

GTC HUNGARY REAL ESTATE DEVELOPMENT PLTD.

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
TOGETHER WITH THE INDEPENDENT AUDITOR`S REVIEW REPORT

Budapest, 30 September 2025

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Member of the Management Board

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The independent auditor’s review report is a separate document.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as of 30 June 2025
(in thousands of Euro)

	Note	30 June 2025 (unaudited)	31 December 2024 (audited)
ASSETS			
Non-current assets			
Properties, plant and equipment		3,272	3,409
Investment property	10	406,847	399,947
Blocked deposits		1,078	2,089
Loans granted to related parties		625,562	601,536
Derivatives	11	-	166
Deferred tax asset		1,198	1,500
		1,037,957	**1,008,647**
Current assets			
Trade receivables		960	1,574
Accrued income		1,657	576
Prepayments, deferred expenses and other receivables		192,698	190,718
Derivatives	11	356	499
VAT receivables		863	994
Income tax receivables		990	1,056
Current blocked deposits		4,377	3,241
Cash and cash equivalents	12	2,480	8,319
Assets held for sale		-	55,816
		204,416	**262,793**
TOTAL ASSETS		**1,242,347**	**1,271,440**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as of 30 June 2025
(in thousands of Euro)

	Note	30 June 2025 (unaudited)	31 December 2024 (audited)
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital		20,366	20,366
Share premium		20,350	20,350
Foreign currency translation reserve		(6,218)	(6,209)
Cash flow hedge reserve	11	(10,965)	(13,344)
Transaction reserve		(1,416)	(1,416)
Retained earnings		243,248	238,218
		265,365	**257,965**
Non-controlling interest		-	6,093
Total Equity		**265,365**	**264,058**
Non-current liabilities			
Non-current portion of long-term borrowing	13	210,449	234,597
Non-current portion of long-term loans from related parties		674,944	661,570
Non-current portion of long-term loans from non-controlling interest		-	5,961
Lease liabilities		410	410
Derivatives	11	26,885	34,161
Deferred tax liabilities		13,343	13,632
Deposits from tenants		1,116	2,089
Other long-term liabilities		7,556	5,483
		934,703	**957,903**
Current Liabilities			
Trade payables and provisions		13,255	11,983
Deposits from tenants		1,636	511
Current portion of long-term borrowing	14	26,486	5,956
VAT payables		213	412
Income tax payables		9	92
Advances received		680	988
		42,279	**49,479**
TOTAL EQUITY AND LIABILITIES		**1,242,347**	**1,271,440**

The accompanying notes are an integral part of these Interim Condensed Consolidated Financial Statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

for the six-month period ended 30 June 2025
(in thousands of Euro)

	Note	Six-month period ended 30 June 2025 (unaudited)	Six-month period ended 30 June 2024 (unaudited)
Rental income		8,325	18,392
Management fees		471	189
Service charge income		3,218	6,143
Service charge costs		(4,855)	(6,679)
Gross margin from operations		**7,159**	**18,045**
Profit/(Loss) from revaluation of investment property	10	(6,058)	5,975
Selling expenses		(102)	(186)
Administrative expenses	7	(1,070)	(1,353)
Other income		62	33
Other expense		(240)	(185)
Profit from continuing operations before tax, finance income / cost and foreign exchange gain, net		**(249)**	**22,329**
Foreign exchange loss, net		54	(521)
Finance income	8	15,281	10,171
Finance cost	8	(11,714)	(13,924)
Profit before tax		**3,372**	**18,055**
Taxation	9	(67)	(2,111)
Profit for the period		**3,305**	**15,944**
Attributable to:			
Equity holders of the Company		3,305	15,733
Non-controlling interest		-	211
(Loss) / gain on cash-flow hedge		3,061	(1,689)
Deferred tax expense / (income) on cash-flow hedge		(276)	146
Net (loss) / gain on cash-flow hedge		**2,785**	**(1,543)**
Total other comprehensive income		2,785	(1,543)
Total comprehensive income for the period, net of tax		**6,090**	**14,401**
Attributable to:			
Equity holders of the Company		6,090	14,190
Non-controlling interest		-	211

