



**G City Europe Limited**  
ANNUAL FINANCIAL STATEMENTS 2025

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# DIRECTORS' REPORT

The Directors submit their report and the audited consolidated financial statements of G City Europe Limited ("G City Europe" or "the Company", formerly "Atrium European Real Estate Limited") and its subsidiaries (together with G City Europe, the "Group") for the year ended 31 December 2025.

## INCORPORATION

G City Europe was incorporated in Jersey, Channel Islands, on 8 December 1997.

## PRINCIPAL ACTIVITIES

The principal activity of the Group is the ownership, redevelopment and operation of community shopping centres and residential for rent properties in Poland.

## RESULTS

### KEY PERFORMANCE INDICATORS FROM CONTINUING OPERATIONS

KEY FIGURES OF THE GROUP	Unit	2025	2024	Change %/ppt
<b>OPERATIONAL FIGURES</b>				
Like-for-like net rental income	€'000	35,184	29,481	19.3 %
Like-for-like net rental income including assets under management	€'000	80,854	72,139	12.1 %
Cash net rental income - excl. straight line	€'000	77,640	82,839	(6.3)%
Net rental income	€'000	76,191	80,529	(5.4)%
Net rental income including assets under management	€'000	93,243	87,094	7.1 %
Operating margin	%	91.7	90.4	1.3 %
EBITDA	€'000	64,554	69,655	(7.3)%
EBITDA including assets under management	€'000	80,697	75,959	6.2 %
Funds from operations (FFO)	€'000	43,036	44,766	(3.9)%
FFO including assets under management	€'000	52,785	48,797	8.2 %
<b>FINANCIAL FIGURES</b>				
Profit before taxation for the year	€'000	109,800	186,733	
Cash and cash equivalents	€'000	58,439	90,838	(35.7)%
Net cash generated from operating activities	€'000	58,988	50,874	15.9 %
Total assets	€'000	1,834,676	2,274,026	(19.3)%
Equity	€'000	1,165,580	1,319,845	(11.7)%
Borrowings	€'000	459,661	616,982	(25.5)%
LTV (net)	%	32.6	34.6	(2.0)%
<b>PORTFOLIO FIGURES</b>				
Number of standing investment assets	Number	10	13	
Standing investments at fair value	€'000	1,108,061	1,450,054	(23.6)%
Standing investments held for sale	€'000	-	200,988	
Retail occupancy rate	%	95.8	96.7	(0.9)%
OCR	%	11.8	12.6	(5.6)%
Redevelopments at fair value	€'000	81,248	91,988	(11.7)%
Land at fair value	€'000	30,752	60,712	(49.3)%
Land held for sale	€'000	11,551	60,000	
Revaluation of standing investments	€'000	52,647	114,840	
Revaluation of redevelopments and land	€'000	2,974	7,738	

**EPRA NET ASSET MEASUREMENTS**

EPRA (European Public Real Estate Association) is a common interest group for listed real estate companies in Europe. EPRA's objective is to encourage greater investment in European listed real estate companies and to strive for 'best practices' in accounting and financial reporting in order to provide high-quality information to investors and increase the comparability of different companies.

EPRA Net Reinstatement Value ('NRV') is disclosed below.

Borrowings	31 December 2025	31 December 2024
	€'000	€'000
<b>Equity per the financial statements</b>	<b>1,165,580</b>	<b>1,319,845</b>
Fair value of financial instruments	3,096	1,939
Deferred tax	44,646	37,490
Hybrid instrument	(195,087)	(340,858)
Purchasers' costs	797	7,195
<b>EPRA benchmark</b>	<b>1,019,032</b>	<b>1,025,611</b>
Number of outstanding shares and options	299,743,870	299,473,870
<b>Diluted net assets per share</b>	<b>3.40</b>	<b>3.42</b>

In January and February 2025, the Group completed the disposal of MEL 1, its sole subsidiary in Turkey, and the Atrium Flora shopping center in Czech Republic, respectively, see Notes 1.11. These disposals resulted in a decrease in diluted net assets value of €0,06 per share. Further EPRA NRV growth of €0,04 per share is mainly attributable to the revaluation of the Group's standing investments, net of the dividend distribution of €89,9 million.

**STRATEGIC AND OPERATION RISK FACTORS**

## FAIR VALUE OF PROPERTIES

The fair value of the Group's Investment properties is inherently uncertain due to the individual nature of each property and the characteristics of the local and regional real estate markets. Less certainty and a higher degree of caution, should be attached to the valuation than would normally be the case.

## DEVELOPMENT RISK

In 2025, G City Europe continued to focus on the redevelopment and extension of the Group's existing properties. The Group has also prioritised further growth of its residential for rent portfolio and re-positioning of the retail portfolio to prime assets in Warsaw, Poland.

The construction and redevelopment of properties is subject to a risk of defective construction, corrective or other works and associated adverse publicity, cost overruns, commercial related risks (lack of demand for new or redeveloped space or tenants wanting to step out of projects), delays in construction work or other unforeseen delays and planning, permitting, zoning, procedural and compliance risks. Any of the above could have a material adverse effect on how the Group's business, properties and projects are perceived by target tenants that impact on the Group's profitability from budget overruns and ability to market and lease its properties in the future.

The Group has commissioned the construction of some of the properties that it owns. As the owner and developer, the Group is liable for possible defects found in such properties as well as other direct or indirect damage relating to such properties. Potential damage related to construction may affect the fair value of these properties. Consequent liabilities and budget overruns may affect the profitability of the Group's business. The occurrence of any of the foregoing factors may have a material adverse effect on the business, net assets, cash flows, financial condition, prospects, results of operations and net profits.

## E-COMMERCE

In efforts to diversify the mix of tenants and services offered, the Group has a majority of food and fashion anchored shopping centres and retail properties that meet the everyday needs of consumers. The growth of online sales may affect consumers' behaviour, demand for commercial retail premises, decrease in footfall and may also lead to higher investment needs and higher pressure on margins. Shopping centres are constantly adapting their services and tenant offerings to meet changing consumer behaviour and demand to continue to attract customers, which could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

The Group aims to adapt its operations to the effects of increasing online retail by focusing on prime urban locations, in growing demographics which are more resilient to internet penetration. However, there can be no certainty as to the successful implementation of the strategy nor that the strategy will work which could result in lower cash flows and valuations.

#### GEOPOLITICAL RISK

In 2025 the Group operated primarily in Poland. While developed markets generally present lower levels of economic, legal and political risk compared with developing markets, the Group's operations remain exposed to macroeconomic, regulatory and geopolitical risks inherent to the region in which it operates. These include changes in economic conditions, government policies, regulatory frameworks and political developments that may adversely affect the Group's financial performance and position.

The Group's market may also be impacted by broader geopolitical risks, including conflicts between or within states, which could have consequences for regional political, economic and social stability. Adverse developments in the economic or political environment of one country may have direct or indirect effects on neighbouring or economically linked countries, potentially affecting the Group's operations and results.

Any escalation of the geopolitical conflicts in Eastern Europe or Middle East is subject of significant uncertainty and cannot be reliably estimated, but it could jeopardize the recovery of CEE economy and lead to the global economic crisis. The occurrence of the foregoing factors may have a material adverse effect on the business and financial results of the Group.

The Group has assessed the potential implications of tariffs and trade measures introduced by the United States, including those imposed during the administration of President Donald J. Trump, as well as related global trade tensions. The Group's operations are concentrated in the real estate sector primarily in Poland, with tenant's limited exposure to the trade flows with the United States or supply chains affected by these measures.

Based on this assessment, management has concluded that these trade policies have had no material impact on the Group's financial position or performance during the reporting period. The Group continues to monitor international trade developments; however, due to the European nature of its business activities, no significant risks or uncertainties have been identified as a result of past or ongoing trade tensions.

#### CYBER RISK

The IT risks faced by the Group include cyber security crime, potential loss of relevant and sensitive data and unauthorised access to or manipulation of confidential information. This may also affect the Group's ability to report promptly or accurately, cause interruption in collection and or payments, loss of income and also result in damage to its reputation.

The risk is partially mitigated by the Group wide IT controls with a strong emphasis on access security, backup and recovery procedures, accompanied by cyber insurance policy. In addition, the Group proactively manages this risk by way of an active action plan, including enhancing awareness of employees, encouraging responsible behaviour across the organisation and keeping systems and IT knowledge up to date.

#### RETAIL/LETTING RISK

Market consolidation of retailers may pose a risk to the Group as tenants may appeal rental levels or even exit the market thus weakening our profitability. In addition, bankruptcy of retailers could result in the risk of defaults on payment, which in turn could impact the cashflows of the Group.

The Group takes an active approach to managing these risks by detailed analysis of turnover across its tenant base and employing experienced local management teams in the different countries in which the Group operates, while making use of external local experts and specialists. In addition, our strategy of focusing the Group's portfolio on high quality assets in strong, attractive urban locations and investing in improving our assets reduces the risk further.

#### COMPETITORS

The Group faces competition from other owners, operators and developers. One of the primary areas of focus for the Group is the active management of its Standing Investments through optimising its tenant mix and ensuring asset attractiveness is achieved and improved by finding the right balance between retaining existing tenants and re letting rental space to new tenants.

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The Group competes with local real estate developers, private investors, property funds and other retail property owners for tenants. Other than the requirements for capital, there are few other barriers to entry to the property market. The dominance of a shopping centre in a particular area is an important factor that determines the shopping centre's ability to compete for tenants. The Group remains focused on prime dominant shopping centres in Warsaw.

The Group mitigates this risk by employing experienced local management teams; adopting a proactive asset management approach and strict due diligence processes prior to the acquisitions of new assets.

#### CONCENTRATION

The Group's portfolio is mostly concentrated in Warsaw, Poland. The Group's portfolio is exposed to concentration risks due to its focus on retail real estate and on certain countries and cities. The performance of the real estate portfolio of the Group may be disproportionately impacted by events or market developments occurring in specific regions of the portfolio or by developments that affect certain types of commercial or residential real estate. The Group's high level of concentration in retail properties and its dependency on the Polish market may have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

The Group mitigates these risks by investing in high-quality assets located in urban areas with favourable demographic trends, a strong economic environment and robust labour market conditions, supported by solid GDP growth.

#### REGULATORY/COMPLIANCE RISK

Compliance risk arises from the application of existing legislation as well as the introduction of new laws and regulations. Significant legislative or regulatory changes may affect the Group's business operations and create a risk of non-compliance with one or more applicable requirements.

The Group mitigates this risk through internal procedures designed to ensure that knowledge of relevant laws and regulations is kept up to date and appropriately applied.

#### ENVIRONMENTAL RISK

Risks associated with climate change and extreme weather including droughts, earthquakes and severe thunderstorms impact people and organizations worldwide. Higher temperatures can affect an ability to maintain a comfortable indoor environment and increase operational costs to keep the properties attractive to tenants and visitors. Energy transition to renewable sources, use of eco friendly building materials in construction and legal regulations to reduce carbon emissions (EU Taxonomy) might have an adverse impact on profitability. In addition, financial institutions currently develop new Environmental, Social and Governance (ESG) frameworks to be met by the companies for future financing.

The Group has developed asset level action plans, as an integrated part of the annual budget and business plans, to monitor and manage the asset's environmental performance and create awareness among employees, tenants, suppliers, and contractors. The Group follows the energy optimization program introduced earlier through a set of short, medium and long term energy reduction targets.

The Group uses BREEAM In Use to understand the climate change risks impacting the assets portfolio and develop the sustainable management of its properties. Currently over 95% of the Group's retail portfolio value is certified. Under the Company's Green Finance Framework the Group raised a total amount of €650 million in 2021 to finance and refinance assets that are BREEAM certified.

#### FINANCIAL RISK FACTORS

For Financial risks including credit risk, liquidity risk, market risks and tax risks refer to note 1.33 on Risk Management included in the consolidated financial statements.

In 2025 the Group continued with the retail asset rotation programme further concentrating on high quality properties in the capital city of Warsaw. In addition, the Group continued to realise its strategy to rotate from unsecured euro bonds market into asset secured long term loans, see Note 1.14.

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**DIRECTORS**

G City Europe's Directors who served as of the date of approving these financial statements are listed on page 54.

**COMPANY SECRETARY**

VG Secretaries Limited ("VG") is the Company Secretary of G City Europe. G City Europe has concluded an agreement with VG for the provision of company secretarial and administration services.

**DIRECTORS' RESPONSIBILITIES**

The Directors are responsible for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards. The Directors have decided to use International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union ("EU"). The Companies (Jersey) Law 1991 requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of G City Europe and of the profit or loss of G City Europe for that year. During the preparation of these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that G City Europe will continue as a going concern.

The directors confirm, that to the best of their knowledge, they have complied with all the above requirements in preparing the financial statements.

The Directors are responsible for the keeping of proper accounting records that disclose with reasonable accuracy the financial position of G City Europe at any time and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of G City Europe and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the Directors are aware, there is no relevant audit information of which the Group's auditors are unaware, and each Director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

**By order of the Board of Directors,**

25 February 2025

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**STATEMENT REGARDING FORWARD LOOKING INFORMATION**

This report includes statements that are, or may be deemed to be, "forward looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will", "should", "could", "assumes", "plans", "seeks" or "approximately" or, in each case their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout these Annual Financial Statements and include statements regarding the intentions, plans, objectives, beliefs or current expectations of the Group. By their nature, forward looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward looking statements are not guarantees of future performance.

You should assume that the information appearing in the Annual Financial Statements is up to date only as of the date of this Annual Financial Statements. The business, financial conditions, results of operations and prospects of the Group may change. Except as required by law, the Group do not undertake any obligation to update any forward-looking statements, even though the situation may change in the future.

All of the information presented in the Annual Financial Statements, and particularly the forward-looking statements, are qualified by these cautionary statements.

The Annual Financial Statements and the documents available for inspection should be read in their entirety and with the understanding that the actual future results of the Group may be materially different from what the Group expects.

