MANAGEMENT BOARD'S REPORT

ON THE ACTIVITIES OF

GTC HUNGARY REAL ESTATE DEVELOPMENT PLTD. GROUP

IN THE SIX-MONTH PERIOD ENDED 30 JUNE

2025

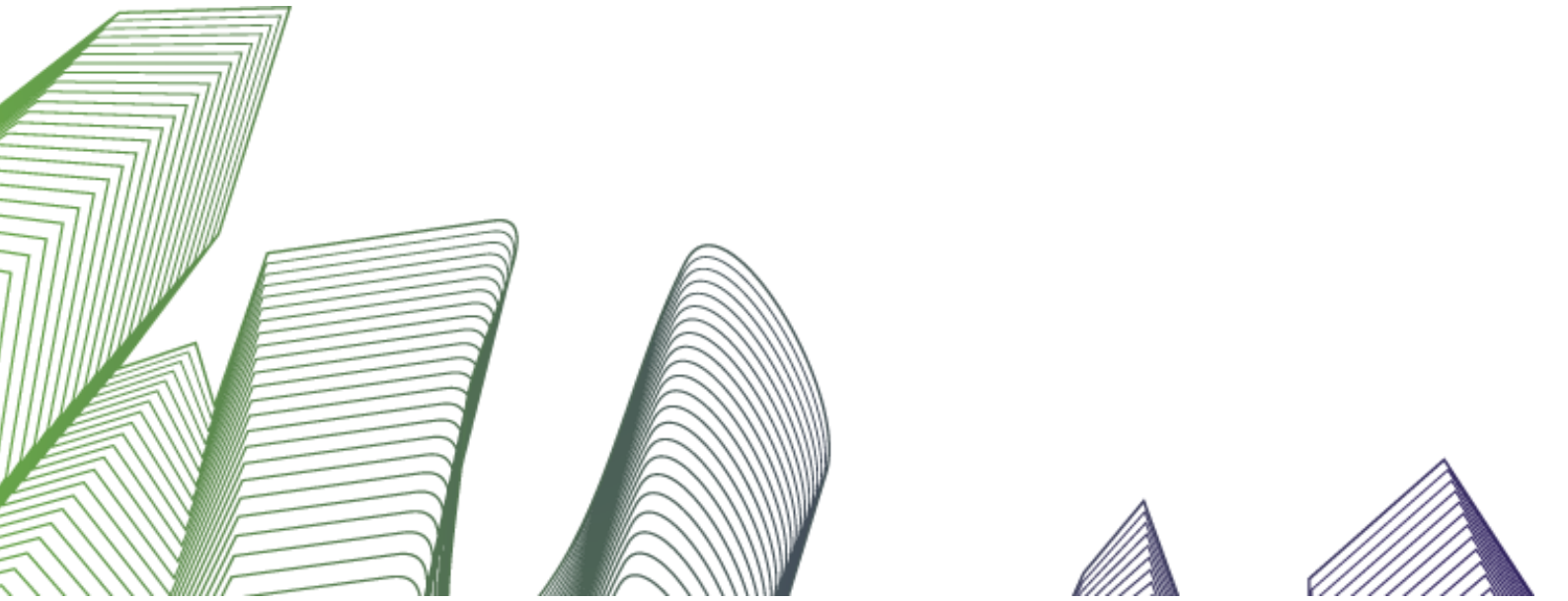


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1. INTRODUCTION

The GTC Hungary Real Estate Development Pltd. was registered in Budapest in September 1998. The company is part of the GTC Group, an experienced, established, and fully integrated, real estate group of companies operating in the CEE and SEE region with a primary focus on Poland and Budapest and capital cities in the SEE region including Bucharest, Belgrade, Zagreb and Sofia, where it directly acquires, develops and manages primarily high-quality office and retail real estate assets in prime locations. The GTC Group was established in 1994.

The GTC's headquarters are located in Hungary Budapest, at 22 Népfürdő street.

PRESENTATION OF FINANCIAL INFORMATION

Unless indicated otherwise, the financial information presented in this Report was prepared according to International Financial Reporting Standards ("IFRS") as approved for use in the European Union.

All the financial data in this Report is presented in EUR or HUF and expressed in thousand unless indicated otherwise.

Certain financial information in this Report was adjusted by rounding. As a result, certain numerical figures shown as totals in this Report may not be exact arithmetic aggregations of the figures that precede them.

PRESENTATION OF PROPERTY INFORMATION

Information on properties is presented pro-rata to the Group's consolidation method in each of the properties. The properties' valuation is based on the value that the Group consolidates in its consolidated financial statements. The occupancy rate given for each of the markets is as of 30 June 2025.

FORWARD-LOOKING STATEMENTS

This Report contains forward-looking statements relating to future expectations regarding the Group's business, financial condition, and results of operations. You can find these statements by looking for words such as "may", "will", "expect", "anticipate", "believe", "estimate", and similar words used in this Report. By their nature, forward-looking statements are subject to numerous assumptions, risks, and uncertainties. Accordingly, actual results may differ materially from those expressed or implied by forward-looking statements. The Group cautions you not to place undue reliance on such statements, which speak only as of this Report's date.

The cautionary statements set out above should be considered in connection with any subsequent written or oral forward-looking statements that the Group or persons acting on its behalf may issue. The Group does not undertake any obligation to review or confirm analysts' expectations or estimates or to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date of this Report.

The Group discloses essential risk factors that could cause its actual results to differ materially from its expectations under Item 3. "Key risk factors", Item 5. "Operating and financial review", and elsewhere in

this Report. These cautionary statements qualify all forward-looking statements attributable to us or persons acting on behalf of the Group. When the Group indicates that an event, condition, or circumstance could or would have an adverse effect on the Group, it means to include effects upon its business, financial situation, and results of operations.

2. SELECTED FINANCIAL DATA

The following tables present the Group's selected historical financial data for the six-month period ended 30 June 2024 and 2025. The historical financial data should be read in conjunction with Item 5. "Operating and financial review" and the unaudited consolidated financial statements for the six-month period ended 30 June 2025 (including the notes thereto). The Group has derived the financial data presented in accordance with IFRS from the unaudited consolidated financial statements for the six-month period ended 30 June 2025.