The accompanying notes are an integral part of these Interim Condensed Consolidated Financial Statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six-month period ended 30 June 2025
(in thousands of Euro)

	Attributed to equity holders of the Company								
	Share capital	**Share premium**	**Cash flow hedge reserve (11)**	**Foreign currency translation reserve**	**Transaction reserve**	**Retained earnings**	**Total**	**Non-controlling interest**	**Total Equity**
Balances as of 1 January 2024	**20,366**	**20,350**	**(5,557)**	**(6,209)**	**(1,416)**	**210,875**	**238,409**	**5,341**	**243,750**
Other comprehensive loss	-	-	(7,787)	-	-	-	(7,787)	(125)	**(7,912)**
Loss for the period	-	-	-	-	-	27,343	27,343	-	**27,343**
Transaction with non-controlling interest	-	-	-	-	-	-	-	877	**877**
Balances as of 31 December 2024	**20,366**	**20,350**	**(13,344)**	**(6,209)**	**(1,416)**	**238,218**	**257,965**	**6,093**	**264,058**
Balances as of 1 January 2025	**20,366**	**20,350**	**(13,344)**	**(6,209)**	**(1,416)**	**238,218**	**257,965**	**6,093**	**264,058**
Other comprehensive income	-	-	2,785	-	-	-	2,785	-	**2,785**
Profit for the period	-	-	-	-	-	3,305	3,305	-	**3,305**
Transaction with non-controlling interest	-	-	(406)	(9)	-	1,725	**1.310**	(6,093)	**(4,783)**
Balances as of 30 June 2025	**20,366**	**20,350**	**(10,965)**	**(6,218)**	**(1,416)**	**243,248**	**265,365**	**-**	**265,365**

The accompanying notes are an integral part of these Interim Condensed Consolidated Financial Statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six-month period ended 30 June 2025
(in thousands of Euro)

	Note	Six-month period ended 30 June 2025 (unaudited)	Six-month period ended 30 June 2024 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/Profit before tax		**3,372**	**18,055**
Adjustments for			
Depreciation		82	109
(Gain) / loss from revaluation of investment property		6,058	(5,975)
Share-based payment gain		-	-
Foreign exchange loss, net		-	-
Finance income		(15,281)	(10,171)
Finance cost		11,714	13,924
Operating cash flow before working capital changes		**5,945**	**15,942**
Decrease in accounts receivables and prepayments and other current assets		614	-
Changes in trade receivables and other current assets		(2,995)	(1,424)
Changes in deposits from tenants		1,012	1,012
Changes in trade and other payables		1,861	615
Cash generated from operations		**6,437**	**16,145**
Tax paid in the period		(85)	(1,404)
Net cash from operating activities		**6,353**	**14,741**
CASH FLOWS FROM INVESTING ACTIVITIES			
Expenditures on investment property and property, plant and equipment	10	(12,902)	(18,030)
Decrease in short term deposits designated for investment		(1,136)	-
Purchase of non-current financial assets		1,736	-
Change in short term deposits designated for investment		-	(1,197)
Provision of loan		(24,026)	34,725
Interest received		15,281	5,918
Sale of subsidiary, net of cash in disposed assets		26,278	-
Net cash from investing activities		**(5,230)**	**21,416**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term borrowings		(3,617)	-
Repayment of long-term borrowings		7,413	(1,979)
Repayment / proceeds from related party loans		(3,668)	(1,451)
Interest paid and other financing fees		(11,714)	(16,540)
Repayment of lease liabilities			329
Proceeds from the issuance of shares			-
Decrease / (Increase) in short term deposits		1,126	1,122
Loans origination payment		-	(14)
Net cash (used in) / from financing activities		**(10,460)**	**(18,533)**
Net foreign exchange difference, related to cash and cash equivalents		(9)	92
Net increase in cash and cash equivalents		**(5,839)**	**17,716**
Cash and cash equivalents, at beginning of year		**8,319**	**15,380**
Cash and cash equivalents at the end of the period		**2,480**	**33,096**

The accompanying notes are an integral part of these Interim Condensed Consolidated Financial Statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six-month period ended 30 June 2024
(in thousands of Euro)

1. COMPANY INFORMATION

GTC Hungary Real Estate Development Pltd. ("the Company", "GTC") and its subsidiaries ("Group") are real-estate corporation in Hungary and Serbia. The Company was registered in Budapest on 11 September 1998. The Company's registered office is in Budapest, Hungary at 22 Népfürdő street, Tower "A" 15th floor. The Company owns - through its subsidiaries - commercial office companies in Budapest, Hungary. The Company is developing and leasing or selling space to commercial and individual tenants, through its directly and indirectly owned subsidiaries (together "the Group"). There is no seasonality in the business of the Group companies.