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## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	31 December 2025		31 December 2024	
		€'000	€'000	€'000	€'000
<b>ASSETS</b>					
Standing investments	1.4	1,108,061		1,450,054	
Redevelopments and land	1.5	112,001		152,699	
Property and equipment		1,151		614	
Intangible assets		920		2,019	
Equity-accounted investment in joint ventures		620		1,530	
Derivatives	1.15	1,989		4,486	
Financial assets at amortised cost	1.7	154,108		267,015	
Other Long term assets	1.8	10,039		7,148	
<b>Non-current assets</b>			<b>1,388,889</b>		<b>1,885,565</b>
Receivables from tenants	1.9	1,788		5,888	
Other receivables	1.10	13,170		14,137	
Financial assets at amortised cost	1.7	360,843		6,729	
Assets held for sale	1.11	11,547		270,869	
Cash and cash equivalents	1.12	58,439		90,838	
<b>Current assets</b>			<b>445,787</b>		<b>388,461</b>
<b>TOTAL ASSETS</b>			<b>1,834,676</b>		<b>2,274,026</b>
<b>EQUITY AND LIABILITIES</b>					
Stated capital	1.13	1,092,724		1,195,766	
Capital reserves	1.13	(2,658)		1,948	
Retained deficit		(125,766)		(223,539)	
Currency translation reserve		6,193		4,812	
Hybrid bond reserve	1.13	195,087		340,858	
<b>Equity</b>			<b>1,165,580</b>		<b>1,319,845</b>
Long term borrowings	1.14	298,638		529,373	
Derivatives	1.15	5,085		6,425	
Deferred tax liabilities	1.16	33,079		24,775	
Long term liabilities from leases	1.17	37,376		41,501	
Other long term liabilities	1.18	13,210		9,465	
<b>Non-current liabilities</b>			<b>387,388</b>		<b>611,539</b>
Trade and other payables	1.19	101,047		104,851	
Accrued expenditure	1.20	19,391		19,549	
Short term borrowings	1.14	161,023		87,609	
Income tax payable		189		27	
Provisions		58		496	
Liabilities held for sale	1.11	-		130,110	
<b>Current liabilities</b>			<b>281,708</b>		<b>342,642</b>
<b>Total equity and liabilities</b>			<b>1,834,676</b>		<b>2,274,026</b>

The financial statements were approved and authorised for issue by the Board of Directors on 25 February 2026 and were duly signed on the Board's behalf by Chaim Katzman, Chairman of the Board and Marios Demetriades, Director.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	2025		2024	
		€'000	€'000	€'000	€'000
Gross rental income	1.21	83,059		89,062	
Service charge income	1.22	26,107		28,305	
Property expenses	1.23	(32,975)		(36,838)	
<b>Net rental income</b>			<b>76,191</b>		<b>80,529</b>
Revaluation of standing investments, net	1.4	52,647		114,840	
Revaluation of redevelopments and land, net	1.5	2,974		7,738	
Depreciation, amortisation and impairments		(2,134)		(2,158)	
Administrative expenses	1.24	(11,263)		(8,071)	
Share of profit of equity-accounted investment	1.6	(910)		(870)	
Net result on disposals	1.25	(3,781)		4,329	
Costs connected with developments		(330)		(139)	
<b>Net operating profit</b>			<b>113,394</b>		<b>196,198</b>
Interest income	1.26	15,358		17,493	
Interest expense	1.26	(18,755)		(28,857)	
Foreign currency differences		908		(366)	
Other financial income	1.27	4,768		7,586	
Other financial expense	1.27	(5,873)		(5,321)	
<b>Profit before taxation from continuing operations</b>			<b>109,800</b>		<b>186,733</b>
Taxation charge for the period	1.28	(21,669)		(16,231)	
<b>Profit after taxation from continuing operations</b>			<b>88,131</b>		<b>170,502</b>
Loss after taxation from discontinued operations	1.11	(16,486)		(85,744)	
<b>Net profit/(loss) for the period</b>			<b>71,645</b>		<b>84,758</b>

## CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Note	2025		2024	
		€'000	€'000	€'000	€'000
<b>Net profit for the year</b>		71,645		84,758	
<b>Items that will not be reclassified to the statement of profit or loss:</b>					
Hybrid Bonds buyback gain		26,128		-	
<b>Items that may be reclassified to the statement of profit or loss:</b>					
Movement in hedging reserves (net of deferred tax)		(590)		(5,095)	
Reclassification of historic currency translation reserve of disposed assets	1.11	604		5,120	
Hedging reserve reclassified to profit or loss in respect of interest rate swap disposed during the period	1.11	(4,016)		2,679	
Exchange differences arising on translation of foreign operations		777		912	
<b>Total comprehensive income for the period</b>			<b>94,548</b>		<b>88,374</b>

## CONSOLIDATED CASH FLOW STATEMENT

	2025	2024
	€'000	€'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation from continuing operations	109,800	186,733
<b>Adjustments for:</b>		
Revaluation of standing investments, net	(52,647)	(114,840)
Revaluation of redevelopments and land, net	(2,974)	(7,738)
Depreciation, amortisation and impairments	2,134	2,158
Foreign exchange (profit)/loss, net	(908)	366
Change in provisions, net of amounts paid	4,557	(2,549)
Share of profit of equity-accounted investments in joint ventures	910	870
Net result on disposals	3,781	(4,329)
Lease interest expense	3,444	2,994
Net result from bonds buy back	(3,514)	(5,998)
Other financial income	(1,254)	-
Other financial expense	1,750	277
Interest income	(15,358)	(17,493)
Interest expense	18,755	28,857
<b>Operating cash flows before working capital changes</b>	<b>68,476</b>	<b>69,308</b>
Decrease/(increase) in trade and other receivables and prepayments net	5,142	(1,529)
(Decrease)/increase in trade and other payables and accrued expenditure net	(2,625)	5,495
<b>Cash generated from operations</b>	<b>70,993</b>	<b>73,274</b>
Interest paid	(24,040)	(34,690)
Interest received	13,907	12,706
Corporate taxes paid	(2,064)	(1,313)
Corporate taxes received	192	897
<b>Net cash generated from operating activities from continuing operations</b>	<b>58,988</b>	<b>50,874</b>
<b>Net cash (used in)/generated from operating activities from discontinued operations</b>	<b>(2,540)</b>	<b>8,070</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments related to investment properties	(24,083)	(33,256)
Proceeds from the disposal of investment properties	2,739	174,725
Repayment of loans provided to related and third parties	152,623	152,657
Loans provided to related and third parties	(75,018)	(160,020)
<b>Net cash generated from investing activities from continuing operations</b>	<b>56,261</b>	<b>134,106</b>
<b>Net cash generated from investing activities from discontinued operations</b>	<b>108,840</b>	<b>115,852</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Hybrid bonds interest distribution	(12,688)	(12,688)
Repayment of long term borrowings	(186,582)	(255,564)
Receipt of long term borrowings	31,634	28,097
Repayments of leases	(426)	(84)
Dividends paid	(89,923)	-
<b>Net cash used in financing activities from continuing operations</b>	<b>(257,985)</b>	<b>(240,239)</b>
<b>Net cash used in financing activities from discontinued operations</b>	<b>-</b>	<b>(2,380)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(36,436)</b>	<b>66,281</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>90,838</b>	<b>22,584</b>
Movement in cash and cash equivalents held for sale	3,597	1,541
Effect of exchange rate fluctuations on cash held	440	432
<b>Cash and cash equivalents at end of the year</b>	<b>58,439</b>	<b>90,838</b>

Significant non-cash financing activities are disclosed in Note 1.13.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Stated capital €'000	Hedging reserve €'000	Retained earnings €'000	Currency translation reserve €'000	Equity attributable to the owners €'000	Hybrid bonds reserve €'000	Total Shareholders Equity €'000
<b>Balance at 1 January 2025</b>		<b>1,195,766</b>	<b>1,948</b>	<b>(223,539)</b>	<b>4,812</b>	<b>978,987</b>	<b>340,858</b>	<b>1,319,845</b>
Net profit for the year <sup>1</sup>		-	-	71,645	-	71,645	-	71,645
Hybrid bonds buyback gain		-	-	26,128	-	26,128	-	26,128
Hedging reserve reclassified to profit or loss in respect of interest rate swap disposed during the period		-	(4,016)	-	-	(4,016)	-	(4,016)
Other comprehensive income for the year <sup>2</sup>		-	(590)	-	1,381	26,919	-	26,919
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>(4,606)</b>	<b>97,773</b>	<b>1,381</b>	<b>94,548</b>	<b>-</b>	<b>94,548</b>
Dividends declared	1.13	(89,923)	-	-	-	(89,923)	-	(89,923)
Hybrid bonds interest distribution	1.13	(13,119)	-	-	-	(13,119)	-	(13,119)
Hybrid bonds buyback		-	-	-	-	-	(145,771)	(145,771)
<b>Balance at 31 December 2025</b>		<b>1,092,724</b>	<b>(2,658)</b>	<b>(125,766)</b>	<b>6,193</b>	<b>970,493</b>	<b>195,087</b>	<b>1,165,580</b>

<sup>1</sup>Net profit for the year includes €16,5 million losses from discontinued operations.

<sup>2</sup>Movement in other comprehensive income includes €0,6 million reclassification of historic currency translation reserve of disposed assets, see Note 1.11.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Stated capital €'000	Hedging reserve €'000	Retained earnings €'000	Currency translation reserve €'000	Equity attributable to the owners €'000	Hybrid bonds reserve €'000	Total Shareholders Equity €'000
<b>Balance at 1 January 2024</b>		<b>1,298,377</b>	<b>4,364</b>	<b>(308,297)</b>	<b>(1,220)</b>	<b>993,224</b>	<b>340,858</b>	<b>1,334,082</b>
Net profit for the year <sup>3</sup>		-	-	84,758	-	84,758	-	84,758
Hedging reserve reclassified to profit or loss in respect of interest rate swap disposed during the period		-	(5,095)	-	-	(5,095)	-	(5,095)
Other comprehensive income for the year <sup>4</sup>		-	2,679	-	6,032	8,711	-	8,711
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>2,679</b>	<b>84,758</b>	<b>6,032</b>	<b>93,469</b>	<b>-</b>	<b>93,469</b>
Hybrid bonds interest distribution	1.13	(12,688)	-	-	-	(12,688)	-	(12,688)
Dividends declared	1.13	(89,923)	-	-	-	(89,923)	-	(89,923)
<b>Balance at 31 December 2024</b>		<b>1,195,766</b>	<b>1,948</b>	<b>(223,539)</b>	<b>4,812</b>	<b>978,987</b>	<b>340,858</b>	<b>1,319,845</b>

<sup>3</sup>Net profit for the year includes €85,7 million losses from discontinued operations.

<sup>4</sup>Movement in hedging reserves includes €2,3 million net revaluation loss from hedging instrument classified as held for sale as of 31 December 2024.

# ANNUAL FINANCIAL STATEMENTS

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## 1.1. REPORTING ENTITY

G City Europe Limited (the "Company", formerly "Atrium European Real Estate Limited") is a company incorporated in Jersey. Its registered office is 37 Esplanade, St. Helier, JE1 2TR, Jersey, Channel Islands and its business address is 79 Spyrou Kyprianou, MGO Protopapas, 3076 Limassol, Cyprus. The Company's tax residency is Cyprus.

The consolidated financial statements of G City Europe Limited as at and for the year ended 31 December 2025 comprise the Company and its subsidiaries, collectively the "Group".

G City Europe is an owner, operator and redeveloper of shopping centres and residential for rent properties in Poland.

## 1.2. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union ("EU").

The consolidated financial statements have been prepared on a historical cost basis, except for standing investments and redevelopments and land ("investment property"), derivative financial instruments, contingent considerations, and financial assets at fair value through Other Comprehensive Income ("OCI") that have been measured at fair value. The consolidated financial statements are prepared on a going concern basis.

These financial statements are presented in Euros ("€"), which is considered by the Board of Directors to be the appropriate presentation currency due to the fact that the majority of the transactions of the Group are denominated in or based on this currency. All financial information is presented in Euros and all values are rounded to the nearest thousand (€'000), unless stated otherwise, except share and per share information.

## NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The Company is evaluating the impact of IFRS 18 Presentation and Disclosure in Financial Statements on its consolidated financial statements. The standard is expected to result in changes to the presentation of the consolidated statement of profit or loss.

## USE OF JUDGEMENTS AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires the Board of Directors to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis when making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

## CLIMATE-RELATED MATTERS

The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a range of possible impacts on the group due to both physical and transition risks. Even though the Group believes its business model is viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions. The Group is closely monitoring relevant changes and developments, such as new climate-related legislation.

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The effect of climate-related risks is considered in fair value measurement of standing investments. The group believes it is not exposed to severe physical risks related to properties. The transition risks, such as increasing requirements for energy efficiency of buildings and increasing demand for lower carbon emissions might have an adverse impact on profitability. The Group uses BREEAM In Use to understand the climate change risks impacting the assets portfolio and develop the sustainable management of its properties. For further information related to the valuation of standing investments see Note 1.30.

## CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The following are critical judgements that management have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements:

**Determination of functional currency** - The Group determines the Euro as the functional currency of the majority of operating entities within the Group. The Group considered all primary and secondary indicators and, as the indicators varied, the judgement was taken that the Euro is acceptable as the functional currency as it most faithfully represents the economic effects of the underlying transactions, events, and conditions.

### KEY SOURCES OF ESTIMATION UNCERTAINTY

The following are the key assumptions and key sources of estimation uncertainty at the end of the reporting period that have a significant effect on the amounts recognised in the financial statements:

**Fair value measurements and valuation processes – investment property** is presented at fair value in the statement of financial position. The majority of the fair values are determined by independent real estate valuation experts using discounted cash flow method and the principles of IFRS 13 Fair Value Measurement. The Group categorises the standing investments and redevelopments and land fair value as Level 3 within the fair value hierarchy.

**Taxes** - Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws and the amount and timing of future taxable income. Given the wide range of international business relationships, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to current tax and/or deferred tax income and expenses already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as the results of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences in interpretation may arise for a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile. The Group does not consider the potential for tax authorities to "detect" such potential tax issues, instead the Group assumes the relevant tax authorities will be fully knowledgeable of all relevant facts. For further information, see also Note 1.35.

## 1.3. MATERIAL ACCOUNTING POLICIES

The Group has consistently applied the accounting policies to all periods presented in these consolidated financial statements.

### BASIS OF CONSOLIDATION

#### SUBSIDIARIES

The consolidated financial statements include the financial statements of the Company as well as the entities that are controlled, directly or indirectly, by the Company ("subsidiaries"). When assessing control, the Group considers its potential voting rights as well as the potential voting rights held by other parties, to determine whether it has power. Those potential voting rights are considered only if the rights are substantive. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by the Group.

For the purposes of the consolidation, all inter company transactions, balances, income and expenses are eliminated. The subsidiaries comprising the Group have the same financial reporting period as the Company.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

## EQUITY ACCOUNTED INVESTMENTS

The Group's current investments in joint ventures are accounted for using the equity method.

Under the equity method, investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of the net assets of the joint venture since the acquisition date.

The financial statements of the joint ventures are prepared for the same reporting period as the Group.

The Group calculates the amount of impairment as the difference between the recoverable amount of the joint ventures and its carrying value, and then recognises the loss as 'Share of profit (loss) of equity accounted investments in joint ventures' in the Statement of Profit or Loss.

