



# 2022 ANNUAL REPORT

OF THE **SUPERVISORY BOARD**  
OF GLOBE TRADE CENTRE S.A.

*April 2023*



## 1. Legal basis for the Annual Report of the supervisory board

This Annual Report of the supervisory board (the “**Report**”) has been prepared and adopted by the supervisory board of Globe Trade Centre S.A., with its registered seat in Warsaw, Poland (the “**Company**” or “**GTC**”), (the “**supervisory board**”), according to Article 382 § 3 of the Polish Commercial Companies Code and is addressed to the general meeting of the Company (the “**General Meeting**”).

The purpose of the Report is to ensure compliance with Rules 2.11 of the 2021 Code of Best Practices of WSE Listed Companies.

## 2. The composition of the supervisory board

As of 31 December 2022, the supervisory board comprised nine (9) members, 100% men. 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 as of 31 December 2022:

Name and surname	Function	Year of the first appointment	Year of appointment for the current term	Year of expiry of term
János Péter Bartha <sup>1</sup>	Chairman of the supervisory board	2020	2020	2023
Lóránt Dudás	Member of the supervisory board	2020	2020	2023
Balázs Figura	Member of the supervisory board	2020	2020	2023
Mariusz Grendowicz	Member of the supervisory board	2000	2022	2025
Marcin Murawski <sup>1</sup>	Independent member of the supervisory board	2013	2022	2025
Artur Kozieja <sup>1 2</sup>	Independent member of the supervisory board	2022	2022	2025
Gyula Nagy	Member of the supervisory board	2022	2022	2025
Bálint Szécsényi	Member of the supervisory board	2020	2020	2023
Bruno Vannini	Member of the supervisory board	2022	2022	2025
<sup>1</sup> conforms with the independence criteria listed in the Best Practices of WSE Listed Companies.				
<sup>2</sup> conforms with the independence criteria, Shareholders Meeting Delegate				

During 2022, the following changes in the composition of the supervisory board took place:

- on 11 March 2022, Mr. Zoltán Fekete resigned from his seat on the supervisory board of the Company. The resignation is effective immediately (see current report no 20/2022);
- on 11 March 2022, GTC Dutch Holdings B.V. appointed Mr. Gyula Nagy as member of the supervisory board of the Company, effective immediately (see current report no 20/2022);
- on 22 April 2022, Icona Securitization Opportunities Group S.à r.l. appointed Mr. Bruno Vannini as a member of the supervisory board of the Company, effective immediately (see current report no 24/2022);
- on 1 June 2022, AVIVA Otwarty Fundusz Emerytalny Aviva Santander. reappointed Mr. Marcin Murawski as a member of the supervisory board of the Company, effective 14 June 2022 (see current report no 29/2022);
- on 14 June 2022, the term of office of Mariusz Grendowicz as an independent member of the supervisory board of the Company has expired (see current report no 34/2022);
- on 14 June 2022, the Annual General Meeting with its resolution no 20 appointed Artur Kozieja as an independent member of the supervisory board for a period of three years (see current report no 34/2022);
- on 2 September 2022 GTC Dutch Holdings B.V. appointed Mr. Mariusz Grendowicz as member of the Supervisory Board of the Company, effective as of 2 September 2022 (see current report no 39/2022);
- on 15 November 2022, Mr. Daniel Obajtek resigned from his seat on the supervisory board of the Company, effective immediately (see current report no 48/2022).

Additionally on 2 January 2023 Otwarty Fundusz Emerytalny PZU “Złota Jesień” appointed Mr. Sławomir Niemierka as member of the Supervisory Board of the Company, effective as of 2 January 2023.

As of 2 January 2023, the supervisory board comprised ten (10) members, 100% men

Name and surname	Function	Year of the first appointment	Year of appointment for the current term	Year of expiry of term
János Péter Bartha <sup>1</sup>	Chairman of the supervisory board	2020	2020	2023
Lóránt Dudás	Member of the supervisory board	2020	2020	2023
Balázs Figura	Member of the supervisory board	2020	2020	2023
Mariusz Grendowicz	Member of the supervisory board	2000	2022	2025
Marcin Murawski <sup>1</sup>	Independent member of the supervisory board	2013	2022	2025
Artur Kozieja <sup>1 2</sup>	Independent member of the supervisory board	2022	2022	2025
Gyula Nagy	Member of the supervisory board	2022	2022	2025
Sławomir Niemierka <sup>1</sup>	Independent member of the supervisory board	2023	2023	2026
Bálint Szécsényi	Member of the supervisory board	2020	2020	2023
Bruno Vannini	Member of the supervisory board	2022	2022	2025
<sup>1</sup> conforms with the independence criteria listed in the Best Practices of WSE Listed Companies.				
<sup>2</sup> conforms with the independence criteria, Shareholders Meeting Delegate				