The Company is a wholly-owned subsidiary of Globe Trade Center S.A. ("GTC Poland", "GTC SA"), a company listed on the Warsaw Stock Exchange (WSE) and inward listed on Johannesburg Stock Exchange (JSE). The majority shareholder of the GTC SA is Optimum Ventures Private Equity Funds, though GTC Dutch Holdings B.V. ("GTC Dutch") and GTC Holding Zrt. The ultimate controlling party of the Group is Pallas Athéné Domus Meriti Foundation.

2. BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six month ended June 30, 2025 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by EU.

At the date of authorization of the interim condensed consolidated financial statements, considering the EU's ongoing process of IFRS endorsement and the nature of the Group's activities, there is no significant difference between International Financial Reporting Standards applying to these consolidated financial statements and International Financial Reporting Standards endorsed by the European Union. The new standards which have been issued but are not effective yet in the financial year beginning on 1 January 2023 have been presented in the Group's consolidated financial statements for the year ended 31 December 2022 (Note 6).

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as of December 31, 2024. The interim financial results are not necessarily indicative of the full year's results.

The functional currency of the Company and most of its subsidiaries is euro, as the Group primarily generates and spends cash in euro: 1) prices (rental income) are denominated in euro; 2) all borrowings are denominated in euro or hedged to euro through swap instruments. The functional currency of some of entities in the Group is other than euro.

The financial statements of those companies prepared in their functional currencies are included in the consolidated financial statements by translation into euro using appropriate exchange rates outlined in IAS 21. Assets and liabilities are translated at the period end exchange rate, while income and expenses are translated at average exchange rates for the period. All resulting exchange differences are classified in equity as "Foreign currency translation reserve" without affecting earnings for the period.

As of 30 June 2025, the Group's net working capital (defined as current assets less current liabilities) was positive and amounted to EUR 4,898.

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

There were no changes in significant accounting estimates and management's judgements during the period.

3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

The accounting policies adopted in the preparation of the Condensed Consolidated Interim Financial Statements are consistent.

Other standards issued but not effective are not expected to impact on the Group's financial statements.

The Group's assessment is that the above changes have no material impact on the Condensed Consolidated Interim Financial Statements.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. No changes to comparative data or error corrections were made.

4. INVESTMENTS IN SUBSIDIARIES

The consolidated financial statements include the financial statements of the Company, and its subsidiaries (the 'Group') listed below together with direct and indirect ownership of these entities and voting rights proportion as at the end of each period. In brackets, we mention the name of the project the subsidiary is part of.

	Name	Country of Incorporation	Functional currency	30 June 2025 (unaudited)	31 December 2024 (audited)
1	Váci Út 81-85 Kft. (Center Point 1-3)	Hungary	EUR	100%	100%
2	Center Point I. Kft. (Center Point 1-2)	Hungary	EUR	100%	100%
3	Center Point II. Kft. (Center Point 3)	Hungary	EUR	100%	100%
4	GTC Metro Kft. (Metro)	Hungary	EUR	100%	100%
5	Albertfalva Kft. (Szeremi Gate)	Hungary	EUR	100%	100%
6	GTC Future Kft. (GTC Future)	Hungary	EUR	100%	100%
7	Spiral I. Kft.	Hungary	HUF	100%	100%
8	GTC White House Kft.	Hungary	EUR	100%	100%
9	GTC Duna Kft. (Duna Tower)	Hungary	EUR	100%	100%
10	VRK Tower Kft. (Twins)	Hungary	EUR	100%	100%
11	Globe Office Investments Kft. (Váci Greens D)	Hungary	EUR	100%	100%
12	GTC Univerzum Projekt Kft.	Hungary	EUR	0%	100%
13	Kompakt Land Kft	Hungary	EUR	0%	100%
14	GTC Investments Sp. z.o.o.	Poland	EUR	100%	100%
15	Glamp d.o.o. Beograd (GTC X)	Serbia	EUR	0%	70%