## CONSOLIDATION GROUP

**The Consolidated financial statements of the Group include the following subsidiaries<sup>1</sup> as at 31 December 2025:**

Company name	Country	Ownership
G CITY EUROPE HOLDINGS LIMITED	Cyprus	100 %
ATRIUM FINANCE PLC	Cyprus	100 %
G CITY EUROPE RESI LIMITED	Cyprus	100 %
ATRIUM RETAIL LIMITED	Cyprus	100 %
MD CE HOLDING LIMITED	Cyprus	100 %
ATRIUM HOLDING 3 LIMITED	Cyprus	100 %
ATRIUM HOLDING 4 LIMITED	Cyprus	100 %
ATRIUM HOLDING 5 LIMITED	Cyprus	100 %
ATRIUM HOLDING 6 LIMITED	Cyprus	100 %
SWINGTALE LTD <sup>2</sup>	Cyprus	100 %
PLATONICON LTD <sup>2</sup>	Cyprus	100 %
POLONIACO APS	Denmark	100 %
FORAS HOLDING A/S	Denmark	100 %
ATRIUM GROUP SERVICES B.V.	Netherlands	100 %
ATRIUM FINANCE 2 B.V.	Netherlands	100 %
G CITY RETAIL 1 SP. Z O.O.	Poland	100 %
ATRIUM KALISZ SP. Z O.O.	Poland	100 %
CH PLEJADA SP. Z O.O. (FORMERLY "ATRIUM PLEJADA SP. Z O.O.")	Poland	100 %
CH PROMENADA SP. Z O.O. (FORMERLY "ATRIUM PROMENADA SP. Z O.O.")	Poland	100 %
CH REDUTA SP. Z O.O. (FORMERLY "ATRIUM REDUTA SP. Z O.O.")	Poland	100 %
URBAN HOME WROCLAW TR AUGUTTA SP. Z O.O. (FORMERLY "URBAN HOME WROCLAW PLAC DOMINIKANSKI SP. Z O.O.")	Poland	100 %
URBAN HOME WARSZAWA RUBIKON SP. Z O.O. (FORMERLY "URBAN HOME WARSZAWA RUBICON SP. Z O.O.")	Poland	100 %
URBAN HOME 4 SP. Z O.O. (FORMERLY "ATRIUM RESIDENTIAL 4 SP. Z O.O.")	Poland	100 %
GALERIA KASZTANOWA SP. Z O.O. (FORMERLY "ATRIUM RETAIL 1 SP. Z O.O.")	Poland	100 %
URBAN HOME WARSZAWA OSTROBRAMSKA SP. Z O.O. (FORMERLY "ATRIUM RESIDENTIAL OSTROBRAMSKA SP. Z O.O.")	Poland	100 %
ATRIUM RESIDENTIAL 6 SP. Z O.O.	Poland	100 %
ATRIUM RESIDENTIAL 7 SP. Z O.O.	Poland	100 %
ATRIUM RESIDENTIAL 9 SP. Z O.O.	Poland	100 %
ATRIUM RESIDENTIAL 10 SP. Z O.O.	Poland	100 %
ATRIUM RESIDENTIAL 11 SP. Z O.O.	Poland	100 %
ATRIUM RESIDENTIAL 12 SP. Z O.O.	Poland	100 %
ATRIUM JASTRZEBIE SP. Z O.O.	Poland	100 %
CH KING CROSS PRAGA SP. Z O.O. (FORMERLY "ATRIUM KING CROSS SP. Z O.O.")	Poland	100 %
G CITY POLAND SP. Z O.O. (FORMERLY "ATRIUM POLAND REAL ESTATE MANAGEMENT SP. Z O.O.")	Poland	100 %
CENTRUM HANDLOWE NEPTUNCITY SP. Z O.O.	Poland	100 %

Company name	Country	Ownership
G CITY ENERGY SP. Z O.O.	Poland	100 %
WARS SAWA JUNIOR SP. Z O.O. (FORMERLY "MANHATTAN DEVELOPMENT SP. Z O.O.")	Poland	100 %
MD POLAND II SP. Z O.O.	Poland	100 %
SANDROCK INVESTMENTS SP. Z O.O.	Poland	100 %
CH CHMIELNA SP. Z O.O. (FORMERLY "ATRIUM CHMIELNA SP. Z O.O.")	Poland	100 %
PROPERTY DEVELOPMENT TWO SRL	Romania	100 %

1 Excluding inactive companies

2 New companies in 2025

## FUNCTIONAL AND PRESENTATION CURRENCY

### FOREIGN CURRENCY TRANSACTIONS

The Group's consolidated financial statements are presented in Euro. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Various factors are assessed to identify the functional currency of the entities that form the Group. In particular, the currency that influences the price of rent income and services is considered. The significant majority of all lease contracts are denominated in the Euro regardless of the local jurisdiction. The valuation of investment properties is carried out in Euro. The Group is financing its assets in Euro. Therefore the Euro has a significant and pervasive impact on the subsidiaries and the Euro has been assessed as the functional currency of most of the entities that form the Group. The functional currency of the residential operations is Polish Zloty.

### FOREIGN OPERATIONS

On consolidation, the assets and liabilities of foreign operations are translated into Euro at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at the average foreign exchange rate. The exchange differences arising on translation for consolidation are recognised in Other Comprehensive Income.

On disposal of a foreign operation, the component of Other Comprehensive Income relating to that particular foreign operation is reclassified to profit or loss. Exchange differences arising on items, which in substance form part of the net investment in a foreign entity, are also presented in the statement of comprehensive income and as a separate component of equity until the disposal of the net investment.

### INVESTMENT PROPERTIES

The Group's investment properties comprise completed properties ("standing investments") and properties under construction or re development and land ("redevelopments and land") that are held, or being constructed, to earn rental income or for capital appreciation, or both. Property held under a lease is classified as investment property when it is held, or being constructed, to earn rental income or for capital appreciation, or both.

Investment properties are initially measured at cost, including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating.

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Any gain or loss arising from a change in the fair value of investment properties is recognised in the Group's consolidated profit or loss under the caption "Revaluation of standing investment, net" or "Revaluation of redevelopments and land, net".

Upon commencement of a re development project, the unit is transferred from standing investments to development and land. Upon substantive completion of the re development project, the unit is transferred back to standing investments. The development's cost shall be its fair value at the date of transfer.

The fair values of all standing investments were determined on the basis of independent external valuations received from Savills. The fair values of the redevelopments and land, as at 31 December 2025, were determined on the basis of independent external valuations received from Savills and internal valuations.

Savills are external, independent valuation companies and real estate consultants, having an appropriately recognised professional qualification and recent experience in the respective locations and categories of properties being valued. The valuations were prepared in accordance with the Royal Institution of Chartered Surveyors Valuation Global Standards which incorporate the International Valuation Standards published by the Royal Institution of Chartered Surveyors (the "Red Book"). For further details about the investment properties valuation process, see Note 1.30.

The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. For further information of the net results on disposal, see Note 1.25.

### **RIGHT-OF-USE ASSETS**

Where the Group is subject to a lease as the lessee, it recognizes a right of use asset and a lease liability at the commencement date. The right of use asset is initially measured at the amount of the lease liability, adjusted for lease prepayments, lease incentives received, the lessee's initial direct costs (e.g., commissions) and an estimate of restoration, removal and dismantling costs.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted generally using the Group's incremental borrowing rate (IBR).

The right of use assets are subsequently measured in accordance with IAS 40 Investment Property. The Group applies the fair value model to any right of use assets that are investment properties.

The Group accretes the lease liability to reflect interest and reduces the liability to reflect lease payments made. The Group remeasures the lease liability upon the occurrence of certain events (e.g., change in the lease term, change in variable rents based on an index or rate), which is generally recognised as an adjustment to the right of use asset.

### **NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE**

A non current asset or a group of assets (disposal group) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the assets must be available for immediate sale in their present condition, the Group must be committed to sell, there must be a plan to locate a buyer and it is highly probable that a sale will be completed within one year from the date of classification.

Such non current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sale. On re-classification as held for sale, investment properties that are measured at fair value continue to be measured in this way.

A non current asset or disposal group classified as held for sale is presented separately within current assets or liabilities in the statement of financial position as assets or liabilities classified as held for sale.

### **FINANCIAL INSTRUMENTS**

#### **RECOGNITION AND INITIAL MEASUREMENT**

Trade receivables, lease receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus for an item not at fair value through profit or loss ("FVPL") transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

#### **CLASSIFICATION AND SUBSEQUENT MEASUREMENT**

On initial recognition, the Group financial assets are classified as measured at: amortised cost or at fair value through other comprehensive income (FVOCI) – debt investment; (FVOCI) – equity investment.

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**Financial assets: Business model assessment**

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to the Board of Directors. The Company classifies and measures debt instruments in the financial statements when the contractual cash flows are solely payments of principal and interest and the Group business model is to hold the financial assets in order to collect their contractual cash flows.

**Financial liabilities: Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortised cost using the effective interest method.

**DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING**

The Group holds derivative financial instruments to hedge its interest rate risk exposures. The Group designates derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in interest rates.

Subsequent to initial recognition, when a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in Other Comprehensive Income and accumulated in the hedging reserve.

**EXPECTED CREDIT LOSSES ("ECL")**

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, which are measured as the expected 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade and lease receivables are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

**Credit-impaired financial assets**

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor, borrower or issuer;
- a breach of contract such as a default or when the receivables are past due;
- collection rate;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor or borrower will enter bankruptcy or other financial reorganisation.

**STATED CAPITAL**

The stated capital account consists of the proceeds received and receivable by G City Europe from the issue of its ordinary shares, net of direct issue costs. Shares bought back are cancelled upon purchase and recognized as a reduction in stated capital. Interest from perpetual debt is deducted from the stated capital, similar to discretionary dividends.

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**HYBRID RESERVE**

Perpetual debt instrument is classified as equity by the Group. A perpetual debt discretionary interest element is recognised as an equity distribution from the Group's stated capital, similar to discretionary dividends. Any interest including compounded interest is recorded as an equity distribution when this payment becomes non discretionary or when interest is paid in cash. Any principal repayments are recognised as changes in Hybrid reserve. This includes any gains or losses on any potential refinancing in the future which are recognised directly in equity.

In regard to the Hybrid Notes issued in 2021, additional information is disclosed in note 1.13.

**LIABILITIES FROM LEASES**

Leases are recognised as a right of use asset with a corresponding liability at the date at which the leased asset is available for use by the Group.

Lease liabilities are measured at the commencement of the lease at the present value of the lease payments. Lease payments are apportioned between the finance charges and the reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the statement of profit or loss.

When the Group cannot readily determine the interest rate implicit in the lease, it uses its IBR to measure lease liabilities at recognition. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The Group estimates the IBR using observable inputs such as market interest rates based on a transfer pricing study making certain entity-specific estimates if needed.

**REVENUE RECOGNITION**

The Group is the lessor in operating leases on standing investments. Rental income from operating leases is recognised on a straight line basis over the lease term. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being received. The Group recognises revenue from service charges over time as performance obligations are satisfied by the Group, and as the tenants simultaneously receive and consume the benefits provided. The Group recognises as revenue the amount of the transaction price that is allocated to these performance obligations. As the Group has a right to consideration from tenants that corresponds directly with the value of the Group's performance to date, the amount of revenue to which the Group has a right to invoice is recognised.

Service charges and other such receipts are included gross of the related costs in revenue, as the Group acts as principal in this respect.

**NET RESULT ON DISPOSAL OF PROPERTIES**

The net result on disposal of properties is determined as the difference between the net sale proceeds and the net carrying value of the asset and is recognised in the statement of profit or loss when the control of ownership has been transferred to the buyer.

**TAXATION**

The Group is subject to income tax, capital gains tax and withholding tax in numerous jurisdictions. The Group recognises liabilities for current taxes based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income and deferred tax liabilities in the period in which the determination is made.

**CURRENT INCOME TAX**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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The taxable profit differs from the net loss or profit as reported in the consolidated statement of profit or loss due to the inclusion or exclusion of income or expense items that are taxable or deductible in different reporting periods or which are not taxable or deductible.

### DEFERRED INCOME TAX

Deferred income tax is recognised on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss and, at the time of the transaction, does not give rise to equal taxable and deductible temporary differences; or
- in respect of taxable temporary differences associated with investments in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credits or unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss, and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities. In determining the expected manner of realisation of an investment property measured at fair value a rebuttable presumption exists that its carrying amount will be recovered through sale.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

## 1.4. STANDING INVESTMENTS

The current portfolio of standing investments of the Group consists of 6 retail properties, 3 residential assets and 1 office building (31 December 2024: 10 retail properties and 3 residential assets) of which nil property is held for sale (31 December 2024: 1 property held for sale).

A roll forward of the total standing investments portfolio is provided in the table below:

Standing investments	31 December 2025 €'000	31 December 2024 €'000
Balance as at 1 January	1,450,054	1,547,173
Additions - technical improvements extensions	15,069	8,805
Acquisitions	3,495	-
Movement in leases	-	44
Transfers from redevelopments and land	42,285	22,878
Transfers to property, plant and equipment	(829)	-
Revaluation of standing investments, net	52,647	114,840
Disposals to related parties, see Note 1.34	(456,086)	(245,515)
Exchange differences arising on translation of residential properties	1,201	1,484
Borrowing costs capitalised	225	345
<b>Balance at the end of the period</b>	<b>1,108,061</b>	<b>1,450,054</b>

In December 2025, the Group completed the sale of subsidiaries owning Biala, Focus and Dominikanska shopping centres in Poland for an agreed gross properties value in €455,8 million. The Group continues to provide management and other services to the three shopping centres. An amount of €0,3 million was accrued for the year ended 31 December 2025, see Note 1.24.

Transfers from redevelopments and land mainly relate to a residential building of the Ostrobramska project near Promenada shopping centre in Warsaw in total value of €37,4 million.

In July 2024, the Group completed the sale of the Targowek shopping centre in Warsaw, Poland, to G City for a gross consideration of €230,5 million at its fair market value. The Group continues to provide management and marketing services to the Targowek shopping centre at a cost plus basis. An amount of €2,1 million was charged for the year ended 31 December 2025 (2024: €0,9 million), see Note 1.24.

The total value of land leases was €32,2 million as at 31 December 2025 (31 December 2024: €36,8 million).

#### CAP RATES (WEIGHTED AVERAGE)

Standing investments	31 December 2025	31 December 2024
Poland	6.1 %	6.3 %

The weighted average capitalization rate as of 31 December 2024 for the same standing investments held at 31 December 2025 was 6.0%. For information about the fair value of standing investments, see note 1.30.

#### FAIR VALUE OF COLLATERAL

Five assets have been provided as collateral against G City Europe's four bank loans, see note 1.14.

2025	Book value of bank loans	No. of assets pledged as collateral	Fair value of collateral
Collateralised bank loans	340,287	5	921,213
<b>Total</b>	<b>340,287</b>	<b>5</b>	<b>921,213</b>

2024	Book value of bank loans	No. of assets pledged as collateral	Fair value of collateral
Collateralised bank loans	311,558	4	796,913
<b>Total</b>	<b>311,558</b>	<b>4</b>	<b>796,913</b>

## 1.5. REDEVELOPMENTS AND LAND

The current portfolio of redevelopments and land comprises €81,2 million (2024: €92,0 million) redevelopments and €30,8 million (2024: €60,7 million) land.

Redevelopments and land	31 December 2025	31 December 2024
	€'000	€'000
Balance as at 1 January	152,699	240,960
Additions - retail	1,124	292
Additions - residential	6,238	28,087
Movement in leases	265	129
Transfers to standing investments	(42,285)	(22,878)
Disposals	(7,200)	-
Revaluation of redevelopments and land - continuing operations	2,974	7,738
Transfers from/(to) assets held for sale	(4,551)	(104,261)
Exchange differences arising on translation of residential properties	1,027	964
Borrowing costs capitalised	1,710	1,668
<b>Balance at the end of the period</b>	<b>112,001</b>	<b>152,699</b>

The total value of land leases was €8,1 million as of 31 December 2025 (31 December 2024: €8,7 million).

General borrowing costs in total amount of €1,7 million have been capitalised to the qualifying assets at 3.9% capitalisation rate.

In November 2025, the Group completed the sale of the land plot in Jastrzebie-Zdroj, Poland, for €3,9 million.

Transfers to held for sale consists of land plots in Gdansk and Kalisz.

## 1.6. EQUITY-ACCOUNTED INVESTMENT IN JOINT VENTURES

Name of the joint venture	Country of incorporation	Share	Investment in	Investment in
			joint venture	joint venture
			31 December 2025	31 December 2024
		€'000	€'000	€'000
Fedelmia Limited	Cyprus	50% (directly)		
GGH Atlas Tower sp. z o.o.	Poland	50% (indirectly)	620	1,530
<b>Total</b>			<b>620</b>	<b>1,530</b>

Summarised financial information of the joint ventures, Fedelmia Limited and GGH Atlas Tower sp. z o.o., based on their IFRS unaudited financial statements updated for adjustments at acquisition and reconciliation with the carrying amount of the investment in the consolidated financial statements, is presented below:

	31 December 2025	31 December 2024
	€'000	€'000
Non-current assets	62,000	62,000
Current assets	584	864
Non-current liabilities	(56,154)	(54,452)
Current liabilities	(2,681)	(1,554)
<b>Net Assets (100%)</b>	<b>3,749</b>	<b>6,858</b>
<b>Group share of net assets</b>	<b>1,874</b>	<b>3,429</b>
<b>Impairment to recoverable value</b>	<b>-</b>	<b>(1,899)</b>
<b>Carrying amount of interest in joint ventures</b>	<b>620</b>	<b>1,530</b>

	2025	2024
	€'000	€'000
Administrative, finance and other expenses	(1,820)	(1,740)
<b>Share of equity-accounted investment in joint ventures</b>	<b>(910)</b>	<b>(870)</b>

## 1.7. FINANCIAL ASSETS AT AMORTISED COST

Loans	31 December 2025	31 December 2024
	€'000	€'000
Loans to third parties	51,229	56,541
Loans to related parties	463,722	217,203
<b>Total</b>	<b>514,951</b>	<b>273,744</b>
Amounts due within 12 months (included under current assets)	360,843	6,729
Amounts due after more than 12 months	154,108	267,015

Loans to third parties include secured vendor loan in the amount of €24,6 million (31 December 2024: €24,6 million) granted to the purchasers of Optima shopping centre located in Slovakia. The maturity of the loan is in June 2027 and the principal bears interest rate of 5.0% per annum.

