City Europe

G City Europe Limited

INTERIM FINANCIAL STATEMENTS 31 MARCH 2026

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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 condensed consolidated interim 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 condensed consolidated interim financial statements is up to date only as of the date of the condensed consolidated interim 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 condensed consolidated interim financial statements, and particularly the forward looking statements, are qualified by these cautionary statements.

The condensed consolidated interim 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.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		31 March 2026		31 December 2025	
	Note	€'000	€'000	€'000	€'000
ASSETS					
Standing investments	4	1,114,427		1,108,061	
Redevelopments and land	5	112,200		112,001	
Equity-accounted investment in joint ventures		385		620	
Derivatives	12	439		11	
Other non-current assets	6	458,643		166,218	
Non-current assets			**1,686,094**		**1,386,911**
Other current assets	7	20,705		375,801	
Derivatives	12	1,801		1,978	
Assets held for sale	8	2,753		11,547	
Cash and cash equivalents	9	51,811		58,439	
Current assets			**77,070**		**447,765**
TOTAL ASSETS			**1,763,164**		**1,834,676**
EQUITY AND LIABILITIES					
Equity	10		**1,178,543**		**1,165,580**
Long term borrowings	11	298,024		298,638	
Derivatives	12	2,654		5,085	
Other non-current liabilities	13	92,222		83,665	
Non-current liabilities			**392,900**		**387,388**
Short term borrowings	11	160,642		161,023	
Other current liabilities	14	31,030		120,627	
Provisions		49		58	
Current liabilities			**191,721**		**281,708**
Total equity and liabilities			**1,763,164**		**1,834,676**

The financial statements were approved and authorised for issue by the Board of Directors on 14 May 2026 and were duly signed on the Board's behalf by Chaim Katzman, Chairman of the Board and Marios Demetriades, Director.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	Three months ended 31 March 2026 €'000	€'000	Three months ended 31 March 2025 €'000	€'000
Gross rental income		14,140		20,987	
Service charge income		4,213		6,420	
Property expenses		(5,708)		(8,283)	
Net rental income			**12,645**		**19,124**
Asset management income	17	1,467		666	
Asset management expense		(1,339)		(515)	
Operating income			**12,773**		**19,275**
Revaluation of standing investments, net	4	6,163		19,153	
Depreciation, amortisation and impairments		(248)		(557)	
Administrative expenses[1]		(1,842)		(2,565)	
Share of profit of equity-accounted investment		(235)		(213)	
Net result on disposals	8	(881)		-	
Costs connected with developments		(12)		(27)	
Net operating profit			**15,718**		**35,066**
Interest income		5,415		3,406	
Interest expense		(4,287)		(5,004)	
Foreign currency differences		3,898		1,652	
Other financial income		179		333	
Other financial expense		(1,399)		(1,750)	
Profit before taxation from continuing operations			**19,524**		**33,703**
Taxation charge for the period	15	(8,474)		(4,719)	
Profit after taxation from continuing operations			**11,050**		**28,984**
Loss after taxation from discontinued operations	8	(191)		(16,111)	
Net profit/(loss) for the period			**10,859**		**12,873**

[1]Prior year comparatives for the quarter ended 31 March 2025 have been adjusted to align with the current period's presentation of income and expenses from assets under management.