5. EVENTS IN THE PERIOD

On 06 January 2025 changes in the Group structure took place resulting from the completion of the series of transactions leading to acquisition of the German residential portfolio from LFH Portfolio Acquico S.À R.L. and Peach Property Group AG. This required changes in the group structure resulting in a disposal of GTC Univerzum Projekt Kft. and Kompakt Land Kft.

On 31 January 2025, the Group finalized the sale of the entire share capital of Serbian subsidiary Glamp d.o.o. Beograd (Project X) for EUR 22.7 million (net of cash and deposits in sold entity) which was close to the amount of assets held for sale deducted by the amount of liabilities related to those assets presented in the annual consolidated financial statements for 2024. The amount was settled in full during reporting period. Transaction was not concluded with any related party.

6. IN AUGUST 2025, GTC HUNGARY CHANGED ITS LEADERSHIP. ZSOLT FARKAS AND BALÁZS GOSZTONYI LEFT THE BOARD, AND MAŁGORZATA AGATA CZAPLICKA BECAME THE NEW CHIEF EXECUTIVE OFFICER, TAKING ON THE ROLE AS THE SOLE EXECUTIVE OFFICER FOR AN INDEFINITE TERM. THE CHANGES TOOK EFFECT ON 7 AUGUST..SEGMENTAL ANALYSIS

Financial data prepared for the purposes of management reporting, on which segment reporting is based, is based on the same accounting principles that are used in the preparation of the consolidated financial statements of the Group.

The operating segments are aggregated into reportable segments, taking into consideration the nature of the business, operating markets, and other factors. Operating segments are divided into geographical zones, which have common characteristics and reflect the nature of management reporting structure: Hungary and Serbia. The Group has operations in office segment only.

Segment analysis of rental income and costs for the six-month period ended 30 June 2025 and 30 June 2024 is presented below:

Six-month period ended 30 June 2025 (unaudited)

	Rental income	Service charge income	Service charge costs	Gross margin from operations
Hungary	8,325	3,218	(4,855)	6,688
Serbia	-	-	-	-
Not allocated [1]	-	-	-	471
Total	**8,325**	**3,218**	**(4,855)**	**7,159**

Six-month period ended 30 June 2024 (unaudited)

	Rental income	Service charge income	Service charge costs	Gross margin from operations
Hungary	16,626	5,557	(6,302)	15,881
Serbia	1,766	586	(377)	1975
Not allocated [1]	-	-	-	189
Total	**18,392**	**6,143**	**(6,679)**	**18,045**

[1] Comprises management fee income in the Company.

6. SEGMENTAL ANALYSIS (CONTINUED)

Segment analysis of assets and liabilities is presented below:

30 June 2025 (unaudited)

	Real estate [1]	Cash and deposits	Other	Total assets
Hungary	409,372	7,837	25,325	**442,894**
Serbia	-	-	-	**-**
Not allocated	-	97	954,645	**954,742**
Total	**409,372**	**7,934**	**979,970**	**1,397,636**
	Borrowings	**Deferred tax**	**Other**	**Total liabilities**
Hungary	88,221	13,287	15,740	**117,247**
Serbia	-	-	-	**-**
Not allocated [2]	978,108	56	35,590	**1,013,753**
Total	**1,066,329**	**13,343**	**51,329**	**1,131,001**

31 December 2024 (audited)

	Real estate [1]	Cash and deposits	Other	Total assets
Hungary	402,864	13,118	19,866	**435,848**
Serbia	-	-	55,830	**55,830**
Not allocated	-	531	779,233	**779,764**
Total	**402,864**	**13,649**	**854,929**	**1,271,442**
	Borrowings	**Deferred tax**	**Other**	**Total liabilities**
Hungary	96,117	13,576	12,708	**122,402**
Serbia	-	-	29,561	**29,561**
Not allocated [2]	811,967	56	43,397	**855,419**
Total	**908,084**	**13,632**	**85,666**	**1,007,382**

(1) Real estate comprises of investment property, assets held for sale and value of buildings and related improvements presented within property, plant and equipment (including right of use).