Loans to related parties include a deferred cash settlement of €315.0 million arising from the disposal of the Biala, Focus and Dominikanska shopping centres in Poland. The deferred amount bears interest at a rate of 5.97% per annum. As of 31 December 2025, accrued interest of €1.6 million is included in other receivables, see Note 1.10. The outstanding deferred payment, together with the accrued interest, was settled in January 2026, see Note 1.36.

The joint venture loans bear an interest rate from 4.9% to 5.0% and mature in November 2028. As of 31 December 2025, the outstanding amount of the joint venture loans was €32,7 million (31 December 2024: €31,2 million). The loans represent a long-term interest in the joint ventures.

In December 2023, the Group granted a related party credit facility to Gazit Midas Limited in the available amount of €200,0 million bearing variable interest rate at the three month Euribor and 2.5% with maturity on 31 December 2026. As of 31 December 2025, the utilised amount provided to the related party was €45,0 million (31 December 2024: €115,9 million). The related party credit facility is guaranteed by G City under the framework agreement signed, see Note 1.33.

In July 2024, the Group granted a secured vendor loan to G City, a related party, in the amount of 299,4 million polish zloty (approx. €70,0 million). The issuance of the loan was a non-cash transaction included in the purchase price of the Targowek shopping centre. The loan bears an interest of 6,5% and is repayable in 2029.

The loans are measured at amortised cost which is not significantly different from their fair value.

In February 2023, the Group granted the secured vendor loan in the amount of €32,4 million to the purchaser of Molo shopping centre located in Poland. The maturity of the loan is within 5 years. The arrangement constitutes a financing component and measurement was adjusted to the present value of €27,8 million of future payments discounted at a market rate of interest for a similar debt instrument. The unwinding of the discount in €1.4 million is recognised as interest income, see Note 1.26. As of 31 December 2025, the outstanding amount of the loan was €26,6 million (31 December 2024: €26,0 million).

The credit exposure of the Group arising from the financial asset, as disclosed in note 1.31, represents the maximum credit exposure. The credit risk related to the loan is in line with the Group's market risks, as disclosed in 1.33 Risk Management. The Group obtained a mortgage as collateral and a pledge over ownership in exchange of the borrower's rights as a security for the performance of the obligations under the loan agreement. The value of collateral exceeds the outstanding amount of the loan.

## 1.8. OTHER LONG TERM ASSETS

Other assets	31 December 2025	31 December 2024
	€'000	€'000
Long term restricted cash	5,217	5,304
Long term receivables	4,477	-
Straight line of lease incentives to tenants	-	945
Other	345	899
<b>Total</b>	<b>10,039</b>	<b>7,148</b>

Long term receivables amounting to €4.5 million represent a subsequent purchase price adjustment related to the disposal of three shopping centres in Poland, see Note 1.4. Settlement of these receivables is deferred until 2027.

Long term restricted cash refers to debt service and tenants deposit accounts according to the loan agreements with Berlin-Hannoversche Hypothekbank AG and Bank Polska Kasa Opieki S.A. and Santander Bank Polska S.A., see Note 1.14.

## 1.9. RECEIVABLES FROM TENANTS

2025	Gross €'000	Allowances for impaired balances €'000	Net	
			€'000	%
Due within term	763	(9)	754	56.9 %
Overdue 0-30 days	489	(10)	479	36.1 %
Overdue 31-90 days	55	(14)	41	3.1 %
Overdue 91-180 days	59	(7)	52	3.9 %
Overdue 361 days and more	1,347	(1,347)	-	- %
<b>Sub-total</b>	<b>2,713</b>	<b>(1,387)</b>	<b>1,326</b>	<b>100 %</b>
Straight lining	462	-	462	
<b>Total</b>	<b>3,175</b>	<b>(1,387)</b>	<b>1,788</b>	

2024	Gross	Allowances for impaired balances	Net	
	€'000	€'000	€'000	%
Due within term	2,939	(104)	2,835	62.2 %
Overdue 0-30 days	1,270	(181)	1,089	23.9 %
Overdue 31-90 days	236	(7)	229	5.0 %
Overdue 91-180 days	179	(106)	73	1.6 %
Overdue 181-360 days	355	(289)	66	1.4 %
Overdue 361 days and more	2,425	(2,158)	267	5.9 %
<b>Sub-total</b>	<b>7,404</b>	<b>(2,845)</b>	<b>4,559</b>	<b>100 %</b>
Straight lining	1,329	-	1,329	
<b>Total</b>	<b>8,733</b>	<b>(2,845)</b>	<b>5,888</b>	

Payment terms normally do not exceed 30 days and are consistent with the industry trends. The description of collateral held as security in relation to tenants is provided in note 1.33 under credit risk.

The table below provides a reconciliation of changes in allowances for bad debts during the year:

	31 December 2025	31 December 2024
	€'000	€'000
<b>At 1 January</b>	<b>(2,845)</b>	<b>(4,003)</b>
Release	1,357	1,221
Addition net	(444)	(63)
Disposed of or transferred to held for sale	545	-
<b>At 31 December</b>	<b>(1,387)</b>	<b>(2,845)</b>

## 1.10. OTHER RECEIVABLES

Other assets	31 December 2025	31 December 2024
	€'000	€'000
Restricted cash in banks	3,672	1,356
Alternative minimum tax	2,907	3,019
Accrued interest receivable	1,725	3,298
Prepayments	1,169	622
VAT receivables	940	3,587
Income tax receivable	41	191
Others	2,716	2,064
<b>Total</b>	<b>13,170</b>	<b>14,137</b>

Increase in restricted cash refers to debt service and tenant deposit accounts according to the loan agreement with Landesbank Hessen-Thüringen Girozentrale, see Note 1.14.

## 1.11. ASSETS AND LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATIONS

	31 December 2025	31 December 2024
	€'000	€'000
<b>Non-current assets</b>		
Standing investments	-	200,988
Redevelopments and land	11,547	60,000
Other non-current assets	-	4,660
<b>Current assets</b>		
Receivables from tenants	-	820
Cash and cash equivalents	-	3,597
Other current assets	-	804
<b>Assets held for sale</b>	<b>11,547</b>	<b>270,869</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	-	535
Long term borrowings	-	119,382
Other non-current liabilities	-	2,150
<b>Current liabilities</b>		
Accrued expenditures	-	957
Advance payments	-	2,564
Short term borrowings	-	3,318
Other current liabilities	-	1,204
<b>Liabilities held for sale</b>	<b>-</b>	<b>130,110</b>
<b>Total, net</b>	<b>11,547</b>	<b>140,759</b>

As of 31 December 2025, in accordance with the requirements of IFRS 5, the land plots located in Constanta, Romania, and in Gdansk and Kalisz, Poland, were classified as held for sale.

As of 31 December 2024, the Atrium Flora shopping centre in Czech Republic, Constanta land plot in Romania and Mel 1 land plot in Turkey were held for sale. The disposal of Atrium Flora shopping centre and Mel 1 land plot took place in 2025 and is part of the Group's strategy to reposition non-core assets portfolio and focus on prime properties located in Poland. Disposal of these properties signifies the Group's exit from Czech Republic and Turkey.

The Turkish government initiated measures to expedite post-earthquake recovery, including nationalizing plots near the Group's property to build housing for displaced individuals. Amid the nationalization risk, the Group formulated an exit strategy in order to mitigate the exposure. In January 2025, the Group completed the disposal of MEL 1, its sole subsidiary in Turkey, for a gross consideration of €53 million, at its book value.

In February 2025, the Group completed the sale of the Atrium Flora shopping center in Czech Republic for an agreed gross consideration of €232,1 million, not including customary price adjustments and transaction costs of €31,2 million.

As of 31 December 2024, borrowings held for sale included secured loan from Berlin-Hannoversche Hypothekenbank AG in total amount of €122,7 million.

Following the signing of separate sale purchase agreements with third parties in 2024 for the sale of Atrium Flora shopping centre in the Czech Republic and in 2025 for the sale of Mel 1 land in Turkey, operations in the Czech Republic and Turkey have been classified as discontinued operations and presented separately in the consolidated statement of profit or loss and in the consolidated cash flow statement for the year ended 31 December 2024 and 31 December 2025.

	2025 €'000	2024 €'000
Gross rental income	2,257	14,900
Service charge income	1,141	7,100
Property expenses	(1,194)	(7,037)
<b>Net rental income</b>	<b>2,204</b>	<b>14,963</b>
Revaluation of standing investments, net	-	(34,320)
Revaluation of redevelopments and land, net	-	(51,261)
Depreciation, amortisation and impairments	(5)	(386)
Administrative expenses	(4)	(588)
Net result on disposals	(18,146)	(23,084)
Costs connected with developments	(3)	(148)
<b>Net operating profit/(loss)</b>	<b>(15,954)</b>	<b>(94,824)</b>
Interest expense, net	(368)	(2,943)
Foreign currency differences	14	(66)
Other financial expense, net	(10)	(41)
<b>Loss before taxation</b>	<b>(16,318)</b>	<b>(97,874)</b>
Tax charge for the period	(168)	12,130
<b>Net loss for the year</b>	<b>(16,486)</b>	<b>(85,744)</b>

## 1.12. CASH AND CASH EQUIVALENTS

Cash balances are analysed as follows:

	31 December 2025 €'000	31 December 2024 €'000
Cash at bank and in hand	46,874	86,721
Deposits	11,565	4,117
<b>Total</b>	<b>58,439</b>	<b>90,838</b>

As of 31 December 2025, €43,6 million (31 December 2024: €80,3 million) of G City Europe's bank balances were denominated in Euro, €3,2 million (31 December 2024: € 6,4 million) in Polish zloty and the remaining in various other currencies.

As of 31 December 2025, the bank deposits were denominated in Polish zloty and had a maturity of 7 days.

## 1.13. STATED CAPITAL AND RESERVES

### STATED CAPITAL

As at 31 December 2025, the total number of ordinary shares authorised and issued was 299,743,870 (2024: 299,743,870 shares), of which 111,990,360 ordinary shares were registered in the name of Gazit Midas Limited, 187,753,510 ordinary shares were registered in the name of Gazit Gaia Limited.

In December 2024, a dividend was declared of 30 cents per share, approximately €89,9 million, which was paid to the shareholders in January 2025.

In December 2025, a dividend was declared of 30 cents per share, approximately €89,9 million, which was paid to the shareholders in January 2026.

### HEDGING RESERVE

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred. See also note 1.15.

### FINANCIAL ASSETS AT FVOCI RESERVE

The financial assets at FVOCI reserve comprises the cumulative net change in the fair value of financial assets at FVOCI until the assets are derecognised.

**CURRENCY TRANSLATION RESERVE**

The currency translation reserve comprises the cumulative amounts of the exchange differences on translation of foreign operations.

Currency translation reserve	31 December 2025	31 December 2024
	€'000	€'000
Poland (retail)	(441)	(441)
Poland (residential)	7,541	6,718
Czech Republic	-	2,928
Romania	(907)	(907)
Turkey	-	(3,486)
<b>Total</b>	<b>6,193</b>	<b>4,812</b>

**HYBRID RESERVE**

In April 2021, the Company priced €350 million green hybrid bonds under its EMTN Programme (the "Hybrid Notes") with an issuance price at 98.197%. The Hybrid Notes carry a coupon of 3.625% until 4 November 2026 ('First Reset Date') and are callable by the Company for the first time on 4 August 2026.

Hybrid Notes are treated as part of shareholder's equity in the Company's financial statements. A holder of Hybrid Notes has no shareholder rights. The hybrid bond coupon is fixed at 3.625% per year until 4 November 2026 and is reset every five years. The Hybrid Notes do not have a set maturity date. The Group has the right to redeem the Hybrid Notes at its sole discretion five years from the date of issue and on every yearly interest payment date thereafter. The Hybrid Notes are unsecured, subordinated to all debt and senior only to ordinary share capital.

In December 2025, the Group bought back from Gazit Midas Limited and cancelled €149,7 million of the Hybrid Notes at a par value with a gain in €26,1 million.

The overall Hybrid Notes net position recognised in equity as a separate reserve is net of transaction costs and amounted to €195,1 million as of 31 December 2025 (31 December 2024: €340,9 million).

Interest paid on the Hybrid Notes is deducted from the stated capital of the Company, whilst any principal repayments are considered as capital reduction and are deducted from the Hybrid reserve.

In 2025, the Company deducted the Coupon from its stated capital in the amount of €13,1 million (2024: €12,7 million). Of this amount, €12,7 million was settled in cash (2024: €12,7 million). The Coupon in €0,4 million relating to the Hybrid Notes repurchased was included in payables to related parties as of 31 December 2025, see Note 1.19.

The Hybrid Note has an off-balance sheet accrued interest of €1,6 million as of 31 December 2025 (31 December 2024: €2,1 million).

**1.14. BORROWINGS**

Borrowings	31 December 2025	31 December 2024
	€'000	€'000
Bonds	119,374	220,861
Bank loans	179,264	308,512
<b>Long-term liabilities</b>	<b>298,638</b>	<b>529,373</b>
Bonds	-	84,563
Bank loans	161,023	3,046
<b>Short-term liabilities</b>	<b>161,023</b>	<b>87,609</b>
<b>Total</b>	<b>459,661</b>	<b>616,982</b>

The undiscounted principal amounts of borrowings are repayable as follows:

Borrowings	31 December 2025	31 December 2024
	€'000	€'000
Due within one year	161,023	87,609
Due in second year	121,130	160,467
Due within third to fifth year inclusive	177,508	368,906
<b>Total</b>	<b>459,661</b>	<b>616,982</b>

#### BONDS

In January 2025, the Group gave notice to the noteholders of the 2025 Notes of their intention to redeem the outstanding amount of approximately €85 million through the exercise of the clean-up call. In February 2025, the redemption was completed.

During the year ended 31 December 2025 the Group bought back and cancelled €103,1 million of the 2027 Notes with a gain in €3,8 million. During the year ended 31 December 2024 the Group bought back and cancelled €244,9 million and €16,0 million of the 2025 Notes and 2027 Notes respectively with a gain in €5,9 million.

The bonds are subject to the following financial covenants: the solvency ratio shall not exceed 60%; the secured solvency ratio shall not exceed 40%; the consolidated coverage ratio shall not be less than 1.5. All covenants were met as of 31 December 2025.