The following table presents the periods in 2022 during which given members served on the supervisory board:

Name	Periods in 2022 during which the given member served on the supervisory board
Zoltán Fekete	1 January – 11 March 2022
János Péter Bartha	1 January - 31 December 2022
Lóránt Dudás	1 January - 31 December 2022
Balázs Figura	1 January - 31 December 2022
Mariusz Grendowicz	1 January – 14 June 2022
	2 September -31 December 2022
Artur Koziejka	14 June - 31 December 2022
Marcin Murawski	1 January - 31 December 2022
Gyula Nagy	11 March 2022- 31 December 2022
Daniel Obajtek	1 January – 15 November 2022
Bálint Szécsényi	1 January - 31 December 2022
Bruno Vannini	22 April - 31 December 2022

### 3. Activities of the supervisory board

The supervisory board operates in compliance with the Polish Commercial Companies Code as well as based on the Company's statute and the by-laws of the supervisory board dated 14 April 2005 with the changes introduced by the General Meeting on 16 May 2017. The supervisory board also reviews the financial position of the Group and evaluates its debt situation and sources of financing, including a review of the Polish bonds market as one of the sources for finance.

The supervisory board of GTC exercised supervision over and evaluated the operations of the Company and its financial statements. The supervisory board reviewed issues related to the Company's current operations and adopted resolutions regarding matters related to the Company's activities and those required under the regulations of the Polish Commercial Companies Code, the Company's statute, and the by-laws of the supervisory board.

The Supervisory Board positively evaluates the method of preparation and submission by the Management Board of information, documents, reports or explanations requested by the Supervisory Board, needed to exercise supervision over the Company's operations.

In 2022, the supervisory board held 6 (six) meetings. The supervisory board adopted numerous resolutions related to the current operations of GTC. The meetings of the supervisory board were attended by members of the Company's management board, invited guests (including, specifically, representatives of BDO sp. z o.o. sp. k. and PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k., which were mandated to review and audit the financial statements of the Company and the capital group of the Company and Polska Grupa Audytorska sp. z o.o. (Internal Auditor) as well as One Software Technologies Ltd. (the external advisor on cybersecurity). The supervisory board was also constantly updated by the management board in respect of the most important events affecting the Company.

In 2022, the most important resolutions adopted by the supervisory board related to, among others:

- the approval of the extension of the Company's strategy and budget for 2022;
- the issuance of a positive opinion in respect of GTC's financial statements and the consolidated financial statements of GTC's capital group for the 2021 financial year;
- the approval of the management board's proposal related the dividend payment from profit for the financial year 2021;
- the approval of the Internal Audit plan for 2022;
- the approval of the resolutions presented to the Annual Shareholders Meeting;
- the approval of a sale of 100% shares held in GTC FOD Property Kft to the University of Debrecen
- ;
- the approval on joint venture investment into a technology campus project (Kildare Innovation Campus) in Ireland;
- the approval of a sale of shares of GTC Matrix d.o.o., which is the sole owner of Matrix buildings A and B in Zagreb
- approval of financing of Matrix A and B office buildings in Zagreb, Croatia;
- approval of the general construction works of Center Point 3 development project;
- the approval of the resolutions presented to the Extraordinary Shareholders Meeting;

The supervisory board also dealt with the following issues:

- the evaluation of the financial position and the financial results of the Company and the Capital Group after each quarter of 2022;
- the evaluation of the 2022 budget and its utilization;
- the evaluation of risk and its mitigants;
- the assessment of the progress of developed projects and new investments.

The supervisory board also monitored selected business risks of the Capital Group and evaluated the methods that the Company uses to control and protect itself from risk.



In the opinion of the supervisory board, the Company conducts a transparent and effective information policy, providing easy access to the information needed by the Supervisory Board and its committees to exercise supervision over the Company's operations. The Supervisory Board positively assesses the management board's fulfillment of its information obligations towards the supervisory board.