	FOR THE 6-MONTH PERIOD	
Consolidated Income Statement (in thousands EUR)	**30 June 2025**	**30 June 2024**
Revenues from operations	12,014	24,724
Cost of operations	(4,855)	(6,679)
Gross margin from operations	7,159	18,045
Selling expenses	(102)	(186)
Administrative expenses	(1,070)	(1,353)
Profit/(loss) from revaluation/impairment of assets, net	(6,058)	5,975
Financial income/(expense), net	3,567	(3,753)
Net profit / (loss)	3,305	15,944

Consolidated Cash Flow Statement (in thousands EUR)	**30 June 2025**	**30 June 2024**
Net cash from operating activities	6,353	14,741
Net cash from investing activities	(5,230)	21,416
Net cash from/(used in) financing activities	(10,460)	(18,533)
Cash and cash equivalents at the end of the period	2,480	33,096

Consolidated statement of financial position (in thousands EUR)	30 Jun. 2025	31 Dec. 2024
Investment property (completed and under construction)	373,237	363,037
Investment property landbank	33,610	36,910
Assets held for sale	-	55,816
Cash and cash equivalents	2,480	8,319
Loan granted to related parties	625,562	601,536
Prepayments, deferred expenses and other receivables	192,698	190,718
Others	14,760	15,104
Total assets	**1,242,347**	**1,271,440**
Non-current liabilities	934,703	957,903
Current liabilities	42,279	49,479
Total Equity	265,366	264,058
Share capital	20,366	20,366

3. KEY RISK FACTORS

RISK FACTORS RELATED TO THE GROUP'S BUSINESS

Risk	Description	Risk management method
Risk of unfavourable macroeconomic trends	The Group is affected by macroeconomic conditions, especially the overall conditions in the EU and national and local economies, such as growth in gross domestic product, inflation, changes in interest rates, and unemployment rates. Unfavourable macroeconomic trends combined with the instability of the financial markets may have a negative impact on the Group's operations, rental income, the market value of the Group's properties, as well as the availability and cost of debt financing/refinancing.	▪ Ongoing monitoring of the market and macroeconomic conditions; ▪ securing of rental income through the execution of long-term lease agreements with indexed rent rates; ▪ ongoing analysis of the behaviour and needs of the tenants; ▪ making decisions on new projects based on current and estimated market conditions; and ▪ efforts to maintain a sufficient level of cash and available credit limits.
Geopolitical risk	Geopolitical factors, including the approaching elections and challenging economic conditions in Hungary (further affected by reduced disbursements of EU funds), the political and economic environment in Serbia, political tensions in Poland between the Prime Minister and the President combined with substantial	▪ Ongoing monitoring of the geopolitical situation in terms of its potential impact on the Group, individual projects and the Group's long-term investment plans; ▪ as at the date of this Report, the Group has not identified specific

	defence-related fiscal expenditures, and the ongoing recession in Germany, may create significant uncertainties for the Group's activities. In addition, global developments such as the war in war in Ukraine, economic sanctions imposed on Russia and Belarus, the conflict in the Middle East, tensions between China and Taiwan, and uncertainties surrounding US foreign policy in light of the recent political transition remain relevant risk factors for the region. Taken together with other macroeconomic and geopolitical factors, these developments may negatively affect the Group's operations and financial results. The continuation of existing conflicts may lead to further disruptions in supply chains, reduced availability of subcontractors, and a general increase in the cost of materials and energy.	risks, which result directly from existing conflicts, which may have impacted the Group's operations, financial results or development process.
Risks related to the implementation of strategy	The Group may be unable to implement its strategy in part or in full and there can be no assurance that the implementation of the Group's strategy would achieve its goals. The success of the Group's strategy relies, in part, on various assumptions and contingencies (e.g. with respect to the level of profitability of any acquisition targets, investment criteria that have been developed by the Group, and the valuation of a project) that may prove to be partially or wholly incorrect or inaccurate resulting in a lower than expected return on investment. There is a risk that the Group will not be able to carry out its planned sale strategy in its entirety or in part or at the assumed prices (which may differ from the acquisition value) or, with respect to certain projects, cooperation of the majority partner in joint venture projects may be required. There is a risk that the Group will not be able to identify and secure new investments at attractive prices and on favourable terms and conditions that will satisfy its rate of return objectives and realise their values. Consequently, the Group may not be able to acquire properties and develop planned projects, and acquisitions may not actually	▪ Experienced, goal-oriented management for the Group; ▪ qualified team of specialists; ▪ monitoring market conditions (both global and regional) and other factors that are relevant for the achievement of the strategic goals of the Group; ▪ periodic verification of key strategic goals; and ▪ cooperating with renowned brokers and agents as well as reputable legal, tax, commercial and technical advisors in the due diligence process and in the process of new investment acquisitions.

	generate the expected income. The Group may also fail to achieve its goals due to internal and external factors of a regulatory, legal, financial, social or operational nature, some of which may be beyond the Group's control, such as volatile market conditions, a lack of capital resources needed for expansion and the changing price and availability of investment targets in the relevant markets, as well as changes to laws.	
Risk related to investments in new sectors and new markets	The Group decided to pursue potential new investments in certain new sectors and geographical regions, including in: (i) innovation and technology parks; (ii) renewable energy facilities; and (iii) broad living sector, covering PRS, senior living and student housing properties. No assurance can be given that its investments in such new sectors may achieve the expected returns and increase the Group's profitability. The success of investments in new sectors and in new markets depends, to a significant extent, on possessing good knowledge of a given market and/or sector and an ability to locate and acquire properties at attractive prices and on favourable terms and conditions, and more experienced commercial real estate developers that have operated in such sectors for longer periods may have an advantage over the Group and constitute significant competition for the Group. Moreover, the successful implementation of the Group's new strategy may result in certain changes to the Group's property portfolio, including its geographic composition and composition by asset classes (i.e. retail, office, residential and other properties) and as a result, various measures of the Group's business and recurring cash flows derived from rental income may change. In 2024, the Group commenced operations in Germany in the residential sector by managing a portfolio of rental residential properties and developing a senior housing portfolio. However, the German economy is facing significant challenges, including a loss of competitiveness, weak demand, and	▪ Investing in new sectors on a small scale (such investments do not constitute more than 10% of the Group's assets); ▪ investing as a minority shareholder in investment platforms with experienced developers and financial investors; ▪ conducting comprehensive analyses of new sectors and markets; ▪ cooperating with local specialists familiar with the conditions of a given market; and ▪ conducting a detailed due diligence prior to making a decision on whether to proceed with a new project.

	political uncertainty, which may adversely impact the performance of the Group's investments in the German market. In particular, political or economic developments may affect immigration flows and, in turn, demand for residential rental housing. In addition, the Group may encounter challenges in navigating Germany's regulatory environment, cultural differences and competitive labour market. There can be no assurance that the Group will successfully overcome these challenges or achieve the expected profitability of its investments in Germany.	
Risk related to changes in tenant and consumer preferences	Due to the change in the typical work model resulting in a significant portion of employees working in hybrid mode combining work from office with remote work, or working fully remotely (strengthened, in the case of Poland, by changes in the labour law), as well as changes in shopping preferences combined with the growing significance of online shopping instead of conventional shopping following the COVID-19 pandemic, there can be no assurance that tenants will renew their leases on terms favourable to the Group at the end of their current tenancies or, if they do not, that new tenants of equivalent standing (or any new tenants) will be acquired, which, in turn, may cause reduced or negative rental returns and profits and, as a result, could have a material adverse effect on the Group's business, financial condition and results of operations.	▪ Conducting ongoing analyses of the latest trends based on industry reports and own analyses of consumer preferences; ▪ flexibly responding to changing consumer and tenant preferences; ▪ attempting to secure high-quality projects that are attractive to tenants; ▪ improving amenities for tenants and implementing tenant-friendly solutions in buildings; and ▪ adapting the Group's strategy in accordance with the changing market trends and situation.
Risk related to the development process	The Group is exposed to risks related to development processes, including, among others, demand for office space in the relevant market, a contractor's bankruptcy, claims and legal disputes with subcontractors, delays in work, the improper quality of work, increased material, labour or other costs, which may make completion of the project uneconomical, and shortages of qualified teams of professionals. Failure in any of these may negatively affect the Group's reputation and the marketability of the completed properties. The construction of	▪ Cooperating with renowned and experienced contractors, subcontractors and suppliers; ▪ checking the financial condition and technical capabilities of a contractor or supplier prior to signing contracts; ▪ applying mechanisms in construction contracts protecting investors (e.g. lump sum remuneration, indemnification regarding subcontractors, obligation to provide the respective bank

