to be paid	(1.2)

* *The amount of settlement of loans toward Peach Group relates to settlement of intercompany loans receivable and payable outlined in separate lines above.*

There is no significant difference between acquired equity and paid consideration.

E. Other

Transaction described above was not concluded with any related party.

For the detailed description of the transaction please refer to the current report no. 1/2025 from 2 January 2025.

(in millions of EUR)

29. Long-term payables

The balance of long term payables as of 31 December 2024 and 31 December 2023 was as follows:

	31 December 2024	31 December 2023
Provision for tax legal case - GTC S.A.	7.3	-
Minimum dividend payment	4.8	-
Liabilities related to retention	4.8	2.0
Liabilities for put options on non-controlling interests (see note 28)	18.6	-
Other	4.7	3.2
Total	**40.2**	**5.2**

On 3 December 2024, the Company received a decision of the Head of the Opole Customs and Fiscal Office ("OUCS") dated 20 November 2024, issued as part of a tax investigation into the fulfilment of the payer's obligations to collect flat-rate tax on income earned by non-residents from dividends (the "Decision"). The proceedings concerned the Company's obligation to withhold flat-rate income tax on dividends for the 2017 financial year. The Company disagrees with the findings and the OUCS' position in the Decision and intends to pursue all available legal remedies at a later stage. The Company has appealed the Decision, alleging violations of both substantive and procedural law.

As of the date of approval of this financial statements, the second instance proceedings are pending. In the financial statements for the year ended 31 December 2024, a provision of EUR 7.3 (including EUR 3.0 of interest on tax arrears) was included.

30. Prepayments and other receivables

The balance of prepayments and other receivables decreased from EUR 52.4 as of 31 December 2023 to EUR 38.6 as of 31 December 2024.

The majority of decrease is related to utilisation of deposit for the purpose of Aurora bonds buy-back which was transferred in 2023 to the Broker in the amount of EUR 29.5. Detailed description in note 9.

(in millions of EUR)

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

The balances of assets held for sale as of 31 December 2024 and 31 December 2023 were as follows:

	31 December 2024	31 December 2023
Glamp d.o.o. Beograd[35]	55.8	-
GTC LCHD Projekt	-	10.2
Landbank in Poland[36]	101.4	3.4
Total	**157.2**	**13.6**

Sale of GTC LCHD Projekt was finalized in July 2024. Transaction was completed with closing price in the value of EUR 13.2, out of which EUR 11.4 already collected.

In December 2024, Glamp d.o.o. Beograd was reclassified to assets held for sale – further details about that transaction are presented in note 9 *Events in the period* and 37 *Subsequent events*

In December 2024, land plot in Warsaw (Wilanów) was reclassified to assets held for sale in the amount of EUR 55. Sale was finalized in January 2025 – further details about that transaction are presented in note 37 *Subsequent events.*

The balances of liabilities related to assets held for sale as of 31 December 2024 and 31 December 2023 were as follows:

	31 December 2024	31 December 2023
Glamp d.o.o. Beograd[37]	29.6	-
Landbank in Poland[38]	39.6	0.3
Landbank in Hungary	-	0.1
Total	**69.2**	**0.4**

32. Capital and Reserves

SHARE CAPITAL

As of 31 December 2024 and 31 December 2023 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

All shares are entitled to the same rights.

Shareholders who as at 31 December 2024, 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 Allianz Polska Otwarty Fundusz Emerytalny)

[35] Balance consists mainly of investment property in the value of EUR 52.2.
[36] Balance consists mainly of landbank in the value of EUR 61.8 and right of use in the amount of EUR 39.6.
[37] Balance consists mainly of bank loan in the value of EUR 25.
[38] Balance consists of lease liability.

(in millions of EUR)

CAPITAL RESERVE

Historically capital reserve represented 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. In the year ended 31 December 2024 Company acquired German portfolio and as a result of that transaction in capital reserve were recognised put option price for acquisition of minority shares held by Peach Group (EUR 18.6) and minimum dividend payment obligation (EUR 4.9). For details please refer to note 28.