## **4. Evaluation of the work of the supervisory board in 2022**

The supervisory board has a positive opinion of its work in 2022. While performing its duties, the supervisory board acted in compliance with the law and, specifically, within the scope of the competencies defined by the Polish Commercial Companies Code, the Statute of the Company, and the by-laws of the supervisory board.

The supervisory board consists of individuals with extensive experience, which allows them to make a thorough and accurate analysis of the Company's plans and the implementation thereof. The supervisory board supports the management board in the making of all the strategic decisions related to the business of GTC.

Total fees for all audits and consulting services commissioned by the supervisory board during the financial year amounted to 0 PLN.

## **5. Evaluation of the work of the committees of the supervisory board in 2022**

### **AUDIT COMMITTEE**

The objective of the audit committee of the supervisory board (the “**audit committee**”) is to evaluate the administrative financial control, financial reporting, and the external and internal auditing of the Company and the companies within the Capital Group, as well as to provide the supervisory board with opinions in that respect.

In 2022, the audit committee consisted of the following members of the supervisory board: Marcin Murawski, Chairman of the Audit Committee,

János Péter Bartha and

Mariusz Grendowicz who was replaced by Artur Kozieja.

The members of the audit committee actively participated in meetings of the audit committee. All of the members of the audit committee are qualified in accounting and auditing. According to their statements presented to the management board, all members fulfilled the independence criteria.

The most important duties of the audit committee include, among other things: the evaluation of the current financial results of the Company, its liquidity, the level of its debts and receivables, the financing of projects, and the monitoring of the accuracy of financial statements. The audit committee also evaluates the internal control and risk management systems material to the Company.

In 2022, 5 (five) audit committee meetings were held. The representatives of the entity mandated to review the financial statements of the Company and the Capital Group participated in the relevant meetings of the audit committee.

The audit committee reviewed all of the financial statements of the Company and the Capital Group prior to their publication and recommended the approval thereof by the supervisory board.

The audit committee and the supervisory board discussed internal control matters, risk management issues, hedging policy, cybersecurity and key compliance issues during its meetings in 2022.

The audit committee continuously monitored the financial reporting process and the statutory auditing process in the Company and regularly reported to the supervisory board the results of these monitoring activities.

## REMUNERATION COMMITTEE

On 12 May 2014, the supervisory board established 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 determining such remuneration.

In 2022, the remuneration committee consisted of the following members of the supervisory board:

Zoltán Fekete, the Chairman of the Remuneration Committee who was replaced by Janos Bartha,

Marcin Murawski and

Mariusz Grendowicz who was replaced by Artur Kozieja.

According to his statements presented to the management board, all members fulfill the independence criteria.

In 2022, 3 (three) remuneration committee meetings were held during which the remuneration committee recommended to the supervisory board to approve the salary and the annual bonuses for the management board members. The remuneration committee during the year discussed the composition and compensation of the management board which resulted inter alia in recommending to the supervisory board to approve the mutual termination of contract with Pedja Petronijevic.

## **6. The assessment of the manner in which the Company fulfills the disclosure obligations concerning the application of the corporate governance rules specified in the WSE Rules and the provisions governing current and interim information disclosed by issuers of securities**

In the opinion of the supervisory board, in 2022, the Company fulfilled all the disclosure obligations concerning the application of the corporate governance rules specified in the WSE Rules and the provisions governing current and interim information disclosed by issuers of securities.



The Company reported that with the introduction of the Best Practice of GPW Listed Companies 2021 as of 1 July 2021, the Company does not apply with three principles as informed in its statement of compliance with the Best Practice of GPW Listed Companies 2021.

The Company has in place procedures ensuring its compliance with section 29.3 of the WSE Rules, pursuant to which if the Company permanently does not comply with or has incidentally violated a principle set forth in the Code of Best Practice, it discloses such non-compliance or violation in a current report issued through the EBI reporting system.

Acting in accordance with par. 70.6.5) of the Regulation of the Minister of Finance on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, dated 29 March 2018 (Dz.U. of 2018, item 757), GTC releases a statement of compliance with corporate governance principles in its consolidated and separate annual reports.