	the Group's projects may also be delayed or otherwise negatively affected by other factors over which the Group has limited or no control, such as acts of nature, industrial accidents, deterioration of ground conditions (for example, the presence of underground water) and potential liability under environmental laws and other laws related to, for example, ground contamination, archaeological findings or unexploded ordnance, acts of terrorism, riots, strikes or social unrest, changes in applicable laws, and increases in the cost of external financing. Additionally, no assurances can be given that permits or other decisions required from various authorities in connection with existing or new development projects will be obtained by the Group in a timely manner. Such decisions may be challenged by third parties, which may result in delays in the development timetable, failing to meet deadlines and/or an investment being abandoned. The Group's land may also require rezoning or a new or the obtaining of an amended local spatial development plan or planning permission. Obtaining the required permission cannot be guaranteed, and the Group has encountered such difficulties in the past.	guarantees or other collateral securing the proper performance of work and guarantee periods); ▪ conducting ongoing supervision over construction projects by project managers; ▪ conducting detailed analyses of the zoning designation of land prior to acquisition; ▪ developing experience in obtaining permits from major cities in Hungary; ▪ cooperating with experienced external architectural and urban planning studios as well as specialists in the fields of planning and administrative procedures; and ▪ limiting the number of new developments of the Group conducted at the same time (in light of the fact that development is not a core business operation of the Group).
Risk related to potentially insufficient capital expenditures allocated for the residential portfolio in Germany	The portfolio of residential real estate for rent in Germany bought by the Group comprises properties built from 1950 to 1969, along with newer properties built from 1970 to 1984. The Group has allocated funds for capital expenditures to carry out planned refurbishment work to bring the buildings into ESG compliance, however, the allocated amount may be insufficient to complete the planned refurbishment. The buildings may also require additional work that is not included in the technical assessments of the buildings made prior to their acquisition. Additionally, the European Union may adopt new regulations concerning mandatory refurbishment that the Group will be required to perform, the costs of which are not included in the secured capital expenditures.	▪ Extensive experience in bringing buildings into ESG compliance; ▪ a comprehensive technical assessment of the portfolio conducted prior to any acquisitions; and ▪ monitoring regulations concerning ESG requirements.

Risk of not adjusting the Group's properties to sustainability criteria and not reducing its impact on the environment	The Group is required to adapt to adopted EU legal acts in the area of ESG, to meet multiple sustainability criteria, and to take actions aimed at reducing the environmental impact of the Group's operations. There is a risk that the adaptation of the Group's buildings to be net zero effective, as well as actions taken by the Group to improve building efficiency may require significant capital expenditures and, in some cases, could be difficult to implement. One cannot rule out that, for the purpose of the reduction of their carbon footprint, tenants will be looking for space that provides a low carbon footprint or will limit their office space or place great importance on working from home (in an effort to generate fewer or even no carbon emissions) instead of working from an office, which may lead to reduced demand for office space, and have a negative impact on the rental returns and profitability of the Group. There is a risk that buildings that do not meet sustainability criteria will not be attractive either to tenants or potential purchasers and, as a consequence, the sale of such buildings may be difficult, or the price offered for such buildings will not be satisfactory to the Group. Also, the observed changes in the climate (in particular, changes in the average air temperature in the region in which the Group operates) may require changes in the operation of the Group's properties as well as its equipment (including, for instance, upgrading air conditioners, replacing conventional lighting with LED, etc.). Moreover, making such changes may require additional capital expenditures. Failure to make these changes in a timely manner could create a competitive disadvantage and a decrease in rental revenue, and thereby negatively impact the Group's results of operations and financial condition.	▪ Focusing on a thorough analysis of the environmental impact of the operation of the Group's buildings; ▪ continuously improving the monitoring and management of buildings based on the most recognised environmental certification systems such as BREEAM or LEED; ▪ reducing the Group's carbon footprint primarily by ensuring the energy efficiency of buildings and investing in energy from renewable sources; ▪ using green energy from certified sources in all buildings in Hungary, Poland, Romania and Croatia, and partially in Bulgaria; ▪ publishing a comprehensive ESG report (being the first commercial developer in CEE to do so); ▪ supporting local communities and educational and cultural activities by working with over a hundred organisations, including NGOs, schools and universities; ▪ implementing a diversity and inclusion policy, employing an array of employees that vary in terms of gender, age, education, and cultural background; and ▪ delivering new buildings, and acquiring and managing assets with a focus on environmental protection.

LEGAL AND REGULATORY RISKS

Risk	Description	Risk management method
Risk of changes in laws and regulations	The Group's operations are subject to various regulations in Hungary, Serbia and other jurisdictions in which the Group conducts business activities (including fire and safety requirements, environmental regulations, labour laws and land zoning) and is exposed to the risk of changes in these legal and regulatory frameworks across these jurisdictions. New, or amendments to existing, laws, rules, regulations or ordinances could require significant unanticipated expenditures or impose additional obligations, fines, penalties and/or restrictions on the use of the Group's properties and/or its operations. Additionally, the EU may adopt new regulations concerning mandatory refurbishment that the Group will be required to perform, the costs of which are not included in the secured capital expenditures. Therefore, the Group's allocated capital expenditure may not be sufficient to support its the residential portfolio. Moreover, there can be no assurance that if perpetual usufruct fees in Poland are increased, the Group would be able to pass such costs onto its tenants in the form of increased service charges, and such increase may lead to a given property becoming less competitive as compared to properties not situated on land subject to perpetual usufruct fees. Furthermore, the introduction or enforcement of stricter environmental, health, and safety laws or regulations in the CEE and SEE regions, as well as Germany, could lead to substantial costs and liabilities for the Group. This may also subject the properties currently or previously owned or operated by the Group to more rigorous scrutiny than is presently the case. As a result, complying with these laws could lead to significant	▪ Ongoing monitoring of changes in laws and regulations applicable to the Group's operations (while still in the legislative process) so that new requirements can be quickly implemented in the Group's operation; and ▪ cooperating with renowned legal advisors in the jurisdictions where the Group conducts business activities.