#### BONDS 31 DECEMBER 2025

Bond/Due year	Currency	Interest rate	Average time to maturity	Maturity	Book value	Fair value	Effective interest rate
					€'000	€'000	
G City Europe Limited 2027	EUR	2.625 %	1.7	2027	119,374	113,324	3.0 %
<b>Total/Weighted average</b>		<b>2.6 %</b>	<b>1.7</b>		<b>119,374</b>	<b>113,324</b>	<b>3.0 %</b>

#### BONDS 31 DECEMBER 2024

Bond/Due year	Currency	Interest rate	Average time to maturity	Maturity	Book value	Fair value	Effective interest rate
					€'000	€'000	
G City Europe Limited 2025	EUR	4.25 %	0.7	2025	84,563	83,918	4.8 %
G City Europe Limited 2027	EUR	2.625 %	2.7	2027	220,861	199,068	3.0 %
<b>Total/Weighted average</b>		<b>3.1 %</b>	<b>2.1</b>		<b>305,424</b>	<b>282,986</b>	<b>3.5 %</b>

#### RELATED PARTY CREDIT FACILITY

The related party credit facility from G City of €350,0 million carries a quarterly coupon of 3-month Euribor plus a spread of 1.5% per annum. The maturity date is 31 December 2026.

As of 31 December 2025, the Group has not utilised the related party credit facility (31 December 2024: €nil). The Company has an available financing in total amount €350,0 million of unutilised related party credit facility. The related party credit facility is subordinated to the Group's senior debt.

#### BANK LOANS

In August 2025, the Group raised a loan of €32,0 million from Landesbank Hessen-Thüringen Girozentrale secured by residential properties of Urban Home Warszawa Ostrobramska. The loan matures in 5 years and the principal bears interest rate of 4.428% per annum. The loan is subject to the following financial covenants: Loan to Value, Occupancy and Debt Service Coverage Ratio. All conditions were met as of 31 December 2025.

In August 2024, the Group raised a loan of 80,0 million polish zloty ("Tranche A") and €10,0 million ("Tranche B") from Santander Bank Polska S.A. secured by residential properties of Urban Home Warszawa Rubikon and Urban Home Wrocław Traugutta. The loan matures in 5 years. Tranche A bears interest rate of 6.95% per annum. Tranche B bears interest rate of 5.055% per annum. The loan is subject to the following financial covenants: Loan to Value, Occupancy and Debt Service Coverage Ratio. All conditions were met as of 31 December 2025.

The loan with Landesbank Hessen-Thüringen Girozentrale secured by Wars Sawa Junior retail property is subject to the following financial covenants: Loan to Value and Interest Service Cover Ratio. Both conditions were met as of 31 December 2025. The loan with Berlin Hyp AG (former Berlin-Hannoversche Hypothekbank AG) and Bank Polska Kasa Opieki S.A. secured by CH Promenada retail property is subject to the following financial covenants: Loan to Value and Debt Service Coverage Ratio. Both conditions were met as of 31 December 2025.

During the year ended 31 December 2025 the Group repaid €3,6 million (2024: €5,5 million) of the principal amount of bank loans.

The bank loans interest rates are hedged, see Note 1.15.

#### BANK LOANS 31 DECEMBER 2025

Lender	Currency	Interest rate	Average time to maturity	Maturity	Book value	Fair value	Effective interest rate
					€'000	€'000	
Landesbank Hessen-Thüringen Girozentrale	EUR	2.2 %	0.9	2026	159,255	158,388	2.4 %
Berlin-Hannoversche Hypothekbank AG and Bank Polska Kasa Opieki SA	EUR	6.5 %	2.8	2028	121,593	122,178	6.7 %
Santander Bank Polska	EUR	5.1 %	3.7	2029	9,682	9,762	5.1 %
Santander Bank Polska	PLN	7.0 %	3.7	2029	18,332	18,611	7.0 %
Landesbank Hessen-Thüringen Girozentrale	EUR	4.4 %	4.6	2030	31,425	31,754	4.6 %
<b>Total/Weighted average</b>		<b>4.3 %</b>	<b>2.2</b>		<b>340,287</b>	<b>340,693</b>	<b>4.5 %</b>

#### BANK LOANS 31 DECEMBER 2024

Lender	Currency	Interest rate	Average time to maturity	Maturity	Book value	Fair value	Effective interest rate
					€'000	€'000	
Landesbank Hessen-Thüringen Girozentrale	EUR	2.2 %	1.9	2026	160,822	158,948	2.4 %
Berlin-Hannoversche Hypothekbank AG	EUR	6.5 %	3.8	2028	122,593	123,557	6.7 %
Santander Bank Polska	EUR	5.1 %	4.7	2029	9,795	9,932	5.1 %
Santander Bank Polska	PLN	7.0 %	4.7	2029	18,348	18,644	7.0 %
<b>Total/Weighted average</b>		<b>4.3 %</b>	<b>2.9</b>		<b>311,558</b>	<b>311,081</b>	<b>4.4 %</b>

Accrued interest is not included in the borrowings balance and presented separately in Accrued expenditure, see Note 1.20. For the information about the fair value of loans and bonds, see note 1.30.

Collateral	Fair value of pledged investment properties	Fair value of pledged investment properties
	31 December 2025	31 December 2024
	€'000	€'000
Wars Sawa Junior to Landesbank Hessen-Thüringen Girozentrale	363,033	347,105
Atrium Flora to Berlin-Hannoversche Hypothekbank AG (see Note 1.11)	-	200,988
CH Promenada to Berlin-Hannoversche Hypothekbank AG and Bank Polska Kasa Opieki S.A.	390,208	374,540
Ostrobamska to Landesbank Hessen-Thüringen Girozentrale	79,676	-
Galeria Dominikanska to Mizrahi Tefahot Bank Ltd (see Note 1.34)	-	192,998
Wroclaw Traugutta to Santander Bank Polska S.A.	15,100	14,800
Rubikon Warsaw to Santander Bank Polska S.A.	62,596	60,469
<b>Total</b>	<b>910,613</b>	<b>1,190,900</b>

## 1.15. DERIVATIVES

The Group entered into interest rate swap contracts ("IRSs") in connection with secured bank loans (see Note 1.14). These swaps replaced floating interest rates with fixed interest rates. The floating rate on the IRSs with Landesbank Hessen-Thüringen Girozentrale from November 2018 and August 2025, Bank Polska Kasa Opieki S.A. and Berlin Hyp AG from October 2023 is the three month Euribor and the fixed rates are 0.640%, 2.378% and 3.51% respectively. The floating rates on the IRSs with Santander Bank Polska S.A. from August 2024 are the one month Wibor for Tranche A and the one month Euribor for Tranche B and the fixed rates are 4.65% and 2.455% respectively.

As of 31 December 2024, the interest rate swap contract in connection with the secured loan from Berlin-Hannoversche Hypothekbank AG was classified as asset held for sale and this was subsequently settled in February 2025 following the sale of Atrium Flora.

The swaps have similar terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount and are included in cash flow hedges to reduce the Group's cash flow volatility due to variable interest rates on the bank loans.

An economic relationship between the hedging instrument and the hedged item exists; the hedging instrument and the hedged item have values that move in the opposite direction and offset each other. The interest rate risk associated with the floating debt instruments are hedged entirely with having 1:1 hedge ratio. The IRSs are measured at fair value using the discounted future cash flow method.

The fair value measurement of the IRSs are derived from inputs other than quoted prices in active markets. The inputs used to determine the future cash flows are the Euribor and Wibor forward curve and an appropriate discount rate. The inputs used are derived either directly or indirectly. Therefore, these IRSs are classified as a Level 2 fair value measurement under IFRS 13.

Interest rate swaps	31 December 2025 €'000	31 December 2024 €'000
Carrying amount (liability)	(5,085)	(6,425)
Carrying amount (asset)	1,989	4,486
Notional amount	341,795	313,181
Change in fair value of outstanding hedging instruments since 1 January <sup>1</sup>	(1,157)	(6,389)
Transfer to assets/liabilities held for sale	-	2,740

<sup>1</sup>Change in fair value for the period ended 31 December 2024 includes €2,7 million gross revaluation loss from hedging instruments classified as held for sale (31 December 2025: €nil), see Note 1.11.

## 1.16. DEFERRED TAX

Deferred tax liabilities 2025	Balance as at 1 January 2025 €'000	Deferred tax to the statement of profit or loss €'000	Deferred tax recognised in OCI €'000	Deferred tax on properties sold €'000	Balance as at 31 December 2025 €'000
Investment properties	(37,095)	(14,533)	-	6,982	<b>(44,646)</b>
Other assets	(297)	291	-	17	<b>11</b>
Liabilities and provisions	5,492	1,849	-	(950)	<b>6,391</b>
Tax losses carried forward	6,985	(2,234)	-	-	<b>4,751</b>
Other	140	-	274	-	<b>414</b>
<b>Total</b>	<b>(24,775)</b>	<b>(14,627)</b>	<b>274</b>	<b>6,049</b>	<b>(33,079)</b>

The main drivers for the increase in deferred tax liabilities relate to revaluation gain of investment properties and corporate income tax rate change at Urban Home Warszawa Ostrobramska from 9% to 19% reaching an annual revenue threshold in €2,0 million in 2025. The effect is offset by deferred tax liabilities of the investment properties disposed of, see Note 1.34.

Deferred tax liabilities 2024	Balance as at 1 January 2024	Deferred tax to the statement of profit or loss	Deferred tax recognised in OCI	Deferred tax on properties sold	Deferred tax classified as held for sale	Balance as at 31 December 2024
	€'000	€'000	€'000	€'000	€'000	€'000
Investment properties	(31,324)	(17,669)	-	10,029	1,869	<b>(37,095)</b>
Other assets	(487)	48	-	142	-	<b>(297)</b>
Liabilities and provisions	5,361	283	-	(152)	-	<b>5,492</b>
Tax losses carried forward	6,533	1,789	-	(1,249)	(88)	<b>6,985</b>
Other	(885)	(318)	1,343	-	-	<b>140</b>
<b>Total</b>	<b>(20,802)</b>	<b>(15,867)</b>	<b>1,343</b>	<b>8,770</b>	<b>1,781</b>	<b>(24,775)</b>

### 1.17. LEASE LIABILITIES

The liabilities from leases as of 31 December 2025 consisted of liabilities related to long term land leases in Poland. The short term portion of lease liabilities was disclosed as trade and other payables (see note 1.19).

**Land lease payments are due as follows:**

Liabilities from leases	31 December 2025 Net present value	31 December 2025 Undiscounted lease payments	31 December 2024 Net present value	31 December 2024 Undiscounted lease payments
	€'000	€'000	€'000	€'000
Due within one year	2,707	2,774	2,987	3,056
Due within two to five years	8,964	10,889	9,940	12,053
Due after five years	28,412	167,092	31,561	186,652
<b>Total</b>	<b>40,083</b>	<b>180,755</b>	<b>44,488</b>	<b>201,761</b>
Amounts due within 12 months	2,707	2,774	2,987	3,056
Amounts due after more than 12 months	37,376	177,981	41,501	198,705

The lease obligations are mainly denominated in Polish Zloty. The Group has two material lease arrangements in Poland; CH Promenada, with a net present value ("NPV") of €16,1 million (2024: €16,0 million) and Wars Sawa Junior, with a NPV of €9,9 million (2024: €9,8 million).

### 1.18. OTHER LONG TERM LIABILITIES

Other long term liabilities of €8,2 million (2024: €9,5 million) principally comprise of the deferred payment on the purchase price of Wolksa land totalling €5,7 million (2024: €5,4 million) and long term deposits from tenants amounting to €2,1 million (2024: €3,1 million). The deferred payment is due once building permits are received which is expected to take place in 2027.

## 1.19. TRADE AND OTHER PAYABLES

Trade and other payables	31 December 2025	31 December 2024
	€'000	€'000
Payables to related parties	90,529	90,674
Short term liabilities from leasing	3,033	3,498
Short term deposits from tenants	2,717	3,104
VAT payable	1,005	1,218
Payables connected with development/construction	974	2,381
Deferred revenue	581	1,163
Payables to tenants	214	686
Other taxes and fees payable	260	337
Other	1,734	1,790
<b>Total</b>	<b>101,047</b>	<b>104,851</b>

Payables to related parties comprise €89,9 million of the dividends declared, see Note 1.13, €0,4 million the Hybrid Notes Coupon from the buyback and €0,2 million payable from cancellation of Mizrahi Tefahot Bank Ltd guarantee, see Note 1.34.

## 1.20. ACCRUED EXPENDITURE

Accrued expenditure	31 December 2025	31 December 2024
	€'000	€'000
Service charge and turnover accrual	5,580	6,809
Construction services	3,558	689
Employee compensation	2,353	2,832
Maintenance, security, cleaning and marketing	1,200	1,427
Utilities	1,068	1,229
Bonds interest	1,012	2,986
Consultancy and audit services	881	986
Rent	752	283
Business restructuring	80	221
Other	2,907	2,087
<b>Total</b>	<b>19,391</b>	<b>19,549</b>

## 1.21. GROSS RENTAL INCOME

Gross rental income ("GRI") includes rental income from the lease of investment properties, and from advertising areas, communication equipment and other sources.

Breakdown of GRI is as follows:

Country	Year ended 31 December 2025		Year ended 31 December 2024	
	€'000	% of total GRI	€'000	% of total GRI
Poland (retail)	75,878	91.4 %	83,831	94.1 %
Poland (residential)	7,175	8.6 %	5,231	5.9 %
Cyprus	6	- %	-	- %
<b>Total</b>	<b>83,059</b>	<b>100 %</b>	<b>89,062</b>	<b>100 %</b>

Undiscounted cash flows expected from rental contracts:

<b>Expected undiscounted cash flows from rental contracts</b>	<b>Total</b>
<b>2025</b>	<b>€'000</b>
Received within 1 year	38,076
Received between 1 and 2 years	44,316
Received between 2 and 3 years	41,590
Received between 3 and 4 years	34,555
Received between 4 and 5 years	28,779
Received later than 5 years	161,378
<b>Total</b>	<b>348,694</b>

<b>Expected undiscounted cash flows from rental contracts</b>	<b>Total</b>
<b>2024</b>	<b>€'000</b>
Received within 1 year	64,192
Received between 1 and 2 years	52,286
Received between 2 and 3 years	44,018
Received between 3 and 4 years	32,728
Received between 4 and 5 years	23,587
Received later than 5 years	91,953
<b>Total</b>	<b>308,764</b>

The undiscounted cash flows assume the following assumptions:

- rental income is based on contractual base rent only
- indexation and turnover rent have been ignored
- it includes occupied GLA as of 31 December.

## 1.22. SERVICE CHARGE INCOME

Service charge income of €26.1 million (2024: €28.3 million) represents income from services re-invoiced to tenants and results mainly from re-invoiced utilities, marketing, repairs and maintenance and is recorded on a gross basis. Expenses to be re-invoiced to tenants are presented under net property expenses together with other operating costs that are not re-invoiced to tenants.

## 1.23. PROPERTY EXPENSES

<b>Net property expenses</b>	<b>Year ended</b>	<b>Year ended</b>
	<b>31 December</b>	<b>31 December</b>
	<b>2025</b>	<b>2024</b>
	<b>€'000</b>	<b>€'000</b>
Utilities	(9,565)	(11,262)
Security cleaning and other facility related costs	(6,451)	(6,683)
Repair & Maintenance	(4,612)	(4,868)
Real estate tax	(4,581)	(4,533)
Direct employment costs	(3,179)	(2,744)
Marketing and other consulting	(2,774)	(3,914)
Office related expenses	(78)	(63)
Doubtful debtors, net	445	(63)
Other	(2,180)	(2,708)
<b>Total</b>	<b>(32,975)</b>	<b>(36,838)</b>

## 1.24. ADMINISTRATIVE EXPENSES

Administrative expenses	Year ended	Year ended
	31 December 2025	31 December 2024
	€'000	€'000
Employee costs	(7,599)	(6,397)
Consultancy and other advisory fees	(926)	(755)
Audit, audit related and review fees	(917)	(930)
Expenses related to directors	(832)	(169)
Marketing costs	(676)	(209)
Communication and IT	(597)	(613)
Legal costs	(390)	(717)
Travel expenses	(349)	(329)
Office costs	(345)	(221)
Management fee income	2,369	959
Decrease/(Increase) in provisions	-	2,298
Other administrative expenses	(1,001)	(988)
<b>Total</b>	<b>(11,263)</b>	<b>(8,071)</b>

The annual remuneration for 2025 to the Group Executive Team of the Company was in a total amount of €1,6 million (2024: €1,6 million) which includes base salary, allowances, benefits and annual target bonus. The Group does not have any significant defined benefit pension plans.