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Note	Three months ended 31 March 2026 €'000	€'000	Three months ended 31 March 2025 €'000	€'000
Net profit for the period		10,859		12,873	
Items that will not be reclassified to the statement of profit or loss:					
Hybrid Bonds buyback gain		-		-	
Items that may be reclassified to the statement of profit or loss:					
Movement in hedging reserves (net of deferred tax)		2,204		(134)	
Reclassification of historic currency translation reserve of disposed assets	8	881		604	
Hedging reserve reclassified to profit or loss in respect of interest rate swap disposed during the period	8	-		(4,016)	
Exchange differences arising on translation of foreign operations		(981)		1,567	
Total comprehensive income for the period			**12,963**		**10,894**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Three months ended 31 March 2026 €'000	Three months ended 31 March 2025 €'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation from continuing operations	19,524	33,703
Adjustments for:		
Revaluation of standing investments, net	(6,163)	(19,153)
Depreciation, amortisation and impairments	248	557
Foreign exchange (profit)/loss, net	(3,898)	(1,652)
Change in provisions, net of amounts paid	5,000	5,011
Share of profit of equity-accounted investments in joint ventures	235	213
Net result on disposals	881	-
Lease interest expense	796	797
Net result from bonds buy back	-	324
Other financial income	(179)	(333)
Other financial expense	432	431
Interest income	(5,415)	(3,406)
Interest expense	4,287	5,004
Operating cash flows before working capital changes	**15,748**	**21,496**
Increase in trade and other receivables and prepayments net	(5,034)	(1,083)
Decrease in trade and other payables and accrued expenditure net	(2,373)	(3,697)
Cash generated from operations	**8,341**	**16,716**
Interest paid	(6,341)	(7,694)
Interest received	3,891	6,185
Corporate taxes paid	(15,836)	(125)
Corporate taxes received	457	-
Net cash (used in)/generated from operating activities from continuing operations	**(9,488)**	**15,082**
Net cash used in operating activities from discontinued operations	**-**	**(2,581)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments related to investment properties	(2,591)	(5,692)
Proceeds from the disposal of investment properties	8,148	-
Repayment of loans provided to related and third parties	315,202	46,127
Loans provided to related and third parties	(232,196)	-
Net cash generated from investing activities from continuing operations	**88,563**	**40,435**
Net cash generated from investing activities from discontinued operations	**-**	**108,817**
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term borrowings	(964)	(85,713)
Repayments of leases	(42)	(378)
Dividends paid	(89,922)	(89,923)
Net cash used in financing activities from continuing operations	**(90,928)**	**(176,014)**
Net decrease in cash and cash equivalents	**(11,853)**	**(14,261)**
Cash and cash equivalents at beginning of the period	**58,439**	**90,838**
Movement in cash and cash equivalents held for sale	-	3,597
Effect of exchange rate fluctuations on cash held	5,225	578
Cash and cash equivalents at end of the period	**51,811**	**80,752**

CONDENSED 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
Balance at 1 January 2026		**1,092,724**	**(2,658)**	**(125,766)**	**6,193**	**970,493**	**195,087**	**1,165,580**
Net profit for the period		-	-	10,859	-	10,859	-	10,859
Other comprehensive income for the period[1]		-	2,204	-	(100)	2,104	-	2,104
Total comprehensive income for the period		**-**	**2,204**	**10,859**	**(100)**	**12,963**	**-**	**12,963**
Balance at 31 March 2026		**1,092,724**	**(454)**	**(114,907)**	**6,093**	**983,456**	**195,087**	**1,178,543**

[1]Movement in other comprehensive income includes €0,9 million reclassification of historic currency translation reserve of disposed assets, see Note 8.

CONDENSED 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
Balance at 1 January 2025		**1,195,766**	**1,948**	**(223,539)**	**4,812**	**978,987**	**340,858**	**1,319,845**
Net profit for the period[2]		-	-	12,873	-	12,873	-	12,873
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 period [3]		-	(134)	-	2,171	2,037	-	2,037
Total comprehensive income for the period		**-**	**(134)**	**12,873**	**2,171**	**14,910**	**-**	**14,910**
Balance at 31 March 2025		**1,195,766**	**(2,202)**	**(210,666)**	**6,983**	**989,881**	**340,858**	**1,330,739**

[2]Net profit for the year includes €16,1 million losses from discontinued operations.
[3]Movement in hedging reserves includes income €0,6 million reclassification as historic currency translation reserve of disposed assets, see Note 8.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

UNAUDITED

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 condensed consolidated interim financial statements of G City Europe Limited as at and for the period ended 31 March 2026 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.

2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements of the Group have been prepared in accordance with IAS 34, Interim Financial Reporting as endorsed by the European Union ("EU").

The unaudited condensed consolidated interim financial statements do not include all of the information required for full set of IFRS Accounting Standards ("IFRS") annual consolidated financial statements and should be read in conjunction with the consolidated annual financial statements of the Group as at and for the year ended 31 December 2025. The annual consolidated financial statements of the Group are prepared in accordance with IFRS as endorsed by the EU.

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.

The preparation of condensed consolidated interim financial statements requires the Company to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses.