	expenses related to required removal, investigation or remediation efforts. Additionally, the presence of such substances on the Group's properties may limit its ability to sell the property or use it as collateral.	
Risk related to regulations concerning maximum increases of rent in Germany	The residential real estate for rent sector in Germany, in which the Group commenced operations, is tightly regulated, including regulations concerning the maximum increases of rent by landlords. One cannot rule out that, in light of the current political situation in Germany, further limits on rent increases or even a nationwide rent freeze may be introduced. The unpredictability of the regulator in this respect is seen as the greatest risk on the income side. It is also quite relevant that approximately 30% of the residential portfolio of the Group is rented by public entities. The regulatory cap on rent increases in housing stock would be particularly adverse in the face of rising costs (e.g. for the maintenance and repair of apartments). This, combined with the cost of financing for the acquisition of the portfolio, may result in the Group not achieving targeted investment returns, having difficulties in the disposal of a part of the portfolio at improved prices, and/or the lack of repayment of the financing within the assumed timeframe. A federal election in Germany was held on 23 February 2025 resulting in a newly formed federal government. No assurance can be given that further limits on rent increases or even a nationwide rent freeze will not be introduced.	▪ Ongoing monitoring of changes in German laws applicable to the Group's operations, in particular concerning the cap on rent increases; ▪ a plan to bring buildings up to ESG standards, which in the long term should result in both increasing the attractiveness of the portfolio and decreasing the maintenance costs; and ▪ cooperating with renowned legal advisors with respect to rental agreements and the permitted rent increases under German law.
Risk of changes in tax laws or their interpretation	Taking into account that the tax regulations in the countries in which the Group operates, are complex and subject to frequent changes, and the approaches of the various tax authorities are not uniform and consistent, the Group is exposed to the risk that tax authorities will employ a different interpretation of tax laws that apply to the Group, which may prove unfavourable for the Group. No assurance can be given that specific tax interpretations already obtained and	▪ Monitoring changes in tax law applicable to the Group's operations; ▪ obtaining a tax interpretation in the case of any uncertainty concerning the tax treatment of a given transaction and executing the transaction in line with such interpretation; ▪ hiring experienced accountants and financial specialists; and

	applied by the Group will not be changed or challenged. There is also a risk that new tax law regulations will be introduced, which may result in greater costs due to circumstances related to complying with any changed or new regulations. Moreover, in relation to the cross-border nature of the Group's business, international agreements, including double taxation treaties which apply to members of the Group, may also have an effect on the Group companies' business.	▪ cooperating with renowned legal and tax advisors.
Risk of legal disputes	The Group may face claims and may be held liable in connection with incidents occurring on its construction sites, such as accidents, injuries or fatalities of its employees, contractors or visitors to the sites. . In addition, the construction, lease and sale of properties are subject to the risk of claims for defective construction, corrective or other works and associated adverse publicity. Claims may also be brought against the Group in connection with executed transactions concerning the sale of projects (e.g. for a breach of warranties made by the Group, and/or for the existence of defects of which the Group was not aware, but of which it should have been aware when it executed the transaction). The Group may be also involved in small-scale litigation and other legal proceedings in connection with lease agreements in the case of breaches of certain obligations of the landlord set out in such agreements. The Group's title to investment and development properties may also be subject to challenge, and certain permits or authorisations may have been obtained in breach of applicable laws. In particular, due to the complexity and ambiguity of real estate laws and the unreliability of certain registries, it may be difficult or impossible to confirm title with certainty, and even registered titles may be contested. Moreover, permits, re-zoning approvals or other authorisations could be subsequently challenged, which may adversely affect the Group's business, financial condition and results of operations.	▪ Applying high standards in the fields of health, safety and the environment; ▪ monitoring compliance with health, safety and environmental procedures by the Group's employees as well as contractors and their employees and subcontractors; ▪ introducing a mechanism limiting the Group's liability in transaction documents (e.g. time limitations, monetary limitations); and ▪ cooperating with renowned legal advisors in the case of a dispute.

RISK FACTORS RELATED TO THE GROUP'S FINANCIAL CONDITION

Risk	Description	Risk management method
Risk of decline in occupancy levels	Any significant decline in occupancy levels in the Group's properties, especially the loss of reputable anchor tenants, could have a material adverse effect on the ability of the Group to generate cash flows at the expected levels. There can be no assurance that the Group's tenants will renew their leases on terms favourable to the Group or for the same space size or duration at the end of their current tenancies. Higher vacancy rates would also increase the Group's overall operating costs, as the Group would have to cover the portion of service charges generated by empty properties or units. Additionally, a small portion of the lease agreements concluded by the Group in its retail portfolio provide for a cap on increases of the service charges payable by the tenant. In such cases, any increase in maintenance charges would be covered by the Group. Any such decrease in rental revenue or increase in operating costs could have a material adverse effect on the Group's business, financial condition and results of operations.	▪ Attempting to secure high quality projects that are attractive to tenants; ▪ strengthening the rental and marketing strategies; ▪ building good, long-term relationships with tenants; ▪ continuously analysing market trends and promptly adapting to changes; ▪ improving amenities for tenants and implementing tenant-friendly solutions in buildings; ▪ effective management of the Group's commercial properties; ▪ experienced leasing team; and ▪ cooperating with reputable brokers and leasing agencies.
Risk of not fully recovering the operating costs from tenants	The Group may not be able to fully pass on all operating costs to the tenants, especially in a very competitive environment where the Group has to offer attractive conditions and terms to be able to compete with other office or retail properties or has to improve conditions offered to attract new tenants to its projects. If vacancy rates in the Group's buildings increase, the Group must cover the portion of the service charges that is related to the vacant space. Some of the lease agreements concluded by the Group provide for a cap on increases of the service changes payable by the tenant. In such cases, if the maintenance charges increase, the Group would be unable to pass on such increases to the tenants.	▪ Effective property management focused on minimising maintenance costs without compromising the quality of services; ▪ the vast majority of the lease agreements concluded with tenants are triple-net leases, which means all operational costs as well as property taxes are covered by the tenants; and ▪ limited caps on service charges passed on to tenants.

Risk related to the valuation of the Group's properties	The Group's income depends partially on changes in the value of assets on property markets, which are subject to fluctuations. The valuation of a property is inherently subjective and uncertain as it is based on different methodologies, forecasts and assumptions (e.g. as to expected rental values, fit-out costs, the time necessary for renting a specific property, etc.). The Group's property valuations are made based on the discounted cashflow method (DCF), using the discount rates applicable to the relevant local real estate market or, in the case of certain properties, by reference to the sale value of comparable properties, and any change in the valuation methodology used by the valuer will have an impact on the valuation of a given property and may result in gains or losses in the Group's consolidated income statement. As a result, the Group can generate significant non-cash revenue gains or losses from period to period depending on the changes in the fair values of its investment properties, regardless of whether such properties are sold. If the forecasts and assumptions on which the valuations of the projects in the Group's portfolio are based prove to be inaccurate or are subject to changes, the actual values of the projects in the Group's portfolio may differ materially from those stated in the valuation reports. Valuations based on inaccurate assumptions concerning the Group's properties and fluctuations in valuations may have a material adverse effect on the Group's business, financial condition and compliance with bank loan agreements.	▪ Performing valuations of the Group's properties semi-annually (as at 30 June and 31 December of each year); ▪ having reputable external valuers assess the properties; and ▪ conducting internal reviews of property valuations and, if necessary, having a certified independent appraiser confirm such valuations.
Risk related to the Group's debt financing	The Group's existing leverage and external debt financing may have material adverse consequences for the Group, including: (i) increasing its vulnerability to and reduced possibility to respond to downturns in the Group's business or generally adverse economic and industry conditions; (ii) limiting the Group's ability to obtain additional financing to fund future operations,	▪ Monitoring the regular repayment of debt and securing funds for such repayment; ▪ monitoring to ensure the proper performance of all obligations imposed on the Group and/or the companies thereof under financing documents;