In the opinion of the supervisory board, the Company conducts a transparent and effective information policy, providing easy access to disclosed information. The “Investors” section of the corporate website ([www.gtcgroup.com](http://www.gtcgroup.com)) contains a corporate governance page which is where the Company’s annual reports on compliance with WSE best practices, a statement of best practices applied by the Company, and all other information required by the Best Practice of GPW Listed Companies 2021 are published.

The supervisory board also monitored WSE rules and the corporate governance rules and believes that the Company fulfilled all obligations of listed companies.

## **7. Diversity policy in terms of the management, supervisory, or administrative bodies of the Company.**

The Company does not apply with the principles regarding to gender diversity of corporate bodies, as informed in its statement of compliance with the Best Practice of GPW Listed Companies 2021. The Company does not plan to formally adopt a diversity policy (with the participation of the minority group in each body at the level at least 30%) 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.

The strategic objective of the Group 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, professional experience, 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.

The supervisory board positively assesses the rationale behind and the implementation of the above-described policy of the Company and the Group.

## **8. Information on the rationale behind 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:
  - help for refugees in Ukraine;
  - organization of a free Polish language course for refugees from Ukraine;
  - support of Red Cross with providing a place for blood donations;
  - support of charity organizations with providing a place in our shopping malls and office buildings for promotional activities in attracting sponsors and making people aware of their initiatives as well as humanitarian associations and charities
  - promotion of local businesses by continuously providing organic and home-made products for all visitors,
  - organization of artwork competition for local elementary schools;
  - free medical examination for women and men;
  - organization of family picnics;

- organization of monthly garage sales;
- organization of Christmas gift collection;
- opening free parking at night due to bad weather conditions;
- planting trees in Romanian forests;
- a donation of 100 young tree trees to the city of Belgrade.

Additionally Group supports local institutions:

- KAPTÁR Adult Day-care Center in Budapest (provided the day-care center with a monthly allowance);
- the Budapest based St. John's Hospital's preterm intensive care unit (donation);
- Pediatric Hospital in Sofia (sponsoring purchase of body warmer device before blood infusion).

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

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

- **Embracing environmental certification**. Out of focus on the environment, the investments of the Company and the Group are fully compliant with LEED or BREEAM guidelines. The Group certified and recertified 17 properties in 2020, 18 in 2021 and 19 in 2022, and is currently in the process of certifying or recertifying 5 other properties its portfolio with LEED and/or BREEAM with a target of 100% certification of the portfolio. As of 31 December 2022, approximately 87% of our properties holds a green certificate or are under recertification, which proves the sustainability of the properties that GTC develop and manage.

- **Partnership for the protection of biodiversity:** With the support of WWF Poland, GTC educated its employees, tenants and local communities on environmental protection and encouraged joint ecological activities.

In 2022, the Group had expenses on the support of charity in the total amount of €439 thousands, including: €405 thousands for social organizations, €24 thousands for general donations, €8 thousands for sport related actions and €2 thousands for sponsorship of culture.

The supervisory board believes that all the activities of the Company, including the expenses, are reasonable and adjusted to the size of the activity in the region in which Company operates.

The supervisory board positively assesses the rationale behind and the implementation of the above-described policies of the Company and the Group and the related expenses.

## **9. Overview of the operations of the Company**

### **MANAGEMENT BOARD CHANGES AND OTHER CORPORATE EVENTS**

On 4 January 2022, National Court Register registered the amendment to the Company's articles of association regarding the increase of the Company's share capital through the issuance of ordinary series O bearer shares. On 10-11 January 2022, the Group recorded proceeds from issue of share capital (net of issuance costs) in amount of €120,400 thousand.

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

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

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

WSE stated that the series O shares are admitted to trading on the main market and resolved to introduce them to stock exchange trading on 26 January 2022.

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

On 19 February 2022, the Company received notification from GTC Dutch Holdings B.V. with its registered office in Amsterdam, the Netherlands (the “Seller”) and Icona Securitization Opportunities Group S.à r.l. acting on behalf of its compartment Central European Investments with its registered office in Luxembourg, Grand Duchy of Luxembourg (the “Buyer”) that the Seller and the Buyer entered into a preliminary share purchase agreement relating to the acquisition by the Buyer from the Seller of 15.7% of the shares in the Company.