3. CHANGES IN ACCOUNTING POLICIES

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 effects of IFRS 18, including the effects of the consequential amendments to other accounting standards, on its consolidated financial statements.

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 2025: 6 retail properties, 3 residential assets and 1 office building). As at the reporting date, no properties were classified as held for sale (31 December 2025: nil).

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

Standing investments	31 March 2026 €'000	31 December 2025 €'000
Balance as at 1 January	1,108,061	1,450,054
Additions - technical improvements extensions	1,470	15,069
Acquisitions	-	3,495
Movement in leases	324	-
Transfers from redevelopments and land	552	42,285
Transfers to property, plant and equipment	-	(829)
Revaluation of standing investments, net	6,163	52,647
Disposals to related parties, see Note 17	-	(456,086)
Exchange differences arising on translation of residential properties	(2,143)	1,201
Borrowing costs capitalised	-	225
Balance at the end of the period	**1,114,427**	**1,108,061**

The total value of land leases as of 31 March 2026 was €32,5 million (31 December 2025: €32,2 million).

5. REDEVELOPMENTS AND LAND

The current portfolio of redevelopments and land comprises €81,3 million (2025: €81,2 million) redevelopments and €30,9 million (2025: €30,8 million) land.

Redevelopments and land	31 March 2026 €'000	31 December 2025 €'000
Balance as at 1 January	112,001	152,699
Additions - retail	323	1,124
Additions - residential	660	6,238
Movement in leases	97	265
Transfers to standing investments	(552)	(42,285)
Disposals	-	(7,200)
Revaluation of redevelopments and land - continuing operations	-	2,974
Transfers to assets held for sale	-	(4,551)
Exchange differences arising on translation of residential properties	(770)	1,027
Borrowing costs capitalised	441	1,710
Balance at the end of the period	**112,200**	**112,001**

The total value of land leases was €8,2 million as of 31 March 2026 (31 December 2025: €8,1 million).

General borrowing costs in total amount of €0,4 million have been capitalised to the qualifying assets at 1.0% capitalisation rate.

6. OTHER NON-CURRENT ASSETS

Other assets	31 March 2026 €'000	31 December 2025 €'000
Financial assets at amortised cost	430,731	154,108
WHT receivable, see Note 18	15,589	-
Long term restricted cash	5,292	5,217
Long term receivables	4,477	4,477
Property and equipment	1,217	1,151
Intangible assets	959	920
Other	378	345
Balance at the end of the period	**458,643**	**166,218**

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 17. Settlement of these receivables is deferred until mid-2027.

Long-term financial assets at amortised cost include secured vendor loan in the amount of €24,6 million (31 December 2025: €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.

The joint venture loans bear an interest rate from 4.9% to 5.0% and mature in November 2028. As of 31 March 2026, the outstanding amount of the joint venture loans was €33,1 million (31 December 2025: €32,7 million). The loans represent a long-term interest in the joint ventures.

In March 2026, the Group extended the maturity of the related party credit facility granted to Gazit Midas Limited to 31 August 2027 and increased the available amount from €200,0 million to €350,0 million at an interest rate of three-month EURIBOR plus 2.5%. As of 31 March 2026, the utilised amount provided to the related party was €277,2 million (31 December 2025: €45,0 million disclosed as other current assets). The related party credit facility is guaranteed by G City under the framework agreement signed, see Note 17.

Long-term financial assets at amortised cost include a secured vendor loan granted 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 initial measurement was adjusted to the present value in €27,8 million of future payments discounted at a market rate of interest for a similar debt instrument. The unwinding of the discount in €0,4 million is recognised as interest income. As of 31 March 2026, the long term oustanding amount of the loan was €26,0 million (31 December 2025: €25,8 million). The short term portion in total amount of €0,8 million is disclosed as Other current assets, see Note 7.

7. OTHER CURRENT ASSETS

Other assets	31 March 2026 €'000	31 December 2025 €'000
Receivables from tenants[1]	4,185	1,788
Short term restricted cash	3,564	3,672
Alternative minimum tax	2,878	2,907
Accrued interest on loans issued	2,484	1,725
Prepayments	1,827	1,169
VAT receivables	1,112	940
Financial assets at amortised cost	809	360,843
Income tax receivable	134	41
Other receivables	3,712	2,716
Balance at the end of the period	**20,705**	**375,801**

[1]Includes Straight-line asset of lease incentives €0,3 million (31 December 2025: €0,5 million).