	capital expenditures, business opportunities, acquisitions and other general corporate purposes, which may be necessary for the Group to achieve the envisaged returns on its project, as well as increasing the cost of any future borrowings; (iii) forcing the Group to dispose of its properties in order to enable it to meet its financing obligations, including compliance with certain covenants under loan agreements; (iv) requiring the allotment of a substantial portion of the Group's cash flows from operations to the payment of the principal and the interest on its indebtedness; and (v) placing the Group at a competitive disadvantage compared to its competitors that are less leveraged. A potential risk of obtaining financing and/or obtaining it on favourable terms may apply to financing of several investment properties under construction. This may be due to several factors, including low pre-leasing levels during the construction process, slower sales of residential units during the construction phase. As a result, higher levels of equity may be required to be deployed for the purposes of development of new investment properties and the recycling of such equity may take longer and depend on external conditions.	▪ ensuring loan funds are spent in accordance with the purpose of a given loan; ▪ attempting to ensure the proper liquidity of the Group; and ▪ maintaining available credit limits and good relationships with financing banks.
Risk of the failure to meet obligations under financing agreements	The Group could fail to make the principal and/or interest payments due under the Group's loans or breach any of the covenants included in loan agreements – in some cases also due to circumstances that may be beyond the control of the Group. These may include requirements to meet certain loan-to-value ratios, debt service coverage and working capital requirements. A breach of such covenants by the Group could result in the forfeiture of its mortgaged assets, the acceleration of its payment obligations, the acceleration of payment guarantees, trigger cross-default clauses or make future borrowing difficult or impossible. In these circumstances, the Group could also be forced, in the long term, to sell	▪ Monitoring the regular repayment of debt and securing funds for such repayment; ▪ employing specialists responsible for handling the existing debt financing of the Group; ▪ ensuring that loan funds are spent in accordance with the purpose of a given loan; and ▪ conducting monitoring to ensure the proper performance of all obligations of the Group under existing financing documents so as to prevent the occurrence of any breach and/or default.

	some of its assets to meet its loan obligations, or the completion of its affected projects could be delayed or curtailed. The Group's leverage and debt service obligations are significant and may increase in the future, which could heighten its vulnerability to adverse economic conditions, limit its access to additional financing, increase borrowing costs, and require greater allocation of operating cash flows to debt service. In addition, a significant portion of the Group's debt is secured, including financing incurred for its German Residential Portfolio, where the secured assets are ringfenced and unavailable as security for future indebtedness. A breach of obligations under such debt could lead to foreclosure on secured assets and materially adversely affect the Group's ability to satisfy its obligations.	
Risk related to refinancing	The Group's real estate projects are financed under secured loans and unsecured bonds that have been provided for a limited term. The Group may not be able to renew or refinance its remaining obligations in part or at all, or may have to accept less favourable terms in respect of such refinancing. The costs of new financing and/or refinancing may be significantly higher than under the existing facility agreements. If the Group is unable to renew a loan or bond or secure refinancing, the Group could be forced to sell one or more of its properties in order to procure the necessary liquidity or to use its existing cash to repay the loan. Additionally, if the Group is not able to renew certain loans or bonds, the properties that are financed by way of such loans or bonds will become low-leveraged and, as a consequence, will not be able to generate the expected returns on equity. The refinancing is also connected with a risk of changes in interest rates, which may be less favourable than under the existing indebtedness. Interest rates are highly sensitive to many factors, including government monetary policies and	▪ Monitoring to ensure the proper performance of all obligations of the Group under existing financing documents so as not to lead to any breach and/or default; ▪ maintaining the creditworthiness of the Group at a sufficient level; ▪ consolidation of cash prior to the maturity date of the bonds through the disposal of non-core assets; ▪ owning significant assets that can serve as collateral for financing banks; ▪ owning significant assets that can be disposed of for the purposes of partial repayment of existing debt; ▪ extensive experience in obtaining financing and refinancing; ▪ effectively managing the Group's leverage; ▪ building good and long-term relationships with financing banks; ▪ employing experienced financial specialists; and ▪ limiting exposure to changes in interest rates by incurring debt at a fixed interest rate, or changing interest from a variable to a fixed rate via hedging instruments.

	domestic and international economic and political conditions, as well as other factors beyond the Group's control, but any changes in the relevant interest rates may increase the Group's costs of borrowing in relation to existing loans, thus impacting its profitability. Any combination of the above may have material adverse effects on the Group's business, cash flows, financial condition and results of operations.	
Currency risk	The Group's functional currency is euro. The Group is exposed to currency risks arising, *inter alia,* from the fact that certain of the Group's costs (such as certain construction costs, labour costs and remuneration for certain general contractors) are incurred and some of the income is gained in the currencies of the geographical markets in which the Group operates, including the Hungarian forint, and the Serbian dinar. The exchange rates between local currencies and the euro have fluctuated historically. A portion of the Group's debt is denominated in currencies other than EUR and, as a result, a portion of the financial costs is incurred by the Group in such other currencies (the currency risk applies, in particular, to interest on the bonds issued by the Group in Hungarian forints).	▪ Obtaining debt financing denominated in euros or converting financing obtained in other currencies into euros using hedging derivatives; ▪ concluding agreements with contractors specifying remuneration expressed in euros; and ▪ engaging in other forms of currency hedging in an attempt to reduce the impact of currency fluctuations and the volatility of returns.
Risk of loss of liquidity by the Group	There is a potential risk of a loss of liquidity by the Group in the case of significant disturbance in the balance between its receivables and liabilities, and a material cash flow disruption in the absence of access to debt financing.	▪ Permanent monitoring of the forecast and actual short and long-term cash flows, as well as receivables and liabilities; ▪ maintaining a sufficient cash level in order to ensure proper liquidity management; ▪ maintaining free credit limits on current accounts; ▪ experienced management of the Group; and ▪ diversification of the Group's portfolio as well as investing in new sectors that might go through different phases of the business cycle at different times.

RISK FACTORS RELATED TO THE SHAREHOLDING STRUCTURE

Risk	Description	Risk management method
Risk related to the Group's controlling shareholder	GTC's dominant entity is Optimum Venture Private Equity Fund ("**Optima**"), which indirectly holds 62.61% of the shares in the Company's share capital. Optima is controlled by Pallas Athéné Domus Meriti, a Hungarian foundation which was founded by the National Bank of Hungary. Optima and the foundation controlling it have recently been the subject of ongoing media reports and public commentary relating to alleged irregularities. These matters do not concern the Company, any of its group companies, or their respective employees. The Company remains an independent legal entity, not responsible for, nor guaranteeing, any obligations of its shareholders. None of the Company's assets have been pledged as collateral in relation to any liabilities of its shareholders, nor do the Company's shareholders provide any form of financing to the Company beyond their already-fulfilled equity contributions. While the Company is not involved in any way in these matters and operates under the oversight of the supervisory board (several of the members of which are independent), it cannot be ruled out that further developments, depending on their nature and public response, could affect the perception of the Company among certain investors, financing institutions, or business partners. This could potentially influence the Company's ability to access capital, refinance the existing debt, or pursue certain commercial opportunities. Moreover, the Group cannot exclude the risk of a potential conflict of interest between Optima and the remaining shareholders. When considering an investment, the business and operational matters of the Group, and/or the most appropriate uses of the Group's available	▪ Applying most of the principles of corporate governance set out in the Good Practices of Companies Listed on the WSE 2021; ▪ protecting the rights of minority shareholders in the articles of association, including the appointment of a shareholder meeting delegate (supervisory board member appointed by the general meeting), adhering to independence criteria for at least two supervisory board members, and special approval requirements for related-party transactions; and ▪ periodic monitoring of media reports, adhering to high standards of corporate governance, transparency, and operational independence.