However, pursuant to the notification, the Buyer and the Seller agreed that the shareholders’ agreement will constitute an acting in concert agreement within the meaning of Articles 87(1)(5) and 87(1)(6) in connection with Article 87(3) of the Act of 29 July 2005 on Public Offerings and the Conditions for the Introduction of Financial Instruments to the Organised Trading System and Public Companies (the “Act on Public Offering”) on joint policy towards the Company and exercising of voting rights on selected matters in an agreed manner. Also, pursuant to the assignment agreement, the Buyer will, among others, transfer to the Seller its voting rights attached to the Shares and grant the power of attorney to exercise voting rights attached to the shares. The assignment agreement expires in case either call or put option under the call and put option agreement is exercised and/or in case of a material default under the transaction documentation. On 1 March 2022, the Company received notification that the transaction was completed, and the Buyer acquired 15.7% of the shares in the Company.

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

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

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

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

Since 1 March 2022, GTC Holding Zrt, GTC Dutch Holdings B.V. and Icona Securitization Opportunities Group S.à r.l. are acting in concert based on the agreement concerning joint policy towards the Company and exercising of voting rights on selected matters at the general meeting of the Company in an agreed manner.

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

On 14 June 2022, the Company's shareholders adopted a resolution regarding distribution of dividend in the amount of PLN 160,800 thousand (€34,400 thousand). On 18 October 2022, dividend to shareholders was paid in the amount of €33,200 thousand.

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

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

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

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

## **SUPERVISORY BOARD CHANGES**

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

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



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

On 1 June 2022, AVIVA Otwarty Fundusz Emerytalny Aviva Santander reappointed Mr. Marcin Murawski as a member of the supervisory board of the Company, effective 14 June 2022.

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

On 14 June 2022, the Annual General Meeting appointed Artur Kozieja as an independent member of the supervisory board for a period of three years.

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

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

## **ACQUISITIONS AND DEVELOPMENTS**

On 13 January 2022, GTC Origine Investments Pltd, a wholly-owned subsidiary of the Company, acquired 100% holding of G-Zeta DBRNT Kft. ("GTC DBRNT Projekt Kft") from a company related to the majority shareholder of the Company, which owns an existing office building on the Danube riverbank with GLA of 2,540 sqm for a consideration of €7,700 thousand. Due to the nature of transaction, the transaction was treated as asset deal.

On 4 February 2022, GTC Origine Investments Pltd, a wholly-owned subsidiary of the Company, acquired 100% holding of G-Epsilon PSZTSZR Kft. ("GTC PSZTSZR Projekt Kft") from a company related to the majority shareholder of the Company, which owns a land plot of 25,330 sqm in Budapest with existing six old buildings for a consideration of €9,900 thousand. The Group is refurbishing the existing buildings and once refurbished, the project will provide a 15,000 sqm new Class A office campus. Due to the nature of transaction, the transaction was treated as asset deal.

On 11 February 2022, GTC Origine Investments Pltd., a wholly-owned subsidiary of the Company, acquired from Groton Global Corp Napred company ("GTC B41 d.o.o.") in Belgrade holding a land plot of 19,537 sqm for a consideration of €33,800 thousand.

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

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

On 4 July 2022, GTC Origine Investments Pltd., a wholly-owned subsidiary of the Company, established GTC K43-45 Property Kft. in Budapest for future development project. In July 2022, GTC K43-45 Property Kft acquired a landplot in CBD in Budapest for a consideration of €6,550 thousand. The project has an existing building permit for the

development of approximately 6,400 sqm of hospitality, student housing or short-term rental apartments.

On 9 August 2022, the Group entered into an agreement concerning a transaction involving a joint venture investment into an innovation park in County Kildare, Ireland (the "Transaction"). The Transaction involves an investment of approximately €115,000 thousand into the Kildare Innovation Campus. The project involves other international professional investors acting through a Luxemburg partnership advised by Icona Capital, an entity from the same group as GTC's minority partner (for more details please refer to note 18 in consolidated financial statement for the year ended 31 December 2022).

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

In December 2022, the Group has completed a Class A office building in Sofia, Bulgaria – Sofia Tower 2.

In October 2022, the Group has completed a Class A office building in Belgrade, Serbia – GTC X.

In the fourth quarter 2022, the Group commenced the development of the third building within the Center Point complex in Budapest, Hungary – Center Point 3.