As of 31 December 2025, financial assets at amortised cost included 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 bore interest at a rate of 5.97% per annum. The deferred consideration, together with the related accrued interest, was fully settled in January 2026.

8. ASSETS AND LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATIONS

	31 March 2026 €'000	31 December 2025 €'000
Redevelopments and land	2,753	11,547
Total, net	**2,753**	**11,547**

As of 31 March 2026, in accordance with the requirements of IFRS 5, the land plot located in Kalisz, Poland, was classified as held for sale. As of 31 December 2025, the assets held for sale included the land plots located in Constanta, Romania, and in Gdansk, Poland.

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 March 2026, the Group completed the sale of the land plot in Gdansk, Poland, for an agreed gross consideration of €0,5 million.

Following disposals of MEL 1 in January 2025 and Atrium Flora shopping centre in February 2025, 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 three months ended 31 March 2026 and 31 March 2025.

	Three months ended 31 March 2026 €'000	Three months ended 31 March 2025 €'000
Gross rental income	-	2,257
Service charge income	-	1,141
Property expenses	-	(1,194)
Net rental income	**-**	**2,204**
Depreciation, amortisation and impairments	-	(5)
Administrative expenses	-	(20)
Net result on disposals	(191)	(17,660)
Costs connected with developments	-	(3)
Net operating profit/(loss)	**(191)**	**(15,484)**
Interest expense, net	-	(368)
Foreign currency differences	-	14
Other financial expense, net	-	(10)
Loss before taxation	**(191)**	**(15,848)**
Tax charge for the period	-	(263)
Net loss for the period	**(191)**	**(16,111)**

9. CASH AND CASH EQUIVALENTS

Cash balances are analysed as follows:

	31 March 2026 €'000	31 December 2025 €'000
Cash at bank and in hand	51,811	46,874
Deposits	-	11,565
Total	**51,811**	**58,439**

As of 31 March 2026, €42,3 million (31 December 2025: €43,6 million) of G City Europe's bank balances were denominated in Euro, €5,7 million (31 December 2025: € 3,2 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.

10. EQUITY

As of 31 March 2026, the total number of ordinary shares authorised and issued was 299.743.870 (31 December 2025: 299.743.870), 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. As of 31 March 2026, EPRA Net Reinstatement Value was €3,45 per share (31 December 2025: €3,40 per share).

11. BORROWINGS

Borrowings	31 March 2026 €'000	31 December 2025 €'000
Bonds	119,493	119,374
Bank loans	178,531	179,264
Long-term liabilities	**298,024**	**298,638**
Bank loans	160,642	161,023
Short-term liabilities	**160,642**	**161,023**
Total	**458,666**	**459,661**

The undiscounted principal amounts of borrowings are repayable as follows:

Borrowings	31 March 2026 €'000	31 December 2025 €'000
Due within one year	160,642	161,023
Due in second year	121,245	121,130
Due within third to fifth year inclusive	176,779	177,508
Total	**458,666**	**459,661**

BONDS

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 March 2026.

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. In March 2026, the Group extended the maturity of the related party credit facility to 31 August 2027.

As of 31 March 2026, the Group has not utilised the related party credit facility (31 December 2025: €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

The loan with Landesbank Hessen-Thuringen Girozentrale secured by residential properties of Urban Home Warszawa Ostrobramska and the loan with Santander Bank Polska S.A. secured by residential properties of Urban Home Warszawa Rubikon and Urban Home Wroclaw Traugutta are subject to the following financial covenants: Loan to Value, Occupancy and Debt Service Coverage Ratio. All conditions were met as of 31 March 2026.

The loan with Landesbank Hessen-Thuringen Girozentrale secured by Wars Sawa Juniour retail property is subject to the following financial covenants: Loan to Value and Interest Service Cover Ratio. Both conditions were met as of 31 March 2026.

The loan with Berlin Hyp AG (LBBW) 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 March 2026.

During three months ended 31 March 2026 the Group repaid €1,0 million (31 March 2025: €0,8 million) of the principal amount of bank loans.