Administrative expenses for the year ended 31 December 2024 include the legal provision reversal in amount of €2,6 million.

## 1.25. NET RESULT ON DISPOSALS

Net result on disposals	Year ended	Year ended
	31 December 2025	31 December 2024
	€'000	€'000
Jastrzebie land plot	(3,312)	-
Coletrade properties, see Note 1.34	(649)	-
Atrium Targówek	-	4,137
Urban Home Krakow Wroclawska	144	5,522
Atrium Poland 1	-	(5,108)
Others	36	(222)
<b>Total</b>	<b>(3,781)</b>	<b>4,329</b>

## 1.26. INTEREST INCOME AND INTEREST EXPENSE

Interest expense net	Year ended	Year ended
	31 December 2025	31 December 2024
	€'000	€'000
Interest income	15,358	17,493
Interest expense	(18,755)	(28,857)
<b>Total</b>	<b>(3,397)</b>	<b>(11,364)</b>

The Group's gross interest expense consists of finance expense on bonds of €6,1 million (2024: €17,8 million), on bank loans of €14,5 million (2024: €13,1 million), on the related party credit facility of €nil (2024: €0,5 million) before capitalisation of the general borrowing costs in total amount of €1,9 million (2024: €2,0 million) to the qualifying assets.

Interest income in 2025 consists of €2,9 million interest on the loans provided to third parties (2024: €5,3 million) and €11,6 million interest on the loans provided to related parties (2024: €10,6 million).

## 1.27. OTHER FINANCIAL INCOME/(EXPENSE), NET

Interest expense net	Year ended	Year ended
	31 December 2025	31 December 2024
	€'000	€'000
Gain from bonds buy back	3,514	5,998
Other financial income from related parties	1,254	1,588
Other financial expense to related parties	-	(115)
Interest on leases	(3,436)	(2,994)
G City commitment fees and upfront costs	(1,750)	(1,750)
Bank costs	(302)	(363)
Other financial expense	(385)	(99)
<b>Total</b>	<b>(1,105)</b>	<b>2,265</b>

Other financial income from related parties comprises €0,7 million guarantee fee receivable (2024: €0,7 million), €0,6 million credit facility commitment fee (2024: €0,8 million).

## 1.28. TAXATION CHARGE FOR THE YEAR

Taxation charge for the period	Year ended 31 December 2025	Year ended 31 December 2024
	€'000	€'000
Corporate income tax expense	(7,094)	(1,342)
Deferred tax (charge)/credit	(14,627)	(15,867)
Adjustments to corporate income tax previous years	52	978
<b>Income tax charged to the statement of profit or loss</b>	<b>(21,669)</b>	<b>(16,231)</b>

The subsidiary companies are subject to taxes for their respective businesses in the countries of their registration at the rates prevailing in those jurisdictions.

Effective tax rate

**A reconciliation between the current year income tax charge and the accounting profit before tax is shown below:**

	2025	2025	2024	2024
	€'000	%	€'000	%
Profit (loss) before taxation	109,800		186,733	
Income tax (charge)/credit	(5,315)	4.8 %	(5,693)	3.0 %
Tax effect of non-taxable income/(non-deductible expenses)	(6,175)		(7,085)	
Tax effect of losses previously not recognised	(2,151)		(5,158)	
Deferred tax asset not recognised	(1,439)		(1,651)	
Tax adjustment of previous years	52		978	
FX impact on non financial tax base	2,622		3,047	
Change in income tax rate, see Note 1.16	(4,598)		-	
Others <sup>1</sup>	(4,665)		(669)	
<b>Tax charge</b>	<b>(21,669)</b>		<b>(16,231)</b>	
<b>Effective tax rate</b>		<b>19.7 %</b>		<b>8.7 %</b>

<sup>1</sup>Corporate income tax expense for the year ended 31 December 2025 includes the withholding tax provision, see Note 1.35.

Unrecognised deferred tax assets and liabilities:

As at 31 December 2025, deferred tax liabilities of €29,2 million (2024: €68,8 million) on temporary differences at the time of initial recognition arising from investment property transactions treated as an asset acquisition had not been recognised in accordance with the initial recognition exemption in IAS 12, Income taxes.

The Group has not recognised deferred tax assets of €9,1 million (2024: €11,5 million) as it is not probable that future taxable profit will be available against which the Group can utilise these benefits. These unrecognised deferred tax assets arise primarily from temporary differences between the tax carrying amounts and the fair values of standing investments, as well as from tax losses carried-forward. The tax losses expire over a number of years, in accordance with local tax legislation.

Unrecognised deferred tax assets

Country	31 December 2025	31 December 2024
	€'000	€'000
Poland	6,760	9,077
Romania	617	892
Others	1,744	1,573
<b>Total</b>	<b>9,121</b>	<b>11,542</b>

The Group is liable for taxation on taxable profits in the following jurisdictions at the rates below:

Country	31 December 2025	31 December 2024
	%	%
Poland	19.0 %	19.0 %
Czech Republic	21.0 %	21.0 %
Romania	16.0 %	16.0 %
Turkey	25.0 %	25.0 %
Cyprus	12.5 %	12.5 %
Netherlands	25.8 %	25.8 %

In Poland, reduced rate of 9% may be applied to small taxpayers with revenue not exceeding €2,0 million on an annual basis.

## 1.29. SEGMENT REPORTING

The standing investment segment includes all commercial and residential real estate held to generate rental income for the Group. The development segment includes all development activities and land plots. The reconciling items mainly include holding activities and other items that relate to activities other than the standing investment segment and the development segment.

The Group evaluates performance of the standing investment segment on the basis of profit or loss from operations before tax excluding foreign exchange gains and losses. The performance of the development segment is evaluated on the basis of expected yield on cost.

The segment reporting is based on the internal reporting to the Board of Directors, as the chief operating decision maker ('CoDM'). The Board of Directors as chief decision makers of the Group monitor the contribution made by the segments to the company's performance on the basis of the segment operating profit/(loss). Total Asset and liabilities items are not reported separately to the CoDM.

Reportable segments for the period ended 31 December 2025	Standing	Redevelopments	Reconciling	Total
	Investment segment	and land segment	item	
	€'000	€'000	€'000	€'000
Gross rental income	83,059	-	-	83,059
Service charge income	26,107	-	-	26,107
Net property expenses	(32,975)	-	-	(32,975)
<b>Net rental income - retail</b>	<b>71,451</b>	-	-	<b>71,451</b>
<b>Net rental income - residential</b>	<b>4,740</b>	-	-	<b>4,740</b>
Net result on disposals	(3,781)	-	-	(3,781)
Costs connected with developments	-	(330)	-	(330)
Revaluation of retail properties	41,183	1,584	-	42,767
Revaluation of residential properties	11,464	1,390	-	12,854
Depreciation, amortisation and impairments	(2,134)	-	-	(2,134)
Administrative expenses	(5,083)	(172)	(6,008)	(11,263)
Share of profit of equity-accounted investment in joint ventures	-	-	(910)	(910)
<b>Net operating (loss)/profit</b>	<b>117,840</b>	<b>2,472</b>	<b>(6,918)</b>	<b>113,394</b>
Interest expense, net	-	-	(3,397)	(3,397)
Foreign currency differences	-	-	908	908
Other financial income/expenses, net	-	-	(1,105)	(1,105)
<b>Profit / (loss) before taxation</b>	<b>117,840</b>	<b>2,472</b>	<b>(10,512)</b>	<b>109,800</b>
Taxation charge for the period	-	-	(21,669)	(21,669)
<b>Profit / (loss) after taxation</b>	<b>117,840</b>	<b>2,472</b>	<b>(32,181)</b>	<b>88,131</b>
Retail and office properties	950,689	39,612	-	990,301
Additions to retail properties	16,570	1,124	-	17,694
Residential properties	157,372	103,389	(31,000) <sup>1</sup>	229,761
Additions to residential properties	1,194	6,238	-	7,432

<sup>1</sup>Our 50% share of land plot held in a joint venture in Poland.

Reportable segments for the period ended 31 December 2024	Standing	Redevelopments	Reconciling	Total
	Investment segment	and land segment	item	
	€'000	€'000	€'000	€'000
Gross rental income	89,062	-	-	89,062
Service charge income	28,305	-	-	28,305
Net property expense	(36,838)	-	-	(36,838)
<b>Net rental income - retail</b>	<b>77,631</b>	-	-	<b>77,631</b>
<b>Net rental income - residential</b>	<b>2,898</b>	-	-	<b>2,898</b>
Net result on disposals	4,329	-	-	4,329
Costs connected with developments	-	(139)	-	(139)
Revaluation of retail properties	104,136	(10,121)	-	94,015
Revaluation of residential properties	10,704	17,859	-	28,563
Depreciation, amortisation and impairments	(2,158)	-	-	(2,158)
Administrative expenses	(4,861)	(126)	(3,084)	(8,071)
Share of profit of equity-accounted investment in joint ventures	-	-	(870)	(870)
<b>Net operating (loss)/profit</b>	<b>192,679</b>	<b>7,473</b>	<b>(3,954)</b>	<b>196,198</b>
Interest expense, net	-	-	(11,364)	(11,364)
Foreign currency differences	-	-	(366)	(366)
Other financial income/expenses, net	-	-	2,265	2,265
<b>Profit / (loss) before taxation</b>	<b>192,679</b>	<b>7,473</b>	<b>(13,419)</b>	<b>186,733</b>
Taxation charge for the period	-	-	(16,231)	(16,231)
<b>Profit / (loss) after taxation</b>	<b>192,679</b>	<b>7,473</b>	<b>(29,650)</b>	<b>170,502</b>
Retail properties	1,344,186	59,886	-	1,404,072
Additions to retail properties	8,364	292	-	8,656
Residential properties	105,869	130,814	(31,000) <sup>1</sup>	205,683
Additions to residential properties	441	28,087	-	28,528

<sup>1</sup>Our 50% share of land plot held in a joint venture in Poland.

## 1.30. FAIR VALUE

Fair value measurements recognised in the consolidated statement of financial position are categorised using the fair value hierarchy that reflects the significance of the inputs used in determining the fair values:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

**Group assets and liabilities at fair value in the statement of financial position as at 31 December 2025:**

	Note	Level 1	Level 2	Level 3	Fair value as at 31 December 2025
		€'000	€'000	€'000	€'000
<b>Standing investments</b>	1.4				
Poland		-	-	1,105,395	1,105,395
Cyprus		-	-	2,666	2,666
<b>Total standing investments</b>		-	-	<b>1,108,061</b>	<b>1,108,061</b>
<b>Redevelopments and land</b>	1.5				
Poland		-	-	112,001	112,001
<b>Total redevelopments and land</b>		-	-	<b>112,001</b>	<b>112,001</b>
<b>Assets and liabilities net of disposal group held for sale</b>	1.11	-	<b>11,547</b>	-	<b>11,547</b>
<b>Financial assets measured at fair value: derivatives (net)</b>	1.15	-	<b>(3,096)</b>	-	<b>(3,096)</b>

**Group assets and liabilities at fair value in the statement of financial position as at 31 December 2024:**

	Note	Level 1	Level 2	Level 3	Fair value as at 31 December 2024
		€'000	€'000	€'000	€'000
<b>Standing investments</b>	1.4				
Poland		-	-	1,450,054	1,450,054
<b>Total standing investments</b>		-	-	<b>1,450,054</b>	<b>1,450,054</b>
<b>Redevelopments and land</b>	1.5				
Poland		-	-	152,699	152,699
<b>Total redevelopments and land</b>		-	-	<b>152,699</b>	<b>152,699</b>
<b>Assets and liabilities net of disposal group held for sale</b>	1.11	-	<b>260,988</b>	-	<b>260,988</b>
<b>Financial assets measured at fair value: derivatives (net)</b>	1.15	-	<b>(1,939)</b>	-	<b>(1,939)</b>

**Investment properties measured at level 3 fair value:**

	2025		2024	
	Standing Investment segment €'000	Redevelopments and land segment €'000	Standing Investment segment €'000	Redevelopments and land segment €'000
<b>Balance as at 1 January</b>	<b>1,450,054</b>	<b>152,699</b>	<b>1,547,173</b>	<b>240,960</b>
<b>Profit (loss) included in the Statement of profit or loss</b>				
Revaluation of investment properties	52,647	2,974	114,840	7,738
Revaluation of discontinued operations	-	-	-	(51,260)
<b>Additions and Disposals</b>				
New properties	2,666	-	-	12,936
Construction technical improvements and extensions	15,098	7,362	8,805	15,442
Disposals	(456,115)	(7,200)	(245,515)	-
<b>Other movements</b>				
Movements in leases	-	265	44	129
Exchange differences arising on translation of residential properties	1,201	1,027	1,484	964
Transfers from redevelopments and land to standing Investments	42,285	(42,285)	22,878	(22,878)
Borrowing costs capitalisation	225	1,710	345	1,668
Transfer to assets held for sale	-	(4,551)	-	(53,000)
<b>Balance as at 31 December</b>	<b>1,108,061</b>	<b>112,001</b>	<b>1,450,054</b>	<b>152,699</b>

**A description of the Investment Properties' valuation process:**

The policies and procedures for standing investments and redevelopments and land valuations are approved by the Board of Directors.

The criteria for selecting the valuation companies includes recognised professional qualifications, reputation and recent experience in the respective locations and categories of the properties being valued.

Full external valuations of all the assets within the Group's standing investment properties are performed on an annual basis at year end. An interim update valuation is performed only if material changes in net annual rental income occurred during the period or when deemed necessary by the management.

The fair values of all standing investments were determined on the basis of independent external valuations received from Savills. Savills are external, independent valuation companies and real estate consultants, having an appropriately recognised professional qualification and recent experience in the respective locations and categories of properties being valued. The valuations were prepared in accordance with the Royal Institution of Chartered Surveyors Valuation Standards published by the Royal Institution of Chartered Surveyors (the "Red Book").

The majority of the significant unobservable inputs are provided by the Company's external, independent, international valuers and reflect current market assessments, while taking into account each property's unique characteristics.

The valuation results of the investment properties are presented to the Board of Directors. This includes a discussion of any changes to the significant assumptions used in the valuations, significant changes (or, lack of changes if such are expected) in the valuations and the current economic situation of the market where the properties are located.

For the Cap rates diversification across the Group's income producing portfolio see note 1.4.

**The valuation techniques used in measuring the fair value of the Group's assets and liabilities which are presented at fair values in the statement of financial position as at 31 December 2025:**

**Standing investments:**

The fair value of standing investments is determined using a Discounted Cash Flow model. The Discounted Cash Flow model considers the present value of the net cash flow to be generated from the properties, taking into account the aggregate of the net annual rental income. The expected net cash flows are capitalised using a capitalisation rate that is based on the recent property transactions, general knowledge of the market and investment funds' expectations. This Cap rate is considered an 'all risks yield' and accounts for the investors view of the specifics of the property and it's leasing status. The Group categorises the standing investments fair value as Level 3 within the fair value hierarchy.