	cash, the interests of Optima may not be aligned with the interests of the Group or of its other shareholders, especially as Optima operates in the same markets as the Group and it might compete over investments. Although the Group's shareholders in the Annual General Meeting on 24 June 2025 upheld the recommendation from the Management Board that the Company should not distribute dividends with respect to the year ended 31 December 2024, there is no guarantee that shareholders will not require and authorise the payment of dividends in the future, as was the case for the year ended 31 December 2023 (which the Company's shareholders approved on 26 June 2024 and paid in September 2024). Any payment of dividends may affect the Group's liquidity. Optima also operates in the same markets as the Group and may compete over investments that the Group may be interested in. Any such conflicts of interest may have an adverse effect on the Group's business, financial condition and results of operations.	
Risk associated with related-party transactions	As the Group executes transactions with related parties, it is exposed to the risk of such transactions being challenged by tax authorities, taking into account the specific nature of related-party transactions, the complexity and ambiguity of legal regulations governing the methods of determining arm's-length terms for the purpose of such transactions, as well as difficulties in identifying comparable transactions for reference purposes.	▪ Monitoring legal and tax regulations as well as amendments to laws governing related-party transactions; ▪ monitoring market practice (including the approach of the authorities) in determining arm's-length terms for the purpose of related-party transactions; and ▪ cooperating with experienced tax and legal advisors.

RISK FACTOR RELATED TO THE MARKETS IN WHICH THE GROUP OPERATES

Risk	Description	Risk management method
Risk associated with countries in emerging markets	The markets in the regions of CEE and SEE in which the Group operates are subject to greater legal, economic, fiscal and political risks than mature markets, and are subject to rapid and sometimes unpredictable changes. CEE and SEE countries still present various risks to investors, such as economic instability or changes in national or local government, land expropriation, changes in taxation legislation or regulations, changes to business practices or customs, changes to laws and regulations related to currency repatriation, and limitations on the level of foreign investment or development. In addition, adverse political or economic developments in the countries in which the Group operates and/or neighbouring countries could have a significant negative impact on, among other things, gross domestic product, foreign trade and the general economies of individual countries. The ongoing armed conflict in the territory of Ukraine and uncertainties regarding its duration and scale, and the relationship of CEE and SEE countries with Russia may affect the attitude of investors towards the regional real estate market and their willingness to invest in countries neighbouring Ukraine and Russia where the Group operates. The Group may be exposed to risks related to investing in real estate in CEE and SEE countries resulting from the unregulated or uncertain legal status of certain real properties (e.g. due to reprivatisation claims).	▪ Monitoring political and economic situations in the regional markets in which the Group operates; ▪ hiring local specialists familiar with the conditions of a given market; ▪ conducting a detailed due diligence review prior to making a decision on whether to proceed with a new project; ▪ implementing legal protection measures in concluded contracts; and ▪ securing rental income by way of the execution of long-term lease agreements.
Risk related to operations in a new geographical market (Germany)	In 2024, the Group commenced operations in Germany in the residential sector (an operating portfolio of residential real estate for rent and a portfolio of senior housing for rent that is under construction). The German economy continues to face headwinds and is experiencing	▪ Ongoing monitoring of the geopolitical situation as well as the market and macroeconomic conditions in Germany in terms of their potential impact on the Group; ▪ satisfactory results of comprehensive analyses of new sectors on the German market conducted prior to any acquisitions;

	significant difficulties amid a loss of competitiveness and weak domestic and foreign demand for manufactured goods. Combined with the unstable political situation in the country, this creates uncertainty as to future political or economic decisions that may affect the Group's operations on the German market. In particular, certain political decisions as well as the economic crisis may cause an outflow of immigrants from Germany, which in turn may reduce the demand for rental housing. Such situation may result in a reduction of the Group's profit or a failure to achieve the expected level of profitability of its investments in Germany in the residential real estate for rent sector. Furthermore, the Group may encounter additional challenges associated with the commencement of activities in an entirely new geographical market and a segment of the real estate market in which it has limited prior experience, expertise, or personnel. Germany's demographic challenges, including an aging population, could affect demand patterns for residential rental housing and may require additional investments to maintain property attractiveness. There can be no assurance that the Group will successfully overcome all challenges associated with its expansion into Germany or any other new market it may enter in the future, which could adversely affect the Group's business, financial condition, results of operations and prospects.	▪ as at the date of this Report, the Group has not identified specific risks that result directly from the economic and/or political situation in Germany and that have an impact on the Group’s operations, financial results or development process.
		▪

IT RISK FACTOR

Risk	Description	Risk management method
Risk of unauthorised access to data	The Group is exposed to the risk related to unauthorised access to data from inside and outside the organisation that may result in the leakage of confidential data concerning the Group. Failure to maintain the integrity and security of internal, tenant or employee data, including under the GDPR, could harm the Group's reputation, lead to faulty business decisions and expose the Group to costs, fines and lawsuits.	▪ Implementing internal IT security standards; ▪ continuous monitoring and detection of threats to IT systems and infrastructure; ▪ cooperating with reputable providers of IT and cybersecurity services; and ▪ building employee awareness in the field of cybersecurity.

4. PRESENTATION OF THE GROUP

4.1 General information about the Group

Group's portfolio comprises: (i) completed commercial properties; (ii) commercial properties under construction; (iii) a commercial landbank intended for future development. As of 30 June 2025, the Company`s property portfolio comprised the following properties:

- **6 completed office projects** with a total combined commercial space of approximately 110 thousand sq m of GLA,
- **1 office** project **under construction** with a total GLA of approximately 36 thousand sq m; and
- **commercial landbank** designated for future development.

As of 30 June 2025, the book value of the Company's portfolio amounts to EUR 406,847 with: (i) the Group's completed investment properties account for 67% thereof; (ii) investment properties under construction for 25%; and (iii) an investment landbank intended for future development for 8%.

4.2 Main events in the six-month period ended 30 June 2025

Please see Note 5. of consolidated financial statements.

EVENTS AFTER 30 JUNE 2025:

In September 2025, the company's bondholders approved changes to the rules governing two bond series, GTC 2030/A and GTC 2031/A. The main change was to shorten the time allowed to fix a downgraded credit rating. For example, if the bonds slipped below a B+ rating, the company would now have 18 months to recover instead of 24. If the rating fell as low as CCC, the company would have one year to raise it back to at least B-, and another six months to lift it back to B+. This replaced the older rule that required the bonds to be redeemed within 90 days of a CCC rating.

The new terms also introduced stricter limits on how long the bonds could stay at a lower rating. Ratings below B+ could last no longer than two years, while ratings at SD or D could only remain for 30 days. If the company failed to improve the rating within these timeframes, it would have to redeem the bonds within 30 days.