## **DISPOSAL OF SUBSIDIARIES**

On 12 January 2022, GTC Group finalized sale of the entire share capital of Serbian subsidiaries: Atlas Centar d.o.o. Beograd, Demo Invest d.o.o. Novi Beograd, GTC BBC d.o.o., GTC Business Park d.o.o. Beograd, GTC Medjunarodni Razvoj Nekretnina d.o.o. Beograd and Commercial and Residential Ventures d.o.o. Beograd and Hungarian company Office Planet Kft. ( which has 70% in shares of sold Serbian entities), following the satisfaction of customary conditions precedent. For details please refer to note 33 to the Consolidated Financial Statements for the year ended 31 December 2022.

On 28 July 2022, GTC has sold Cascade Building S.R.L., a wholly-owned subsidiary of the Company owning Cascade Office Building in Bucharest (4,211 sqm) for €10,300 thousand. Net proceeds from sale of subsidiary were €9,600 thousand.

On 30 November 2022, GTC has sold GTC Matrix d.o.o. a wholly-owned subsidiary of the Company owning a portfolio of two A-class office buildings in Zagreb – Matrix A and B for €52,200 thousand. Net proceeds from sale of GTC Matrix d.o.o. were €51,300 thousand.

## **DISPOSAL OF ASSETS**

On 19 July 2022, GTC FOD Property Kft., a wholly-owned subsidiary of the Company, signed a sale and purchase agreement, concerning the sale of the office building Forest Office Debrecen owned by the subsidiary. The selling price under the agreement is HUF

19.1 billion (an equivalent of €47,700 thousand as at 31 December 2022). The transaction was closed on 30 January 2023.

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

On 18 April 2022, GTC SA repaid all bonds issued under ISIN code PLGTC0000292 (full redemption). The original nominal value was EUR 9,440 thousand. As of balance sheet date, credit facility was not used.

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

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

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

On 4 November 2022, GTC SA repaid partially bonds issued under ISIN code PLGTC0000318 (one-third of total issue) in the amount of €17,100 thousand (PLN 73,333 thousand) – including hedge component.

## **IMPACT OF THE SITUATION IN UKRAINE ON GTC GROUP**

Since the start of the war in Ukraine on 24 February 2022, even though the Group does not conduct any activities in the territory of Ukraine, Russia or Belarus, it cannot be ruled out that the current geopolitical situation in Europe triggered by this war, which has resulted in a number of macroeconomic consequences for Poland and other European countries, may also have an impact on the Group's operations. The continuation of the war, its scale and further course of military operations may cause an extension of the set of economic sanctions imposed thus far, further disruption in supply chains, limited availability of subcontractors and a general increase in the prices of materials resulting from, among others, rising energy prices, which in turn may translate into significant costs of the implementation of investments carried out by the Group. A significantly higher and volatile costs of energy (severe energy crunch because of steep cuts in natural gas supplies from Russia following the outbreak of the Russia-Ukraine conflict) and general uncertainties related to the impact of the war in Ukraine on both global and the SEE/CEE economy and the deterioration of the global and regional economies may adversely impact the economic situation of the Group.

As at the date of this report, the 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.

## SELECTED FINANCIAL DATA

Below is the most important data concerning the consolidated results achieved by the Capital Group in 2022.

- The revenues from the operations of the Capital Group amounted to EUR 166,563 thousand, compared to EUR 171,951 thousand in 2021.
- The net profit for the year of the Capital Group amounted to EUR 24,761 thousand, compared to a net loss of EUR 42,736 thousand in 2021.
- The investment property of the Capital Group amounted to EUR 2,243,663 thousand, compared to EUR 2,240,660 thousand in 2021.
- The total equity of the Capital Group amounted to EUR 1,135,587 thousand, compared to EUR 1,116,989 thousand in 2021.

The Group monitors its gearing ratio, which is Gross Project and Corporate Debt less Cash & Deposits, divided by its real estate investment value. The Group's long-term strategy is to keep its loan-to-value ratio ("LTV") at a level of 40%, however in case of acquisitions the Company may deviate temporarily. As of 31 December 2022, LTV was 45.6% (LTV adjusted for disposal of Forrest Offices Debrecen, concluded on 30 January 2023, is 44.5%).

- .

## 10. Evaluation of the internal control, internal audit, compliance, and risk management systems

In 2022, the audit committee participated in the development and implementation of an internal control system, risk management, and internal audits as outlined below.