DISTRIBUTION OF THE 2023 PROFIT

On 26 June 2024, the Company's shareholders adopted a resolution regarding the distribution of a dividend in the amount of EUR 29.3 (PLN 126.3 million). The dividend was paid in September 2024.

33. Earnings per share

Basic earnings per share were calculated as follows:

	Year ended 31 December 2024	Year ended 31 December 2023
Profit for the period attributable to equity holders (in EUR)	50,900,000	10,500,000
Weighted average number of shares for calculating basic earnings per share	574,255,122	574,255,122
Basic earnings per share (in EUR)	**0.09**	**0.02**

	Year ended 31 December 2024	Year ended 31 December 2023
Profit for the period attributable to equity holders (in EUR)	50,900,000	10,500,000
Weighted average number of shares for calculating diluted earnings per share	619,243,626	574,255,122
Diluted earnings per share (in EUR)	**0.08**	**0.02**

Weighted average number of shares for calculating diluted earnings per share includes shares issued by Company (574,255,122) and equivalent of 44,988,504 shares related to participating notes issued by the Company (detailed description in note 28, section B).

There were no potentially dilutive instruments as at 31 December 2023.

34. Related party transactions

Transactions with the related parties are arm's length transactions.

The transactions and balances with related parties are presented below:

	Year ended 31 December 2024	Year ended 31 December 2023
Balances		
Long term payable*	0.5	0.5
Trade payables and provisions*	-	0.7

(*) In relation to purchase price retention from the seller, an entity related to the majority shareholder.

On 21 June 2024, GTC Elibre GmbH acquired investment property under construction (senior housing for rent) in Berlin area from a party owned by the management board member, thus considered as related party transaction (not associated with the majority shareholder), for the total consideration of EUR 32.0 (including taxes and transaction costs). First instalment of EUR 12.0 was paid as a part of forward funding transaction and legal title was transferred as of 25 June 2024. Price was based on independent valuation report prepared on arm's length basis. Remaining part described in note 35 (contingent liabilities).

Remuneration of the Management and Supervisory Boards of GTC S.A. for the year ended 31 December 2024 amounted to EUR 2.2 (including EUR 0.6 related to termination fees for former management board members).

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

Valuation of share-based program as of 31 December 2024 was close to zero.

35. Commitments, contingent liabilities and guarantees

COMMITMENTS

As of 31 December 2024 (and as at 31 December 2023), the Group had contractual commitments in relation to future capital expenditures on investment properties, amounting to EUR 77.7 (EUR 104.7 as at 31 December 2023). 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.

CONTINGENT LIABILITIES

In reference to the transaction described in note 9 *Events in the period* regarding purchase of Elibre project, as of 31 December 2024, there is the contingent liability for the amount of EUR 20 as the difference between purchase price and already invested amount. That liability should be settled in cash received from future external financing that is yet to be obtained. The amount will be due for payment only after certain milestones are completed.

In reference to the transaction described in note 28 regarding minimum dividend payment obligation, as of 31 December 2024 there is a contingent liability for the amount of EUR 5.2 for LFH Portfolio Acquico S.À R.L. and ZNL Investment S.À R.L. The amount will be due only if call option for the acqusition of minority shareholders is not exercised by GTC.

In reference to the transaction described in note 28 there is a contingent liability regarding call and put option for non-controlling interest of Peach. Management assumption it will not be executed before 10 years due to adverse impact for the seller. Potential impact is EUR 9, which is the floor price of that option.