These amendments officially came into force on 29 August 2025

4.3 Structure of the Group

The structure of GTC Hungary Real Estate Development Pltd. Capital Group as of 30 June 2025 is presented in the unaudited consolidated financial statements for the 6-month period ended 30 June 2025 in Note 4 “Investment in subsidiaries.”

There were 2 significant changes in the structure of the Group that occurred in the first half of year ended 30 June 2025: Firstly, GTC Univerzum Projekt Kft. and Kompakt Land Kft left the Group on 6 January 2025 as a result of the completion of the series of transactions transactions leading to acquisition of the German residential portfolio from LFH Portfolio Acquico S.À R.L. and Peach Property Group AG. Secondly, Glamp d.o.o. Beograd (GTC X) building was sold with effect from 31 January 2025..

4.4 The Group’s Strategy

The GTC Hungary is part of the GTC Group and as a result it strategy is aligned with the Strategy of the parent company. The GTC Group's strategy centres around stable growth, financial prudence and environmental] sustainability with a commitment to create long-term value for its stakeholders.

The Group’s growth should be based on GTC ‘s core competences, i.e. construction of new real estate assets to earn developer’s profit and adding value to the standing properties via strong asset management.

Core asset classes:

- Green office buildings (both newly constructed and existing ones)
- Green shopping malls (operations only)
- Broadly understood living sector (residential for sale and rent, senior living and student housing) to be newly constructed;
- Renewable energy
- Hospitality sector

Countries to operate in:

- Existing European countries of GTC presence to remain GTC’s core markets
- New strong markets with growth potential (Germany, UK)
- Highly rated countries to increase the overall rating of the Group.

Portfolio management priorities:

- Active management of our portfolio to improve rental income and occupancy and maintain cost efficiency
- Repositioning of old / non energy efficient assets or the ones located in challenging (especially regional) markets

- Sale of non-core assets to unlock equity for new developments and acquisitions and increase the return on invested equity
- Selective disposals of operating commercial properties that are either capex intensive or reached a peak of the book value (fully rented with high WAULT)
- Value-add acquisitions that provide tangible potential through reletting, improvement in occupancy and rental upside and realisation of redevelopment potential
- Entering asset classes and countries which offer higher returns / further growth potential meeting investment criteria adopted by the Group
- Running at any time at least one construction in each of the countries of GTC presence
- Converting ongoing development projects and land reserves into income-generating properties

Active liabilities' management:

- Gradual exit from bond capital markets and financing investment needs from senior bank debt
- Active management of financing cost through continuous refinancing to increase the return on equity
- While LTV shall be decreased in longer term interim increases of the ratio connected with capital markets exit or cash intensive developments in project's development early stages would be acceptable

Sustainability measures (ESG):

- Focus on green buildings, carbon footprint reduction, and sustainable portfolio certification to mitigate climate change
- Prioritize tenant relationships and community impact through responsible investments
- Uphold anti-corruption and anti-money laundering measures and effectively manage risks
- Actively raise employees' awareness of ESG aspects and encourage reporting of ESG-related issues
- Restrictively adhere to sanctioned countries and individuals policies
- Support initiatives in ESG area and membership on organisations which promulgate ESG ideas

Others:

- Further optimisation of overheads through processes' improvements and digitalisation
- Centralisation of selected functions and outsourcing of functions where competences are missing

ESG Policy Pillars

Environmental issues, including climate issues, are an important area of the Group management. They are included in our ESG Policy which is based on 3 pillars and 8 focus areas:

(E) Environment: concern for the environment

We are reducing our environmental footprint. We deliver and manage green-certified buildings (saving energy and resources, lowering carbon emissions). We contribute to a circular economy.

Focus areas of the pillar:

E.1. Green Buildings

E.2. Climate Change Mitigation

(S)Social: empowerment, respect and diversity

We deliver office and retail space where our tenants can grow. We care about the employees, who are our biggest asset. We are a good neighbour, investing in local communities.

Focus areas of the pillar:

S.1. Tenants

S.2. Employees

S.3. Communities

(G) Governance : best governance practices

We act ethically and assure compliance of all our operations. We implement processes minimising ESG-related risks. We lead open and honest communication with all our stakeholders.

Focus areas of the pillar:

G.1. Compliance

G.2. Rusk management

G.3. Transparency

4.5 Business overview

The Group’s core business is geared towards commercial real estate, with a clear focus on creating value from active management of a growing real estate portfolio Budapest supplemented by selected development activities. As of 30 June 2025, the book value of the Group’s investment property amounted to EUR 406,847. The Group's investment properties include income generating assets (completed properties), projects under construction, and commercial landbank.

INVESTMENT PORTFOLIO

COMPLETED INVESTMENT PORTFOLIO AND REAL ESTATE ASSETS HELD FOR SALE

As of 31 December 2024, the Group manages completed commercial properties with a combined gross rentable area of approximately 110 thousand sq m, including 6 office buildings located in Budapest, which constituted 67% of the total property portfolio.

The Group's office buildings provide convenient space, flexible interiors, and a comfortable working environment. They are located in the heart of business districts and in proximity to the most important transport routes, including international airports. All projects have earned the trust of a significant number of multinational corporations and other prestigious institutions, including MBH Bank, KEF, Honeywell, Metlife, Huawei, AON, and others.

PROJECTS UNDER CONSTRUCTION

As of 30 June 2025, the Group had one office buildings classified as an investment under construction with a book value of EUR 101,000, which constituted 25% of the Group's total property portfolio.

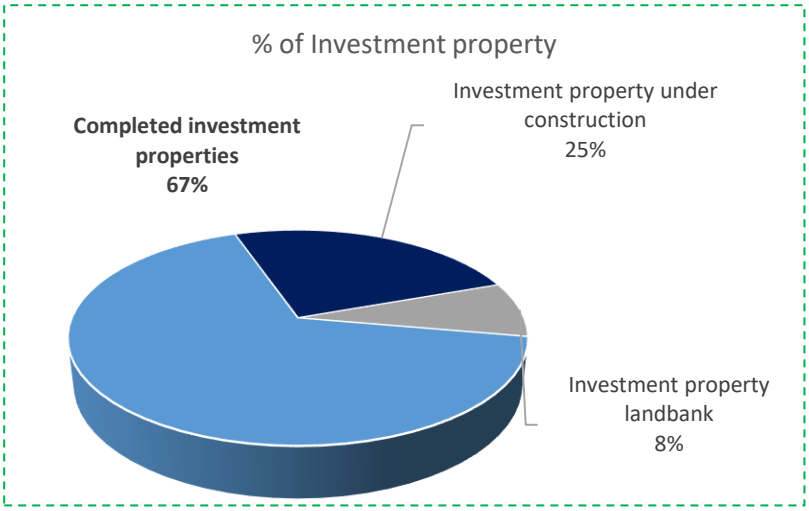
INVESTMENT PROPERTY LANDBANK

As of 30 June 2025, the Group had land classified as an investment property landbank designated for the future development of EUR 33,610, which constituted 8% of the Group's total property portfolio (by value).

The Group's rich investment property landbank designated for future development allows us to extend the planned projects in areas where there will be demand for commercial properties.

