GTC

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.

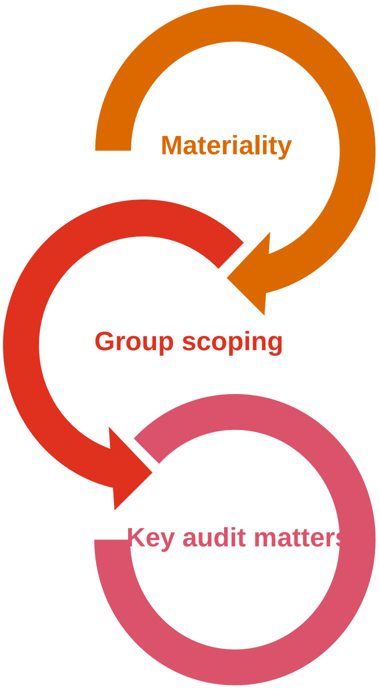
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

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