GUARANTEES

As of 31 December 2024 English law governed guarantee granted by Globe Trade Centre S.A. ("GTC SA") under the term facilities agreement dated 20 December 2024 concluded between, among others, GTC Paula SARL as borrower, GTC SA, GLAS SAS, Frankfurt Branch as Agent and Global Loan Agency Services GMBH as Security Agent (the "Facilities Agreement"). GTC SA granted an irrevocable and unconditional guarantee in favour of each Finance Party (as defined in the Facilities Agreement[39]) for punctual performance of the Obligors' obligations under the Finance Documents (as defined in the Facilities Agreement) and for payment of any amount due under the Finance Documents by any Obligor, including inter alia, principal, interest (including

[39] as of the date of the Facilities Agreement: 1. GTC Paula SARL, 2. GTC SA, 3. GTC Holding SARL, 4. GTC Origine Investments Ingatlanfejlesztő Zártkörűen Működő Részvénytársaság, 5. Portfolio Heidenheim I November, 6. Portfolio Helmstedt November, 7. Portfolio K'lautern I November, 8. Portfolio K'lautern II November, 9. Portfolio K'lautern III November, 10. Portfolio K'lautern IV November (Sic!), 11. Portfolio K'lautern VII November, 12. Portfolio KL Betzenberg IV November, 13. Portfolio KL Betzenberg V November, 14. GTC UNIVERZUM, 15. GTC KOMPAKTLAND, 16. GTC ADA

default interest), commissions and other claims. The guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Obligor under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part. The guarantee is valid until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full.

In the year ended 31 December 2024 Company sold shares in GTC Seven Gardens d.o.o. One of the subsequent condition is repayment by the Buyer of bank loan. For the scenario when Buyer cannot fulfil that requirement GTC SA provided joint and several guarantee to Erste for all present and future monetary obligations of GTC Seven Gardens d.o.o. („GTC Seven Gardens“) under or in connection with the term facility agreement dated 25 April 2023 between Erste and GTC Seven Gardens d.o.o. (the „Facility Agreement“) or any other Finance Document (as defined in the Facility Agreement), whether expressed as principal, interest, default interest, fees, provisions, commissions, costs, expenses, taxes or damages, including any claim that Erste may have against GTC Seven Gardens as a result of the Facility Agreement being set aside or declared null and void. The joint and several guarantee is valid until all claims under the Facility Agreement and other Finance Documents are irrevocably and unconditionally paid in full.

Simultaneously, on 13 January 2025, the Company received a guarantee from the purchaser of GTC Seven Gardens d.o.o., under which the purchaser undertakes to cover all claims against Erste that will be brought against the Company.

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 are two open court cases. During 2024, an agreement was reached with the expropriator, and a purchase agreement was concluded based on which Marlera acquired ownership of the property. A joint submission was sent to suspend the expropriation procedure. The exposure is covered by a provision in the amount of EUR 1.4.

36. 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 or interest rate cap transactions.

As at 31 December 2024, 95% of the Group’s long-term loans and bonds are hedged (as at 31 December 2023 – 95%).

(in millions of EUR)

For 2024, a 150bp increase in EURIBOR rate would lead to EUR 1.1 change in result before tax. For 2023, a 150bp increase in EURIBOR rate would lead to EUR 1 change in result before tax.

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 2024 and 2023 were as following:

	31 December 2024	31 December 2023
PLN/EUR	4.2730	4.3480
HUF/EUR	410.09	382.78

The table below presents the sensitivity of profit (loss) before tax due to changes in foreign exchange rates:

	2024				2023			
	PLN/Euro				PLN/Euro			
Rate/Percentage of change	**4.7003 (+10%)**	**4.4867 (+5%)**	**4.0594 (-5%)**	**3.8457 (-10%)**	**4.7828 (+10%)**	**4.5654 (+5%)**	**4.1306 (-5%)**	**3.9132 (-10%)**
Cash and blocked deposits	(1.8)	(0.9)	0.9	1.8	(2.6)	(1.3)	1.3	2.6
Trade and other receivables	(0.2)	(0.1)	0.1	0.2	(0.2)	(0.1)	0.1	0.2
Trade and other payables	1.0	0.5	(0.5)	(1.0)	1.3	0.7	(0.7)	(1.3)
Land leases	1.9	0.9	(0.9)	(1.9)	3.3	1.6	(1.6)	(3.3)
Total	**0.9**	**0.4**	**(0.4)**	**(0.9)**	**1.8**	**0.9**	**(0.9)**	**(1.8)**

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	16.1	(13.2)

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 counterparty 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.