(2) Borrowings not allocated comprises of bonds and loans granted by related parties, including current portion.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six-month period ended 30 June 2025
(in thousands of Euro)

7. ADMINISTRATIVE EXPENSES

Administration expenses comprise the following:

	Six-month period ended 30 June 2025 (unaudited)	Six-month period ended 30 June 2024 (unaudited)
Remuneration and other employee benefits	521	586
Audit and valuations	140	219
Legal, tax, IT and other advisory	100	71
Office and insurance expenses	8	57
Travel expenses	3	11
Depreciation	82	109
Other expenses	103	22
Office rent	10	11
Management fees	103	267
Provision for share-based payments	-	-
Total	**1,070**	**1,353**

(1) **Remuneration** decreased due to the severance payments.

8. FINANCE INCOME AND EXPENSE

Finance income comprises the following:

	Six-month period ended 30 June 2025 (unaudited)	Six-month period ended 30 June 2024 (unaudited)
Interest on deposits and other	-	167
Interest on loan granted to related-parties	15,281	10,004
Total	**15,281**	**10,171**

Finance costs comprise the following:

	Six-month period ended 30 June 2025 (unaudited)	Six-month period ended 30 June 2024 (unaudited)
Interest expenses (on financial liabilities that are not fair valued through profit or loss), banking costs and other charges	1,968	4,858
Finance costs related to lease liability	-	-
Arrangement fee	-	-
Amortization of long-term borrowings raising costs	122	113
Interest on loan granted by related-parties	9,624	8,953
Total	**11,714**	**13,924**

9. TAXATION

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the interim condensed consolidated statement of profit or loss are:

	Six-month period ended 30 June 2025 (unaudited)	Six-month period ended 30 June 2024 (unaudited)
Current corporate and capital gain tax expense	(329)	(644)
Deferred tax income	262	(1,467)
Total	**(67)**	**(2,111)**

The Group companies are subject to taxes in the following jurisdictions: Hungary, Serbia and Poland. The Group does not constitute a tax group under local legislation. Therefore, every company in the Group is a separate taxpayer.

10. INVESTMENT PROPERTY

The Investment property are office space owned by the Group, including property under construction. The Investment property can be split up as follows:

	30 June 2025 (unaudited)	Year ended 31 December 2024 (audited)
Completed investment properties	272,237	274,037
Investment property under construction ('IPUC')	97,700	89,000
Investment property landbank	36,910	36,910
Total	**406,847**	**399,947**

All investment property landbank and under construction is located in Hungary.

Movements in investment property were as follows:

	Six-month period ended 30 June 2025 (unaudited)	Year ended 31 December 2024 (audited)
Fair value as of beginning of the period	**399,947**	**664,540**
Purchase of completed assets and land	-	-
Reduction of lease income (SIC 15)	-	-
Capitalized expenditure [(1)]	12,902	49.342
Adjustment to fair value / (impairment)	(6,058)	7.764
Borrowing cost capitalized	56	1.401
Reclassified to Property, Plant and Equipment	-	-
Reclassified to Asset Held for Sale	-	(52,300)
Disposals	-	(270,800)
Fair value as of period end	**406,847**	**399,947**

(1) The additions are related to refurbishment of Center Point 1-2, construction costs of Center Point 3, fit-out works on GTC X and a general CAPEX and fit-out works on the completed office buildings.

10. INVESTMENT PROPERTY (CONTINUED)

Reconciliation between capitalized subsequent expenditure and paid subsequent expenditure is presented below:

	Six-month period ended 30 June 2025 (unaudited)	Six-month period ended 30 June 2024 (unaudited)
Capitalized expenditure (including Purchase of completed assets and land)	**21,957**	**23,825**
Change in payables and provisions related to investing activities	(308)	(221)
Change in receivables related to investing activities	1,970	(5,657)
Purchase of property, plant and equipment.	45	83
Expenditures on investment property and property, plant and equipment (Statement of Cash Flows)	**23,664**	**18,030**

Adjustment to fair value consists of the following:

	Six-month period ended 30 June 2025 (unaudited)	Six-month period ended 30 June 2024 (unaudited)
Adjustment to fair value of completed investment properties and IPUC	(3,717)	6,013
Adjustment to fair value of investment property landbank	-	(38)
Profit / (loss) from revaluation of investment property	**(3,717)**	**5,975**

Completed assets are valued using discounted cash flow (DCF) method. Completed investment properties are externally valued by independent appraisers at year end and semiannually based on open market values (RICS Standards).