The bank loans interest rates are hedged, see Note 12.

12. DERIVATIVES

The Group entered into interest rate swap contracts ("IRSs") in connection with secured bank loans (see Note 11). These swaps replaced floating interest rates with fixed interest rates. The floating rate on the IRSs with Landesbank Hessen-Thuringen Girozentrale from November 2018 and August 2025, Bank Polska Kasa Opieki S.A. and Berlin Hyp AG (LBBW) 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.

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 March 2026 €'000**	**31 December 2025 €'000**
Carrying amount (liability)	(2,654)	(5,085)
Carrying amount (asset)	2,240	1,989
Notional amount	340,568	341,795
Change in fair value of outstanding hedging instruments since 1 January	2,682	(1,157)

13. OTHER NON-CURRENT LIABILITIES

Other non-current liabilities	**31 March 2026 €'000**	**31 December 2025 €'000**
Deferred tax liabilities	37,426	33,079
Long term lease liabilities	35,294	37,376
Other long term liabilities	19,502	13,210
Total	**92,222**	**83,665**

14. OTHER CURRENT LIABILITIES

Other current liabilities	**31 March 2026 €'000**	**31 December 2025 €'000**
Accrued expenditure	19,618	19,391
Trade and other payables	7,595	97,198
Short term liabilities from leasing	2,807	3,033
VAT payable	1,010	1,005
Total	**31,030**	**120,627**

Accrued expenditure includes bonds interest of €1,8 million (31 December 2025: €1,0 million).

The dividend declared in December 2025 of 30 cents per share was paid in January 2026 to the Group's shareholders, totalling €89,9 million.

15. TAXATION CHARGE FOR THE PERIOD

Taxation charge for the period	Three months ended 31 March 2026 €'000	Three months ended 31 March 2025 €'000
Corporate income tax expense	(4,498)	(5,134)
Deferred tax (charge)/credit	(3,976)	415
Total	**(8,474)**	**(4,719)**

The subsidiary companies are subject to taxes for their respective businesses in the countries of their registration at the rates prevailing in those jurisdictions. In Poland, reduced rate of 9% may be applied to small taxpayers with revenue not exceeding €2,0 million on an annual basis.

Corporate income tax expense for the periods ended 31 March 2026 and 31 March 2025 includes the withholding tax provision, see Note 18.

16. 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 March 2026	Standing Investment segment €'000	Redevelopments and land segment €'000	Reconciling item €'000	Total €'000
Net rental income - retail	**10,971**	**-**	**-**	**10,971**
Net rental income - residential	**1,674**	**-**	**-**	**1,674**
Operating income[1]	**12,773**	-	**-**	**12,773**
Net result on disposals	-	(881)	-	(881)
Costs connected with developments	-	(12)	-	(12)
Revaluation of retail properties	6,163	-	-	6,163
Depreciation, amortisation and impairments	(248)	-	-	(248)
Administrative expenses	(730)	(51)	(1,061)	(1,842)
Share of profit of equity-accounted investment in joint ventures	-	-	(235)	(235)
Net operating (loss)/profit	**17,958**	**(944)**	**(1,296)**	**15,718**
Interest income, net	-	-	1,128	1,128
Foreign currency differences	-	-	3,898	3,898
Other financial income/expenses, net	-	-	(1,220)	(1,220)
Profit / (loss) before taxation	**17,958**	**(944)**	**2,510**	**19,524**
Taxation charge for the period	-	-	(8,474)	(8,474)
Profit / (loss) after taxation	**17,958**	**(944)**	**(5,964)**	**11,050**
Retail and office properties	959,192	39,910	-	999,102
Additions to retail properties	1,467	660	-	2,127
Residential properties	155,235	103,290	(31,000)[2]	227,525
Additions to residential properties	3	323	-	326

[1]Operating income includes income and expenses related to assets under management.
[2]Our 50% share of land plot held in a joint venture in Poland.