(in millions of EUR)

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 2024, the Group holds cash and cash equivalents (as defined in IFRS) in the amount of EUR 55.2 and blocked deposits received from tenants in the amount of EUR 19.4. 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 2024:

	On-demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Trade payables and provisions[40]	2.0	39.3	13.5	1.1	1.1	57.0
Other financial liabilities	-	-	31.7	-	-	31.7
Borrowings with interests	-	107.5	159.9	1,214.6	362.3	1,844.3
Long-term payables	-	-	-	19.2	21.0	40.2
Deposits from tenants	0.8	0.2	2.6	11.3	4.5	19.4
Lease liabilities	-	2.5	0.8	15.0	174.1	192.4
Derivatives	-	-	-	12.1	25.1	37.2
Total	**2.8**	**149.5**	**208.5**	**1,273.3**	**588.1**	**2,222.2**

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[41]	2.1	15.4	11.9	-	-	29.4
Borrowings with interests	1.2	8.9	60.1	1,097.9	203.3	1,371.4
Long-term payables	-	-	-	5.2	-	5.2
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**	**1,125.0**	**295.2**	**1,523.9**

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 lease represents lease payments for land subject to perpetual usufruct payments with maturity of 33 - 87 years.

[40] Amount without advances to contractors and short-term part of lease liabilities.

(in millions of EUR)

FAIR VALUE

As of 31 December 2024, 60% of all bank loans bear floating interest rate (80% as of 31 December 2023). However, as of 31 December 2024, 88% of these loans is hedged (92% as of 31 December 2023).

As of 31 December 2024 there are no bonds with floating interest rate. As of 31 December 2023 there are no bonds with floating interest rate.

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 2024 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 2024 and 31 December 2023 are presented below:

Series of bonds	31 December 2024	31 December 2023
Green bonds maturing in 2027-2030 (HU0000360102)[41]	43.1	51.6
Green bonds maturing in 2028-2031 (HU0000360284)[42]	23.4	27.4
Green bonds maturing in 2026 (XS2356039268)[42]	451.2	368.1

For carrying amount of bonds please refer to note 26.

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 2024 and 2023, 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,

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 2024 and 31 December 2023, there were no transfers among Level 1, Level 2 and Level 3 fair value measurements in respect to financial instruments.

[41] *Fair value at level 2 was calculated based on assumption of market interest rate of 15%.*
[42] *Fair value at level 1 - https://www.boerse-frankfurt.de/bond/xs2356039268-gtc-aurora-luxembourg-s-a-2-25-21-26*

OTHER RISKS

Further risks are described in the Management Report as of 31 December 2024.

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 2024 and 31 December 2023.

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 2024, LTV was 52.7% (49.3% as 31 December 2023).

37. Subsequent events

On 17 January 2025, the Group finalize the sale of land plot in Warsaw (Wilanów district). The selling price under the agreement is EUR 55.0 which was equal to value presented in assets held for sale as of 31 December 2024. Transaction was not concluded with any related party.

On 31 January 2025, the Group finalized the sale of the entire share capital of Serbian subsidiary Glamp d.o.o. Beograd (Project X) for EUR 22.7 (net of cash and deposits in sold entity) which was close to the amount presented in assets held for sale as of 31 December 2024. Transaction was not concluded with any related party.

On 31 January 2025, GTC Origine Investments Pltd, a wholly-owned subsidiary of the Company signed a business quota swap agreement to purchase 100% of shares of Chino Invest Ingatlanhasznosító Kft and Infopark H Építési Terület Kft for exchange of shares in subsidiaries: GTC VRSMRT Projekt Kft and GTC Trinity d.o.o. and 3rd party bonds owned by GTC Origine Investments Pltd. The total fair value of the deal was EUR 14.8. The transaction required no cash settlement. The two acquired companies own over 6,800 sqm residential plots in Budapest, that provide opportunity for GTC to participate in the booming residential developments in Hungary. Transaction was not concluded with any related party.