Significant unobservable inputs used in the fair value measurement of standing investments for the Discounted Cash Flow method:

<b>Significant unobservable inputs 2025</b>	<b>Range</b>	<b>Weighted average</b>
Estimated rental value ("ERV")	€1 - €160 per sqm per month	€25,0 per sqm per month
Capitalisation rate	5.45% - 8.7%	6.1%

Inter-relationship between key unobservable inputs and fair value measurements:

<b>2025</b>	<b>Estimated change € in millions</b>	<b>Estimated total fair value following the change € in millions</b>
Increase of 5% in ERV	53.7	1,159.1
Decrease of 5% in ERV	(53.7)	1,051.7
Increase of 25bp in Cap rates	(40.0)	1,065.4
Decrease of 25bp in Cap rates	43.2	1,148.6

<b>Significant unobservable inputs 2024</b>	<b>Range</b>	<b>Weighted average</b>
Estimated rental value ("ERV")	€1 - €225 per sqm per month	€22,6 per sqm per month
Capitalisation rate	5.45% - 8.5%	6.3%

Inter-relationship between key unobservable inputs and fair value measurements:

<b>2024</b>	<b>Estimated change € in millions</b>	<b>Estimated total fair value following the change € in millions</b>
Increase of 5% in ERV	70.7	1,520.7
Decrease of 5% in ERV	(70.7)	1,379.4
Increase of 25bp in Cap rates	(53.5)	1,396.5
Decrease of 25bp in Cap rates	57.9	1,508.0

**Redevelopments and land:**

The fair value of 14% of redevelopments and land (31 December 2024: 17%) was determined using the Comparable method. The Comparable valuation method is based on the sales (offering and listing) prices of similar properties that have recently been transacted in the open market. Sales prices are analysed by applying appropriate units of comparison and are adjusted for differences with the valued property on the basis of elements of comparison, such as location, land ownership risk, size of the plot and zoning etc. Such adjustments are not considered to be observable market inputs.

Significant unobservable input used in the fair value measurement of redevelopments and land for the Comparable method:

Significant unobservable inputs 2025	Range	Weighted average
Price	€5,071 per sqm	€5,071 per sqm

Inter-relationship between key unobservable inputs and fair value measurements:

2025	Estimated change € in millions	Estimated total fair value following the change € in millions
Increase of 5% in price	0.8	17.0
Decrease of 5% in price	(0.8)	15.4

Significant unobservable inputs 2024	Range	Weighted average
Price	€45 - €4,787 per sqm	€166 per sqm

Inter-relationship between key unobservable inputs and fair value measurements:

2024	Estimated change € in millions	Estimated total fair value following the change € in millions
Increase of 5% in price	1.2	25.4
Decrease of 5% in price	(1.2)	23.0

The fair value of 8% of redevelopments and land (31 December 2024: 5%) was determined using the Cost method. The fair value of the remaining 78% of redevelopments and land (31 December 2024: 78%) was determined using the Residual value method. The Residual value method uses the present value of the market value expected to be achieved in the future from the standing investment once it is developed less estimated cost to completion on the basis that the development is compliant with zoning regulations. The rental levels are set at the current market levels capitalised at the net yield which reflects the risks inherent in the net cash flows.

Significant unobservable inputs used in the fair value measurement of redevelopments and land for the Residual valuation method:

Significant unobservable inputs 2025	Range	Weighted average
ERV	€15,4 - €16 per sqm per month	€15,8 per sqm per month
Capitalisation rate	8.0%	8.0%
Construction costs	€1,458 - €1,513 per sqm GLA	€1,475 per sqm GLA
Development Time Frame	1 - 1.5 years	1.16 years

Inter-relationship between key unobservable inputs and fair value measurements:

2025	Estimated change € in millions	Estimated total fair value following the change € in millions
Increase of 5% in ERV	4.7	103.2
Decrease of 5% in ERV	(4.6)	93.9
Increase of 25bp in Cap rates	(2.6)	95.9
Decrease of 25bp in Cap rates	2.9	101.4
Increase of 5% in expected construction costs	(3.1)	95.5
Decrease of 5% in expected construction costs	3.1	101.7
Increase of +1 year in development timeframe	(2.2)	96.3
Decrease of - 1 year in development timeframe	2.5	101.0

Significant unobservable inputs 2024	Range	Weighted average
ERV	€15.4 - €16 per sqm per month	€15.8 per sqm per month
Capitalisation rate	8.3 - 8.4%	8.30%
Construction costs	€1,458 - €2,369 per sqm GLA	€1,520 per sqm GLA
Development Time Frame	1 - 1.5 years	1.17 years

Inter-relationship between key unobservable inputs and fair value measurements:

2024	Estimated change	Estimated total fair value following the change
	€ in millions	€ in millions
Increase of 5% in ERV	4.7	133.2
Decrease of 5% in ERV	(4.6)	123.8
Increase of 25bp in Cap rates	(2.6)	125.8
Decrease of 25bp in Cap rates	2.9	131.4
Increase of 5% in expected construction costs	(3.6)	124.9
Decrease of 5% in expected construction costs	3.7	132.1
Increase of +1 year in development timeframe	(2.6)	125.9
Decrease of - 1 year in development timeframe	2.9	131.4

#### Assets and liabilities, net of disposal group held for sale

As at 31 December 2025, disposal group held for sale was €11,5 million (31 December 2024: €261,0 million). The Group categorises the fair value of the assets and liabilities held for sale as Level 2 within the fair value hierarchy in case of the sale agreements signed by the Group and third parties.

#### Interest rate swaps used for hedging

The swaps are cash flow hedges designed to reduce the Group's cash flow exposure to variable interest rates on certain borrowings. The swaps are presented at fair value. The Group categorises fair value swaps as Level 2 within the fair value hierarchy. The inputs used to determine the future cash flows are the 3 month Euribor forward curve and an appropriate discount rate. The inputs used are derived either directly (i.e. as prices) or indirectly (i.e. from prices).

The following table shows the assets and liabilities of the Group which are not presented at fair value in the statement of financial position as at 31 December 2025, including their levels in the fair value hierarchy:

	Level	2025		2024	
		Net book value €'000	Fair value €'000	Net book value €'000	Fair value €'000
<b>Financial liabilities</b>					
Bonds	2	119,374	113,324	305,424	282,986
Bank loans	2	340,287	340,694	311,558	311,081
<b>Total</b>		<b>459,661</b>	<b>454,018</b>	<b>616,982</b>	<b>594,067</b>

The fair values of loans and bonds were determined by an external appraiser using discounted cash flow models, zero-cost derivative strategies for fixing the future values of market variables.

Fair values have been determined with reference to market inputs, the most significant of which are:

- Quoted EUR yield curve;
- Volatility of EUR swap rates
- Fair values of effected market transactions.

Fair value measurements used for bonds and loans are categorised within Level 2 of the fair value hierarchy.

## 1.31. CATEGORIES OF FINANCIAL INSTRUMENTS

The Group distinguishes the following categories of financial instruments:

2025	Carrying amount	Financial assets at amortised cost	Financial assets at FVOCI	Financial liabilities at amortised cost	Financial liabilities at FVOCI
	€'000	€'000	€'000	€'000	€'000
<b>Financial assets</b>					
Other assets	10,039	10,039	-	-	-
Receivables from tenants	1,788	1,788	-	-	-
Other receivables	6,984	6,984	-	-	-
Cash and cash equivalents	58,439	58,439	-	-	-
Financial assets at amortised cost	514,951	514,951	-	-	-
Derivatives	1,989	-	1,989	-	-
<b>Total financial assets</b>	<b>594,190</b>	<b>592,201</b>	<b>1,989</b>	-	-
<b>Financial liabilities</b>					
Long term borrowings	298,638	-	-	298,638	-
Derivatives	5,085	-	-	-	5,085
Long term lease liabilities	37,376	-	-	37,376	-
Other long term liabilities	8,210	-	-	8,210	-
Trade and other payables	98,288	-	-	98,288	-
Accrued expenditure	19,391	-	-	19,391	-
Short term borrowings	161,023	-	-	161,023	-
<b>Total financial liabilities</b>	<b>628,011</b>	-	-	<b>622,926</b>	<b>5,085</b>
<b>2024</b>					
	Carrying amount	Financial assets at amortised cost	Financial assets at FVOCI	Financial liabilities at amortised cost	Financial liabilities at FVOCI
	€'000	€'000	€'000	€'000	€'000
<b>Financial assets</b>					
Other assets	7,148	7,148	-	-	-
Receivables from tenants	5,888	5,888	-	-	-
Other receivables	5,932	5,932	-	-	-
Cash and cash equivalents	90,838	90,838	-	-	-
Financial assets at amortised cost	267,015	267,015	-	-	-
Derivatives	4,486	-	-	4,486	-
<b>Total financial assets</b>	<b>381,307</b>	<b>376,821</b>	-	<b>4,486</b>	-
<b>Financial liabilities</b>					
Long term borrowings	529,373	-	-	529,373	-
Derivatives	6,425	-	-	-	6,425
Long term lease liabilities	41,501	-	-	41,501	-
Other long term liabilities	9,465	-	-	9,465	-
Trade and other payables	104,851	-	-	104,851	-
Accrued expenditure	19,399	-	-	19,399	-
Short term borrowings	87,609	-	-	87,609	-
<b>Total financial liabilities</b>	<b>798,623</b>	-	-	<b>792,198</b>	<b>6,425</b>

The fair values of bonds and loans presented under long term financial liabilities are disclosed in note 1.14. The remaining financial liabilities are stated at amortised cost which is deemed not to be significantly different from their fair value. The fair values of the financial assets are deemed to equal their book values.

## 1.32. CAPITAL MANAGEMENT

The capital structure of the Group consists of borrowings (as detailed in note 1.14), cash and cash equivalents and equity.

The capital structure of the Group is reviewed regularly. Based on the Board of Directors decision, the Group manages its capital structure mainly by dividend distributions, debt raising and debt repayments.

For information about loans and bond covenants see note 1.14. For information about the capital structure of the Group see note 1.13.

Dividends totalling €89,9 million were declared in 2025 and fully paid in January 2026 (2024: €89,9 million).

### 1.33. RISK MANAGEMENT

The objective of the Group is to manage, invest and operate commercial real estate and residential for rent in Central Europe in order to increase their intrinsic value.

The risk exposures of the Group are periodically assessed and reported to the Board of Directors.

#### **CREDIT RISK**

Credit risk is defined as unforeseen losses on financial assets if counterparties should default.

The creditworthiness of tenants is closely monitored by a regular review of accounts receivable.

G City Europe attempts to minimise the concentration of credit risk by spreading the exposure over a large number of counterparties.

The creditworthiness of a tenant can decline over the short or medium term, for example as a result of change in the economic environment, leading to a risk that the tenant will become insolvent or be otherwise unable to meet its obligations under the lease. Any significant credit losses could have a material adverse effect on the Group's business, financial condition, cash flows, prospects and results of operations.

Furthermore, the Group holds collateral from tenants which would reduce the financial impact on the Group in the event of default. The collateral is represented by deposits from tenants and covers rents of one to three months. In 2025, the Group had secured long term deposits from tenants amounting to €2,1 million (2024: €3,2 million) and short term deposits amounting to €2,7 million (2024: €3,1 million) and secured bank guarantees.

The table in note 1.9 provides an ageing analysis of receivables from tenants and an overview of the allowances made for doubtful balances.

The credit exposure of the Group arising from the financial assets, as disclosed in note 1.31, represents the maximum credit exposure due to financial assets.

To spread the risk connected to the potential insolvency of financial institutions, the Group deposits cash balances at various international banking institutions. Before a deposit is made, a review of the credit ratings of the banking institutions is undertaken and only banks with credit ratings of an investment grade or better are selected by the Board of Directors.

#### **LIQUIDITY RISK**

Liquidity within the Group is managed by appropriate liquidity planning and through an adequate financing structure, which is linked to our capital management objectives.

The Group's liquidity requirements arise primarily from the need to fund its residential strategy, redevelopment projects, other property acquisitions and other capital expenditures, debt servicing and debt service costs, property management services and operating expenses. To date, these have been funded through bonds, proceeds from disposal of assets and bank borrowings, and, to a lesser extent, from cash flow from operations (including rental income and service charges). In addition, the Group has an available financing in total amount €350,0 million unutilised related party credit facility.

Liquid funds, comprising cash and cash equivalents and short term assets at amortised cost amounted to €419,3 million as of 31 December 2025 (31 December 2024: €97,6 million). The short term borrowings amounted to €161,0 million (31 December 2024: €87,6 million). Following a series of bonds buy back in 2025, the outstanding amount of the bonds as of 31 December 2025 has been decreased by €186,0 million to €119,4 million.

The Group performs solvency statements on an "as needed" basis, where it assesses its cash flows and liquidity needs.

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The following tables analyse the Group's financial liabilities, including interest payments, based on maturity:

2025	Carrying amount	Total contractual cash flows	One year or less	One to two years	Two to five years	More than five years
	€'000	€'000	€'000	€'000	€'000	€'000
Borrowings and derivatives <sup>1</sup>	465,759	505,398	299,460	15,516	190,422	-
Other liabilities <sup>2</sup>	162,252	299,598	119,440	3,116	9,524	167,518
<b>Total</b>	<b>628,011</b>	<b>804,996</b>	<b>418,900</b>	<b>18,632</b>	<b>199,946</b>	<b>167,518</b>

- 1 Borrowings include accrued interest.
- 2 Other liabilities comprise long term liabilities from leases, other long term liabilities, trade and other payables and accrued expenditure.

2024	Carrying amount	Total contractual cash flows	One year or less	One to two years	Two to five years	More than five years
	€'000	€'000	€'000	€'000	€'000	€'000
Borrowings and derivatives <sup>1</sup>	626,393	688,015	111,314	180,063	396,638	-
Other liabilities <sup>2</sup>	169,794	317,535	121,885	2,277	7,311	186,062
<b>Total</b>	<b>796,187</b>	<b>1,005,550</b>	<b>233,199</b>	<b>182,340</b>	<b>403,949</b>	<b>186,062</b>

- 1 Borrowings include accrued interest.
- 2 Other liabilities comprise long term liabilities from leases, other long term liabilities, trade and other payables and accrued expenditure.

The amounts disclosed in the table are the contractual undiscounted cash flows.

## MARKET RISK

Market risk embodies the potential for both losses and gains and includes price risk, currency risk and interest rate risk.

In 2025 the Group operated primarily in Poland. While developed markets generally present lower levels of economic, legal and political risk compared with developing markets, the Group's operations remain exposed to macroeconomic, regulatory and geopolitical risks inherent to the region in which it operates. These include changes in economic conditions, government policies, regulatory frameworks and political developments that may adversely affect the Group's financial performance and position.

The Group's strategy for managing market risk is driven by the Group's investment objective which is managing and administering the existing property portfolio and identifying potentially attractive new investments in the market, conducting due diligence for acquisitions and managing all the stages of the acquisition process. The Group's market risk is managed on a daily basis in accordance with the policies and procedures in place.

The Group's overall market performance is monitored on a monthly basis.

Information about the key unobservable inputs used in fair value measurement is disclosed in note 1.30.

### Price risk

The Group's investment properties are valued at fair value. These fair values are influenced by the turbulence in the global markets as well as the limited amount of publicly available and up to date data relating to the real estate markets in the countries in which the Group operates. The Group is therefore exposed to price risks resulting from movements in the Group's asset values that could change significantly during subsequent periods, see also notes 1.4 and 1.30.

### Currency risk

The Group is exposed to a currency risk on cash balances that are denominated in foreign currencies.