Reportable segments for the period ended 31 March 2025	Standing Investment segment €'000	Redevelopments and land segment €'000	Reconciling item €'000	Total €'000
Net rental income - retail	**18,156**	**-**	**-**	**18,156**
Net rental income - residential	**968**	**-**	**-**	**968**
Operating income[1]	**19,275**	-	**-**	**19,275**
Net result on disposals	-	-	-	-
Costs connected with developments	-	(27)	-	(27)
Revaluation of retail properties	6,752	-	-	6,752
Revaluation of residential properties	12,401	-	-	12,401
Depreciation, amortisation and impairments	(557)	-	-	(557)
Administrative expenses	(822)	(24)	(1,719)	(2,565)
Share of profit of equity-accounted investment in joint ventures	-	-	(213)	(213)
Net operating (loss)/profit	**37,049**	**(51)**	**(1,932)**	**35,066**
Interest expense, net	-	-	(1,598)	(1,598)
Foreign currency differences	-	-	1,652	1,652
Other financial income/expenses, net	-	-	(1,417)	(1,417)
Profit / (loss) before taxation	**37,049**	**(51)**	**(3,295)**	**33,703**
Taxation charge for the period	-	-	(4,719)	(4,719)
Profit / (loss) after taxation	**37,049**	**(51)**	**(8,014)**	**28,984**
Retail properties	1,354,027	60,461	-	1,414,488
Additions to retail properties	2,775	293	-	3,068
Residential properties	158,145	99,213	(31,000)[2]	226,358
Additions to residential properties	13	3,987	-	4,000

[1]Operating income includes income and expenses related to assets under management.
[2]Our 50% share of land plot held in a joint venture in Poland.

17. TRANSACTIONS WITH RELATED PARTIES

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, payable in four equal quarterly instalments and subject to an annual review.

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. The Group was entitled to a net consideration of approx. €0,2 for the period ended 31 March 2025 (31 March 2026: €nil).

In April 2026, the Group signed a guarantee agreement for the registered and financial pledge of all shares in CH Reduta Sp. z.o.o. securing the amount of €90,0 million to the benefit of Mivtachim The Workers Social Insurance Fund Ltd under the credit facility with G City maturing in 6 years. The Group is entitled to a net consideration of €0,45 million per year.

The Group signed a framework agreement, where G City took an obligation in case the Group receives an irrevocable undertaking from any financing party, G City shall provide a release of the CH Reduta Sp. z o.o. pledge and any other encumbrance made in favor of Mivtachim The Workers Social Insurance Fund Ltd under the credit facility with G City.

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.

Following the disposal of the Targowek shopping centre to G City in July 2024, the Group continues to provide management and marketing services to the property on a cost-plus basis. Management fee income of €0,6 million was recognised for the period ended 31 March 2026 (31 March 2025: €0,7 million).

Following the disposal of the Biala, Focus and Dominikanska shopping centres to G City in December 2025, the Group continues to provide management and other services to these properties. Management fee income of €0,9 million was recognised for the period ended 31 March 2026 (31 March 2025: €nil). The Group is entitled to a success management fee contingent upon the achievement of specified performance targets over the next five years. As at the reporting date, this represents a contingent asset which has not been recognized in the financial statements, as realization is not virtually certain.

With effect from 2 December 2025, CH Biala sp. z o.o., Galeria Dominikanska sp. z o.o., Focus Bydgoszcz sp. z o.o. and Coletrade Ltd ceased to meet the definition of related parties of the Group in accordance with IAS 24, and transactions with these entities are no longer presented as related party transactions.

18. 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.

The cases relating to 2019-2020 are at the stage of second instance tax authority decisions. Several decisions were issued in February-May 2026, with the remaining decision expected by the end of June 2026. The decisions issued to date are unfavorable, enforceable, and substantially all have already been appealed before 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.

The Hybrid Note has an off-balance sheet accrued interest of €2,9 million as of 31 March 2026 (31 December 2025: €1,1 million).

19. SUBSEQUENT EVENTS

On 14 May 2026, the Board of Directors approved a new bond buy back program for the outstanding 2027 Notes in the total amount of €120 million.

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Auditors' review report

To the Shareholder of G City Europe

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of G City Europe Ltd. and subsidiaries ("the Company"), which comprises the condensed consolidated statement of financial position as of March 31, 2026 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with IAS 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not present fairly, in all material respects, the financial position of the entity as at March 31, 2026, and of its financial performance and its cash flows for the three-month period then ended in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

Tel-Aviv, Israel
May 14, 2026

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A member of Ernst & Young Global

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