Assumptions used in the fair value valuations of completed assets as of 30 June 2025 (unaudited) are presented below:

Input	Unit	Hungary
Book value	€ thousand	272,238
Gross leasable area (GLA)	thousand sqm	123
Average occupancy	%	86
Actual average rent	€/sqm/month	19,0
Average ERV [(1)]	€/sqm/month	17,7
Average Yield [(2)]	%	6,5

(1) Estimated Rent Value (ERV): the open market rent value that a property can reasonably expect to attain based on characteristics such as condition of the property, amenities, location, and local market conditions.
(2) Average yield is calculated as in-place rent divided by fair value of asset.

10. INVESTMENT PROPERTY (CONTINUED)

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

Input	Unit	Hungary
Book value	€ thousand	274,037
Gross leasable area (GLA)	thousand sqm	110
Average occupancy	%	75
Actual average rent	€/sqm/month	18,4
Average ERV (1)	€/sqm/month	16,4
Average Yield (2)	%	6,6

(1) Estimated Rent Value (ERV): the open market rent value that a property can reasonably expect to attain based on characteristics such as a condition of the property, amenities, location, and local market conditions.
(2) Average yield is calculated as in-place rent divided by fair value of asset.

Information regarding investment properties under construction is presented below:

	Book value 30 June 2025 (unaudited)	Book value 31 December 2024 (audited)	Estimated area
	€ thousand	€ thousand	thousand sqm
Center Point 3 (Hungary)	97,700	89,000	36
Investment properties under construction as at period end	**97,700**	**89,000**	**36**

11. DERIVATIVES

The Group holds instruments (IRS, CAP, currency SWAP and cross-currency interest rate SWAP) that hedge the risk involved in fluctuations of interest rate and currencies exchange rates. The instruments hedge interest on loans and bonds for periods of 2-9 years.

Derivatives are presented in financial statements as below:

	30 June 2025 (unaudited)	31 December 2024 (audited)
Non-current assets	-	166
Current assets	356	499
Non-current liabilities	(26,885)	(34,161)
Fair value as of the end of the period	**(26,529)**	**(33,496)**

Movements in derivatives were as follows:

	Six-month period ended 30 June 2025 (unaudited)	Six-month period ended 30 June 2024 (unaudited)
Fair value as of the beginning of the period	**(21,150)**	**(14,167)**
Charged to other comprehensive income[1]	2,785	(2,125)
Charged to profit or loss[2]	(8,164)	(4,858)
Fair value as of the end of the period	**(26,529)**	**(21,150)**

(1) Change is mainly attributable to the revaluation of IRS instruments related borrowings.
(2) This loss mainly offset foreign exchange difference gains on bonds nominated in HUF.

11. DERIVATIVES (CONTINUED)

Movements in Cash flow hedge reserve were as follows:

	30 June 2025 (unaudited)	31 December 2024 (audited)
Cash flow hedge reserve as of the beginning of the period	**(13,344)**	**(5,557)**
Charged to other comprehensive income	3,061	(8,602)
Income tax on hedge transactions	(276)	815
Change of non-controlling interest	(406)	-
Cash flow hedge reserve as of the end of the period	**(10,965)**	**(13,344)**

Derivatives are measured at fair value at each reporting date. Valuations of hedging derivatives are considered as Level 2 fair value measurements. Fair value of derivatives is measured using cash flows models based on the data from publicly available sources.

The Group applies cash flow hedge accounting and uses derivatives as hedging instruments. The Group uses both qualitative and quantitative methods for assessing effectiveness of the hedge. All derivatives are measured at fair value effective part is included in other comprehensive income and reclassified to profit or loss when hedged item affects profit or loss. The Group uses IRS and Cap for hedging interest rate risk on loans, and cross-currency interest rate swaps for hedging both interest rate risk and currency risk on bonds denominated in foreign currencies.