### INTERNAL CONTROL SYSTEM

The management board is responsible for the Company's internal control system and for ensuring its effectiveness. The management board regularly reports on the internal control system to the audit committee and the supervisory board. During the reference period, the following items were covered during audit committee and/or supervisory board meetings:

- a) the Internal Control universe presented by an external Internal Auditor for the purpose of audit planning during the audit committee meetings;
  - b) the presentation of the Internal Audit work performed during 2022;
  - c) financial reports (at each of the audit committee and supervisory board meetings);
- and

- d) the review and approval of the audited financial statements (in respect of the audited financial statements for the financial year ended 31 December 2022).

## RISK MANAGEMENT

The function of Risk Management is not established in the Company as a separate function, but it is performed by the management board with the substantial involvement of the management board member responsible for financial matters (the Chief Financial Officer). On a quarterly basis, in its periodic quarterly reports to the supervisory board, the management board reports to the audit committee and the supervisory board on risk-related issues, including:

- liquidity risk;
- portfolio concentration risk;
- property overview;
- occupancy ratios;
- yield developments;
- the progress of and issues concerning individual projects (including project delays, if any);
- taxation issues;
- debt ratios;
- financing structure risks; and
- budget execution.

The above-referenced reports were provided for each quarter of the reference period and are included in the minutes of the respective audit committee and supervisory board meetings.

## INTERNAL AUDIT

The audit committee, the management board of the Company, and the independent Internal Audit firm all have distinct roles with respect to the Internal Audit function of the Company.

The Company engages the Internal Audit firm based on the recommendations of the audit committee and following a thorough selection process.

The Internal Audit firm reports directly to the audit committee. The Internal Audit firm presents its audit plan and audit recommendations to the audit committee on a regular basis. All internal audit-related matters are regularly discussed at the audit committee meetings.

Based on information received and reviewed by the audit committee and supervisory board members, in the opinion of the supervisory board, the internal control and risk management systems material to the Company are maintained at appropriate levels.

## **11. Review of the report of the management board on the activities of the Company in the 2022 financial year, the financial statements of the Company for the 2022 financial year, and the proposal of the management board concerning the division of profit generated by the Company in the 2022 financial year**

The Company's supervisory board reviewed the stand-alone and consolidated financial statements of the Company and its capital group, which included:

- the statement of financial position as of 31 December 2022;
- the income statement for the year ended 31 December 2022;
- the statement of comprehensive income for the year ended 31 December 2022;
- the statement of changes in equity for the year ended 31 December 2022;
- the statement of cash flows for the year ended 31 December 2022; and
- the accounting policy and the explanatory notes to the stand-alone financial statements for the year ended 31 December 2022, as well as the consolidated financial statements of the Capital Group for the year ended 31 December 2022, which included:
  - the consolidated statement of financial position as of 31 December 2022;
  - the consolidated income statement for the year ended 31 December 2022;
  - the consolidated statement of comprehensive income for the year ended 31 December 2022;
  - the consolidated statement of changes in equity for the year ended 31 December 2022;
  - the consolidated statement of cash flows for the year ended 31 December 2022; and
  - the notes to the consolidated financial statements for the year ended 31 December 2022, and reviewed the opinion and the report on the audit of such statements conducted by independent statutory auditor PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k. with its registered seat in Warsaw.

The supervisory board also reviewed the management board report on the activities of the Company for 2022 and the Capital Group for 2022.

As a result of its evaluation, the supervisory board found that the above-mentioned statements and reports were prepared:

- in such a way that they truly and fairly reflect the results of the respective economic activities of the Capital Group and the Company in 2022 as well as their respective financial positions as of 31 December 2022; and



- in accordance with the legal regulations governing the preparation of financial statements in respect of form and content, as well as under the International Financial Reporting Standards as adopted by the European Union.

Based on the results of this review and the positive opinion issued by PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k. on 24 April 2023 on the financial statements for 2022 and the consolidated financial statements for 2022, the supervisory board recommends that the General Meeting approves:

- the stand-alone financial statements of the Company for 2022;
- the consolidated financial statements of the Capital Group for 2022;
- the report of the management board on the Company's operations in 2022; and
- the report of the management board on the operations of the Capital Group in 2022.

In submitting this Report, the supervisory board requests that all of its current and former members be acknowledged as having properly performed their duties in the 2022 financial year.