To eliminate the risk of transactions in foreign currencies, the Group attempts to match its income with its expense in the same currency, thus reducing the currency risk.

The Group is mainly financed in Euro. The rents payable to the Group under the various lease agreements with tenants are mainly denominated in Euro. However, the income of most tenants is denominated in the local currency of the relevant country in which they are based. The occupancy cost ratio, which reflects the tenants' rental cost as a proportion of turnover, can be affected by fluctuations in the Euro, the currency in which rent is based or payable, against the relevant local currency in which the tenant generates turnover. Accordingly, a weakening of the local currency against the Euro could result in the Group's properties becoming less attractive, or over-rented. Such fluctuations could also result in these rents becoming unsustainable for the tenants concerned, leading to the respective tenants demanding discounts or even defaulting. This could consequently lead to a decrease in current and estimated rental income and a devaluation of the relevant properties.

The following tables set out the exposure to foreign currency risk and net exposure to foreign currencies of the Group's financial assets and liabilities:

2025	Financial assets €'000	Financial liabilities €'000	Net exposure €'000
CZK	104	-	104
PLN	91,514	(78,078)	13,436
Other	6	-	6

2024	Financial assets €'000	Financial liabilities €'000	Net exposure €'000
CZK	50	-	50
PLN	84,715	(66,188)	18,527
Other	6	-	6

### Sensitivity Analysis

The table below indicates how a 10 percentage point strengthening of the currencies stated below against the Euro as at 31 December 2025 and 31 December 2024 would have increased/(decreased) the profit in the statement of profit or loss. This analysis assumes that all other variables, including base rent and lease incentives, remain constant. The recording and measurement of foreign currency results is undertaken in accordance with the principles outlined in standard IAS 21.

The table below does not take into account potential gains and losses on investment properties measured at fair value which are sensitive to foreign exchange fluctuations nor does it take into account the impact on any other non-financial assets or liabilities.

	2025 Gain/(Loss) €'000	2024 Gain/(Loss) €'000
CZK	10	5
PLN	1,344	1,852
Other	1	1

### Interest rate risk

The majority of financial instruments bear interest on a fixed interest basis. The interest rate risks associated with the Group's financial instruments bearing variable interest rates are mainly hedged by making use of financial derivatives (interest rate swaps), see also note 1.15. As all the financial instruments, other than the derivatives, were measured at amortised cost in 2025, there were no fair value movements due to interest rate risk fluctuations in 2025. The interest rate risk was, therefore, reduced to the impact on the statement of profit or loss of the interest paid on borrowings bearing variable interest rates. The carrying amount of the borrowings bearing variable interest rates not hedged was €nil as at 31 December 2025 (31 December 2024: €nil).

Interest rate exposure arising from long term borrowings is analysed on a regular basis. As of 31 December 2025, all of the Group's borrowings with the exception of the related party credit facility were effectively at a fixed interest rate. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing through bonds.

Numerous general economic factors cause interest rates to fluctuate. In addition, interest rates are highly sensitive to a government's monetary policy, domestic and international economic and political conditions, the situation in the financial markets and inflation rates. Interest rates on real estate loans are also affected by other factors specific to real estate finance and equity markets, such as changes in real estate values and overall liquidity in the real estate debt and equity markets.

Any escalation of the geopolitical conflicts in Eastern Europe or Middle East is subject of significant uncertainty and cannot be reliably estimated, but it could jeopardize the recovery of CEE economy and lead to the global economic crisis. The occurrence of the foregoing factors may have a material adverse effect on the business and financial results of the Group.

Increases in interest rates could adversely affect the Group's ability to finance or refinance additional borrowings, as the availability of financing and refinancing proceeds may be reduced to the extent that income from properties fails to increase sufficiently to maintain debt service coverage.

### **Sensitivity Analysis**

The Group seeks to safeguard its results and cash flow against interest rate fluctuations by using financial derivatives (interest rate swaps) to hedge long term financial instruments bearing variable interest rates. Based on the hedging strategy in place, management assesses that the Group is not subject to significant residual exposure to interest rate risk.

#### **UNCERTAINTY AS REGARDS TO TAX BURDEN**

The Group has been exposed to possible changes in the tax burden including the passing of new tax laws, changes in existing laws, inconsistent application of existing laws and regulations and uncertainty as to the application and effect of laws and regulations. In some cases, laws were enacted with retrospective effects and the application of international legal frameworks and treaties reinterpreted. In addition, the taxation and fiscal systems in emerging and developing markets are less well-established, compared to those in more developed economies. The lack of established jurisprudence and case law may result in unclear, inconsistent regulations, decrees and explanations of the taxation laws and/or views on interpretation.

Any of the above matters, alone or in combination, could have a material and adverse effect on the Group's financial position and results from operations.

For instance, the Group's future effective tax rates may be adversely affected by a number of factors, including unilateral changes to double taxation treaties or changes in the value of G City Europe's deferred tax assets and liabilities, increases in expenses not deductible for tax purposes, the outcome of any potential discussions with the relevant tax authorities, changes in relation to taxation laws or tax rates or the interpretation of such taxation laws and changes in generally accepted accounting principles.

The Company monitors the implications of these initiatives on the various jurisdictions in which it operates and anticipates potential adverse consequences. The Company cannot preclude that this may further change going forward.

The Group aims to mitigate the above risks by having experienced central and local management teams in the different countries in which the Group operates that are making use of external local experts and specialists.

## **1.34. TRANSACTIONS WITH RELATED PARTIES**

### **THE BOARD OF DIRECTORS AND THE GROUP EXECUTIVE TEAM**

On 5 September 2025 Mr. Eshel Pesti mutually agreed to cease to hold the position of Chief Executive Officer of the Group, and Mr. Or Ackerman was appointed as Chief Executive Officer of the Group.

Effective from 12 September 2025 Mr. Or Ackerman ceased to hold the position of Chief Financial Officer of the Group and Mr. Shai Feldman was appointed as Chief Financial Officer of the Group.

Mr. Varnavas Theodosiou and Mrs. Keren Kalifa were appointed to the Board of Directors with effect from 1 October 2025 for a term of one year, unless otherwise resolved by the Board of Directors.

## OTHER RELATED PARTY TRANSACTIONS

G City Limited is the parent company of G City Europe Limited and to the best of the management's knowledge Norstar Holdings Inc. is the controlling owner and its controlling shareholder is Mr. Chaim Katzman, Chairman of the Board of Directors.

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Based on a consultancy agreement with the Group, Mr. Chaim Katzman was entitled to €0,7 million annual consultancy fee as from April 2017, payable in four equal quarterly instalments and subject to an annual review. The consultancy fee was temporarily waived for a period from 1 February 2024 until 31 December 2024 and was reinstated on 1 January 2025 upon a mutual agreement between the parties.

In November 2025, the Group terminated the guarantee agreement relating to the registered and financial pledge over all shares in Galeria Dominikanska Sp. z o.o., granted in favour of Mizrahi Tefahot Bank Ltd. under the credit facility with G City, following the disposal of the Biala, Focus and Dominikanska shopping centres in December 2025. The Group was entitled to a net consideration of \$0,7 million (approx. €0,6 million) per year.

In December 2025, a dividend was declared of 30 cents per share, approximately €89,9 million, which was paid to the shareholders in January 2026.

## DISPOSALS

On 2 December 2025, the Group completed the sale of 100% shares in subsidiaries owning Biala, Focus and Dominikanska shopping centres in Poland for an agreed gross properties value in €455,8 million. As a result of the transaction, the Group lost control of CH Biala sp. z o.o., Galeria Dominikanska sp. z o.o., Focus Bydgoszcz sp. z o.o., Coletrade Ltd and deconsolidated the entities in accordance with IFRS 10.

The carrying amounts of the assets and liabilities disposed are provided in the table below:

	<b>€'000</b>
Standing investments	456,086
Other non-current assets	440
Cash and cash equivalents	7,042
Other current assets	1,217
Non-current liabilities	(12,183)
Current liabilities	(8,137)
<b>Net assets disposed</b>	<b>444,465</b>

The net purchase price of €324,4 million is the deferred cash settlement and €119,6 million is settled through a non-cash assignment and set-off of intragroup indebtedness. The net result on disposal is presented in Note 1.25. As of 31 December 2025, the interest accrued on the outstanding deferred cash settlement in €1,6 million is included in Other receivables, see Note 1.10.

A partial cash settlement of €4,9 million was received in December 2025. The net cash outflow for the year ended 31 December 2025 is presented within investing activities in the consolidated statement of cash flows as part of proceeds from the disposal of investment properties, in accordance with IAS 7. The remaining short-term deferred receivable, including accrued interest, was fully settled in January 2026 in an approximate amount of €317,9 million, see Note 1.36.

## 1.35. CONTINGENCIES

There is continuing uncertainty in the various economies and jurisdictions in which the Group has its operations and assets. These uncertainties relate to the general economic and geopolitical environment in such regions and to changes or potential changes in the legal, regulatory and fiscal frameworks and the approach taken to enforcement which may include actions affecting title to the Group's property or land and changes to the previously accepted interpretation of fiscal rules and regulations applied by the authorities to the Group's fiscal assets and liabilities.

Certain subsidiaries within the Group are, or have been, like other companies operating in the retail market, involved in legal and/or administrative proceedings involving the tax authorities. These past and present proceedings create uncertainty around tax policies in matters previously regarded as established but which are now subject to revised interpretation by the tax authorities.

Tax authorities in Poland are currently reviewing a withholding tax treatment covering different periods from 2018 to 2024 in particular SPVs.

The most advanced case is related to Manhattan Development (Wars Sawa Junior) and concerns withholding tax for 2018. In January 2026, the first instance administrative court dismissed the appeal against the second instance tax authority decision determining the withholding tax arrears. In 2026 Wars Sawa Junior will lodge an appeal to the Supreme Administrative Court and will await the hearing date.

Cases for 2019-2020 are at the level of the second tax instance decisions issued in February 2026. These decisions are negative, enforceable and will be appealed against to the administrative court.

Based on the assessment of the tax advisors, the Group estimated that the probability of a favorable outcome in the tax proceedings is more likely than not.

The rest of the cases for 2021-2024 are at the level of tax audit.

In 2019, the Group initiated the liquidation of a legacy corporate structure in Denmark. In 2020, the Group obtained a binding ruling from the Danish tax authorities confirming the withholding tax treatment applicable to the transaction. However, in April 2025, the Danish tax authorities revoked the binding ruling and issued a decision requiring the Group to withhold Danish dividend tax, amounting to DKK 135,593,427 (approx. €18,2 million), excluding interest accrued. Based on the assessment of the legal advisors, the Group estimated that the probability of a favorable outcome in the appeal case is more likely than not.

### 1.36. SUBSEQUENT EVENTS

The dividends declared as of 31 December 2025 of 30 cents per share have been paid in January 2026 to the Group's shareholders amounting to €89,9 million.

In January 2026, the Group completed the disposal of Constanta land plot in Romania for an agreed gross property value of €9.0 million.

In February 2026, the Group granted additional amount of €27.9 million within a related party credit facility to Gazit Midas Limited. As of 25 February 2026, the utilised amount provided to the related party is €72.9 million.

On 25 February 2026, the Board of Directors approved a prolongation of the related party credit facility to Gazit Midas Limited until 31 August 2027.

As of 25 February 2026, the Group received approximately €322,8 million payment that was deferred from disposal of subsidiaries owning Biala, Focus and Dominikanska shopping centres in Poland, including interest accrued.

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## **Report on the Audit of the Consolidated financial statements**

### **Independent Auditors' Report**

To the shareholders of G-City Europe Limited.

#### *Opinion*

We have audited the consolidated financial statements of G-City Europe Limited and its subsidiaries (the Company), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of profit or loss, comprehensive income, statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and have been properly prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

#### *Basis for Opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Israel, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Key Audit matter	How our audit addressed the key audit matter
<p data-bbox="65 304 488 333"><b>Valuation of investment properties</b></p> <p data-bbox="65 376 815 689">As described in Notes 1.2, 1.3 to the consolidated financial statements, the Company's investment properties are measured at fair value, with revaluation gains and losses recognized in profit or loss. As of December 31, 2025, the Company's investment properties amounted to approximately EURO 1,220 million, representing 66.5% of the Company's total assets. The profit from the revaluation of investment properties for the year ended December 31, 2025, was EURO 55.6 million.</p> <p data-bbox="65 732 815 797">The fair value of the investment properties was determined as follows:</p> <p data-bbox="65 840 815 1120">The fair value of commercial and industrial properties, as well as land held for capital appreciation, is assessed using the Discounted Cash Flow (DCF) method and the Comparable Uncontrolled Price (CUP) method. These methods are based on the expected future cash flows from the properties and comparable transactions in similar properties in the market, adjusted for specific property features and using discount rates that reflect the inherent risk associated with these properties.</p> <p data-bbox="65 1162 815 1442">Valuating investment properties requires management and those charged with governance to exercise judgment in making estimates and assessments, while maximizing reliance on relevant observable data and minimizing reliance on unobservable inputs. In determining fair value, the Company relies on significant estimates that involve uncertainty and subjective assumptions that cannot be observed in the market (Level 3).</p> <p data-bbox="65 1485 815 1688">Changes in these estimates and assumptions could materially impact the estimated fair value of investment properties disclosed in the Company's consolidated financial statements. We have identified this matter as a key audit matter due to the significant reliance on management's judgments and estimates.</p>	<ul data-bbox="890 340 1525 1630" style="list-style-type: none"> <li>• We gained an understanding of the internal control environment related to the determination of the fair value of investment properties and tested the effectiveness of the relevant internal controls over fair value measurement.</li> <li>• We evaluated the competence and independence of the valuation experts engaged by the Company.</li> <li>• We examined the adequacy of the fair value measurement methodology and verified that it was appropriate for the properties being measured.</li> <li>• We analyzed the key assumptions and areas that involved significant judgment, and we understood the methods used by the Company's valuation experts in determining the fair value.</li> <li>• We performed tests to verify the accuracy and completeness of the information provided by the Company to the valuation experts.</li> <li>• We assessed the reasonableness of the key assumptions used in the valuations, on a test basis, which included variables such as rental income, capitalization rates, and results from the previous year.</li> <li>• We maintained direct communication with the Company's management and its valuation experts to discuss and review the valuation process.</li> <li>• We reviewed the proper application of assumptions in the fair value measurement process and tested the calculations for a sample of the valuations.</li> <li>• We evaluated the adequacy of the disclosures related to the valuation methods and assumptions used by the valuation experts.</li> </ul>

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

*Other information included in The Company's 2025 Annual Report*

Other information consists of the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

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 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.

*Matters on which we are required to report by exception*

We have nothing to report in respect of the following matters in relation to which the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the company, or proper returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the company's accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

*Responsibilities of Management and the Board of Directors for the Consolidated financial statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union, and for such internal control as management 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, management is responsible for assessing the Company'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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The board of directors is responsible for overseeing the Company's financial reporting process.

### *Auditors' Responsibilities 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management'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 Company'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 Company 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.

We communicate with the board of directors ('BOD') 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 BOD with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



Shape the future  
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From the matters communicated with the BOD, 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.

The partner in charge of the audit resulting in this independent report is Mr. Assaf Rabinovitz.

February 25, 2026

Tel Aviv, Israel

Assaf Rabinovitz

For and on behalf of KOST FORER GABBAY &  
KASIERER

A member of Ernst & Young Global

# DIRECTORS, PROFESSIONAL ADVISORS AND PRINCIPAL LOCATIONS

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## **DIRECTORS**

Chaim Katzman

George Christofides

Aviad Armoni

Zvi Heifetz

Marios Demetriades

Varnavas Theodosiou

Keren Kalifa

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