12. CASH AND CASH EQUIVALENTS

Cash balance consists of cash in banks and cash on hand. Cash at banks earn interest at floating rates based on periodical bank deposit rates. Except for minor amounts, all cash is deposited in banks.

All cash and cash equivalents are available for use by the Group. Group cooperates mainly with banks with investment ranking above B.

13. LONG-TERM BORROWINGS

Long-term borrowings are linked to the following currencies and have been separated into the non-current portion and the current portion as disclosed below:

Non-current portion	Currency linkage	30 June 2025 (unaudited)	31 December 2024 (audited)
Loan from OTP (Center Point 1-2)	EUR	33,607	39,359
Loan from OTP (Duna Tower)	EUR	29,474	30,522
Loan from Erste (Váci Greens D)	EUR	-	21,438
Green bonds mature in 2027-2030 (HU0000360102)	EUR	99,174	96,564
Green bonds mature in 2028-2031 (HU0000360284)	EUR	49,587	48,282
Deferred debt expenses	EUR	(1,393)	(1,568)
		210,449	**234,597**

14. LONG-TERM BORROWINGS (CONTINUED)

Current portion	Currency linkage	30 June 2025 (unaudited)	31 December 2024 (audited)
Loan from OTP (Center Point 1-2)	EUR	1,821	2,667
Loan from OTP (Duna Tower)	EUR	2,096	2,070
Loan from Erste (Váci Greens D)	EUR	21,841	750
Green bonds mature in 2027-2030 (HU0000360102)	EUR	611	72
Green bonds mature in 2028-2031 (HU0000360284)	EUR	144	397
		26,486	**5,956**

As securities for the bank loans, the banks have mortgages over the assets and security deposits together with assignment of the associated receivables and insurance rights. In its financing agreements with banks, the Group undertakes to comply with certain financial covenants that are listed in those agreements. The main covenants are: maintaining Loan-to-Value ('LTV') and Debt Service Coverage ('DSCR') ratios in the subsidiary that holds the project. As at 30 June 2025, the Group continues to comply with the financial covenants set out in their loan agreements and bonds' terms and conditions.

In addition, substantially all investment properties and IPUC that were financed by a lender have been pledged to secure the long-term loans from banks. Fair value of the pledged assets exceeds the carrying value of the related loans.

Green Bonds (series maturing in 2030-2031) are denominated in HUF. The initial fair value differed from the transaction price. The Group presents the difference as part of the amortized cost of the bonds under "Non-current liabilities" in the statement of the financial position.

14. LONG TERM BORROWINGS (CONTINUED)

Repayments of long-term debt and interest are scheduled as follows (the amounts are not discounted):

	30 June 2025 (unaudited)	31 December 2024 (audited)
First year	26,486	11,491
Second year	4,049	31,670
Third year	4,179	19,844
Fourth year	4,309	24,579
Fifth year	4,440	24,369
Thereafter	46,104	164,010
Total [(1)]	**89,567**	**275,963**

(1) Decreasing due to completion of the series of transactions leading to acquisition of the German residential portfolio from LFH Portfolio Acquico S.À R.L. and Peach Property Group AG which required changes in the group structure resulting in a disposal of GTC Univerzum Projekt Kft. and Kompakt Land Kft.

14. COMMITMENTS AND CONTINGENCIES

These commitments are expected to be financed from available cash and current financing facilities, other external financing or future installments under already contracted sale agreements and yet to be contracted sale agreements. There were no other significant changes in commitments, contingencies or litigation settlements in the current period.

15. IMPACT OF THE SITUATION IN UKRAINE ON GTC GROUP

As at the date of these interim condensed consolidated financial statements, the impact of the war in Ukraine on the Group's operations is not material. However, it is not possible to estimate the scale of such impact in

the future and due to high volatility, the Company monitors the situation on an ongoing basis and analyses its potential impact both from the perspective of individual projects and the entire Group and its long-term investment plans.

16. GROUP APPROVAL OF THE FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were authorized for the issue by the Management Board on 30 September 2025.