On 24 February 2025, GTC Galeria CTWA sp. z o. o., the Company's wholly owned subsidiary, signed a prolongation of the existing facility with Erste Group Bank AG and Raiffeisenlandesbank Niederosterreich-Wien AG. Final repayment date was extended by 5 years from the signing date.

Events related to the acquisition of German portfolio which occurred after balance sheet date are described in note 28.

38. Approval of the financial statements

The financial statements were authorised for the issue by the Management Board on 29 April 2025.

Independent Statutory 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 Globe Trade Centre S.A. (the “Parent Company”) and its subsidiaries (together the “Group”) as at 31 December 2024 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.

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 2024;

and the following prepared for the financial year then ended:

- 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 material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with the National Standards on Auditing as adopted by the resolutions of the National Council of Statutory Auditors and the resolution of the Council of the Polish Agency for Audit Oversight (“NSA”) and pursuant to the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight (the “Act on Statutory Auditors”). Our responsibilities under NSA are further described in the Auditor’s responsibilities for the audit of the consolidated financial statements section.

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 Handbook of the International code of ethics for professional accountants (including International independence standards)” (“Code of ethics”) as adopted by resolution of the National Board 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 Code of ethics. During the audit, the key statutory auditor and the audit firm remained independent of the Group in accordance with the independence requirements set out in the Act on Statutory Auditors.

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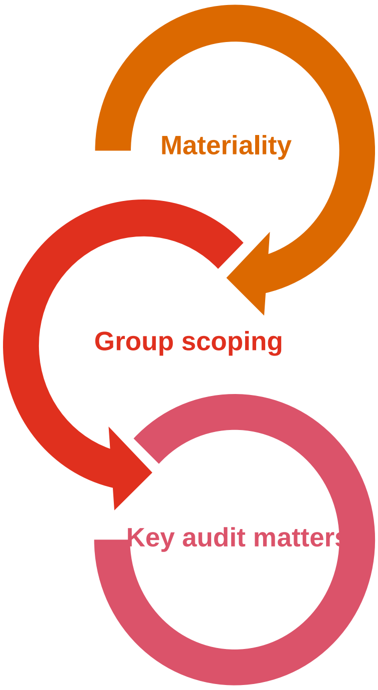
Our audit approach

Overview



- The overall materiality threshold adopted for our audit was set at EUR 28.8 million, which represents approximately 0.9% of the total assets of the Group.

- We have audited the Parent Company and subsidiaries in 8 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 under our supervision and by us.

- Valuation of investment property
- Acquisition of the German residential portfolio

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.

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 28.8 million
How we determined it	Approximately 0.9% of the total assets of the Group
Rationale for the materiality benchmark applied	We have adopted the Groups' total assets as the benchmark for determining materiality because, in our view, this benchmark is commonly used by the users of financial statements to evaluate the operations of the Group and is a generally accepted benchmark for groups in the real estate industry. We adopted the materiality threshold at 0.9% because based on our professional judgement it is within the acceptable quantitative materiality thresholds.

How we tailored our Group audit scope

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.

We have audited the Parent Company and subsidiaries in 8 countries. We received audit reports from other auditors from PwC network from Hungary, Luxembourg and Germany who audited the financial information or specific line items from the financial information of the Group's subsidiaries from those countries. Subsidiaries from 5 countries were subject to our audit. The scope of our audit covered almost 100% of the Group's revenue and 97% of total assets before consolidation eliminations.

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
Valuation of investment property	
The investment property balance in the consolidated financial statements of the Group as at 31 December 2024 is EUR 2,674.6 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. The Group has a portfolio of investment properties comprising land, completed properties in the office, retail and residential sectors, as well as investment properties under construction. 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 measurement, and is sensitive to the underlying assumptions. The value of the investment properties depends on the adopted measurement method and assumptions, such as the discount rate and capitalization rate, expected rental income and various multipliers which are based on the subjective assessment of unquantifiable factors such as the location of the property. In 2024 the Group incurred a loss from revaluation of investment property of EUR 9.7 million, which was recognized in the consolidated income statement.	Our audit procedures comprised in particular: a) gaining an understanding and assessing the process of measuring and controlling the measurement of investment properties and assessing the qualifications, scope and conditions of the work and the objectivity of the independent appraisers; b) assessing compliance of the adopted accounting policies in respect of investment properties with the appropriate financial reporting standards; 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; 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; 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: • the adopted approach, valuation methodology and techniques which depend on the type of the property assessed; • in case of properties which generate revenue, 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;

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 valuation of investment property to be a key audit matter.	- 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.
Acquisition of the German residential portfolio On 15 November 2024, the Group entered into a series of share purchase agreements leading to the acquisition of a residential assets portfolio in Germany. In the note 28 to the consolidated financial statements, Group presents the disclosures related to the aforementioned transaction. As a result of it, Group acquired control over a German residential portfolio. Book value of the acquired investment properties in the consolidated financial statements amounts to EUR 459.4 million. The Group acquired shares in several entities which own the residential properties from a group of third parties for a total consideration of EUR 166.9 million in cash and the participating notes issued by the Parent Company with a total nominal value of EUR 41.8 million. Additionally, a wholly-owned SPV of the Parent Company, GTC Paula SARL has call options entitling to acquisition of additional stake in the Portfolio Partnerships and becomes a party to a put option owned by Peach Group related to aforementioned stake. The control over the German portfolio was acquired on 31 December 2024. As a result of the undertaken concentration test, the transaction was accounted for as an asset deal. As such, the surplus of the consideration over the fair value of acquired net assets was allocated mainly to investment properties acquired. Transaction costs related to the acquisition which	Our audit procedures comprised in particular: a) analysis of the concluded share purchase agreements, the transaction structure, and assessment of the date of taking control over the target companies; b) verification of the presentation of the participating bonds issued by the Parent Company as equity and accuracy of their valuation; c) verification of the valuation of the elements of the total consideration for shares in the Portfolio Partnerships; d) verification of completeness and accuracy of the valuation of options and other financial instruments recognized as a result of the concluded share purchase agreements; e) verification of completeness of recognition and accuracy of the valuation of fair value of assets acquired by the Group as a result of the transaction, in particular, investment properties, and liabilities, including test of details such as sending confirmations, e.g., to financing institutions and lawyers of the acquired Portfolio Partnerships; f) verification of the concentration test conducted by the Parent Company's Management and assessment of the accounting for the transaction as an asset acquisition; g) for a selected sample, verification of the capitalization of costs classified as directly related to the acquisition; h) verification of the asset acquisition transaction accounting in the consolidated financial statements and verification of the adequacy and completeness of disclosures in the consolidated financial statement

amounted to EUR 91 million were accounted for as an increase of the total consideration for the purposes of the accounting for the acquisition. Due to the materiality of the transaction, complex financing structure and elements of judgement related to classification of issued equity instruments, recognition of options and fair valuation of acquired assets and liabilities and financial instruments related to the transaction, we determined the acquisition of the German residential portfolio to be a key audit matter.	related to the transaction. During the execution of the above procedures, we discussed issues with an internal team specializing in International Financial Reporting Standards and engaged an auditor from the PwC network operating in Germany to conduct an audit of the Investment Properties line in the financial information of the acquired German as of 31 December 2024.

Other matter

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.

Responsibility of the Management and Supervisory Board of the Parent Company 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 Parent Company's 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 Parent Company's Management Board either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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 conducting its affairs by the Parent Company's Management Board, 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;
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee of the Parent Company 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 of the Parent Company with a statement that we have complied with relevant ethical requirements regarding independence, and 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 of the Parent Company, 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 Consolidated 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 Statutory Auditor responsible for the audit on behalf of PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k., a company entered on the list of audit firms with the number 144., is Piotr Wyszogrodzki.

Piotr Wyszogrodzki
Key Statutory Auditor
No. in the registry 90091

Warsaw, 29 April 2025