4.5.1 Overview of the investment portfolio

The Group`s strategy focuses on creating value from active management of a growing real estate portfolio Budapest and Belgrade. The Group focused on commercial assets, mainly office buildings and office parks. The Group's investment properties include income generating assets (completed properties, projects under construction, investment property landbank.



4.5.1.1 Overview of income generating portfolio

As of 30 June 2024, the Group office portfolio comprises six office building located in Budapest. The Group's total gross rentable area comprises 110 thousand sq m to 128 thousand sq m as of 31 December 2024. The total value of the office portfolio as of 30 June 2025 was EUR 272,238 compared to EUR 326,250 as of 31 December 2023. The decrease came from the sale of GTC X office building.

Office portfolio in Budapest

The Group's total gross rentable area in Hungary comprises 110 thousand sq m in six office buildings located in Budapest. The occupancy rate was 86% as of 30 June 2025 as compared to 75% as of 31 December 2024. The applied average yield was 6.5% month as compared to 6.6% as of 31 December 2024. The average rental rate generated by the office portfolio in Hungary was EUR 19.0 sq m/month as compared to EUR 18.4/sq m/month as of 31 December 2024. The book value of the Group's office portfolio in Hungary amounted to € EUR 272,238 as of 30 June 2025, as compared to EUR 274,037 as of 31 December 2023.

The following table lists the Group's office properties located in Hungary:

Property	Location	GTC's share (%)	Total gross rentable area (sq m)	Year of completion
CenterPoint I&II	Budapest	100%	40,800	2004/2006 under refurbishment
Duna Tower	Budapest	100%	31,300	2006
GTC Metro	Budapest	100%	16,200	2010
Vaci 173-177 (GTC Future)[1]	Budapest	100%	6,400	-
Vaci Greens D	Budapest	100%	15,600	2018
		Total	**110,300**	

[1]Property acquired as landbank for future development, with a small office building located on the plot.

4.5.1.2 Overview of properties under construction

As of 30 June 2025, the Group had one office project with a total gross rentable area of 36 thousand sq m and a book value of EUR 101,000.

The following table lists the Group's properties under construction:

Property	Segment	Location	GTC's share	Total gross leasable area (sq m)	Expected completion
Center Point 3	office	Budapest	100%	36,000	Q2 2026
Total				**36,000**	

4.5.1.3 Overview of investment property landbank

Management has conducted a thorough, asset by asset, review of the whole portfolio, in parallel to its decision to focus on Group's new developments efforts, solely on the strongest markets and, whilst supporting only the projects in its portfolio, which give the strongest mid-term upside potential, while reducing. Concurrently, the Management decided to reduce the cash allocation towards projects that has a longer-term investment horizon. The above-implied re-assessment of some of GTC's landbank projects development timetable and rescheduling them to a later stage or designating them for sale.

Additionally, in some cases, in view due to the decline in consumption and deteriorating of purchasing power, the timetable for stabilization of in relevant catchment areas around certain completed and cash generating assets, the timeframe for stabilization of had to be re-assessed, and consequently expectations for stabilized income were deferred.

As of 30 June 2025, the Group had land classified as investment property landbank designated for future commercial development of EUR 33,610. The landbank, designated for future commercial development, includes projects on Group`s focus for the coming years.

The Group's rich investment property landbank designated for future development allows us to extend the planned projects in areas where there will be demand for commercial properties.

5. OPERATING AND FINANCIAL REVIEW

5.1 General factors affecting operating and financial results

GENERAL FACTORS AFFECTING OPERATING AND FINANCIAL RESULTS

Management board believes that the following factors and important market trends have significantly affected the Group's results of operations since the end of the period covered by the latest published audited financial statements, and the Group expects that such factors and trends will continue to have a significant impact on the Group's results from operations in the future.

The key factors affecting the Group's financial and operating results are pointed below:

- the economic slowdown in CEE and SEE which may slow down the general economy in the countries where the Group operates;
- availability and cost of financing;
- impact of the supply and demand on the real estate market in CEE and SEE region;
- impact of inflation (according to Eurostat, the euro area annual inflation was 4.6% in June 2025);
- impact of interest rate movements (however, as of 30 June 2025, 100% of the Group's borrowings were either based on fixed interest rate or hedged against interest rate fluctuations, mainly through interest rate swaps and cap transactions);

- impact of foreign exchange rate movements (the vast majority of the Group's lease agreements are concluded in euro and include a clause that provides for the full indexation of the rent linked to the European Index of Consumer Prices, bonds issued in other currencies than euro were hedged against foreign exchange rate movements using cross currency SWAPs).

5.2 Specific factors affecting financial and operating results

In the first half of the year, the Group continued the construction of Center Point 3 office building which increase the book value of the project.

On 23 October 2024, the Group signed a sale and purchase agreement concerning the sale of Glamp d.o.o., an owner of A-class office building in Belgrade – GTC X for EUR 52.2 million and as a result building was reclassified to assets held for sale.. In January 2025 the sale was finalized.

5.3 Presentation of differences between achieved financial results and published forecasts

The Group did not publish forecasts for the year 2024.

5.4 Consolidated statement of financial position

Financial position as of 30 June 2024 compared to 31 December 2023

NON-CURRENT ASSETS

The value of non-current assets as of 30 June 2025 was EUR 1,037,957, out of which EUR 406,847 was investment properties (completed office buildings, investment properties under constructions and landbanks) and EUR 625,562 was loans granted to related parties

The value of non-current assets as of 31 December 2024 was EUR 1,008,647, out of which EUR 399,947 was investment properties (completed office buildings, investment property under constructions and landbank) and EUR 601,536 was loans granted to related parties.

CURRENT ASSETS

The value of the current assets as of 30 June 2025 was EUR 204,416, out of which EUR 192,698 was trade receivables, EUR 4,377 was current blocked deposits and EUR 2,480 was cash and cash equivalents.

The value of current assets as of 31 December 2024 was EUR 262,793, out of which EUR 190,718 was prepayments and deferred expenses, 55,816 was assets held for sale, 1,574 was trade receivables, EUR 3,241 was current blocked deposits and EUR 8,319 was cash and cash equivalents.

LIABILITIES

The value of the liabilities as of 30 June 2025 was EUR 976,982 from which EUR 934,703 was long-term liabilities to related undertakings and EUR 42,279 was current liabilities.

The value of the liabilities as of 31 December 2024 was EUR 1,007,382 from which EUR 957,903 was long-term liabilities to related undertakings and EUR 49,479 was current liabilities.

PRESENTATION OF EQUITY, SHORT -LONG TERM LOANS

The equity was EUR 265,366 as of 30 June 2025 and EUR 264,058 on the date of 31 December 2024.

The value of the long-term liabilities as of 30 June 2025 was EUR 934,703 from which EUR 210,449 was long-term part of Issuer's subsidiaries' bank loan financing and EUR 674,944 was long-term loans from shareholders. The value of the short-term liabilities as of 30 June 2025 was EUR 42,279 from which EUR 26,486 was short-term part Company's subsidiaries' bank loan financing.

The value of the long-term liabilities as of 31 December 2024 was EUR 957,903 from which EUR 234,597 was long-term part of Issuer's subsidiaries' bank loan financing and EUR 661,570 was long-term loans from shareholders. The value of the short-term liabilities as of 31 December 2024 was EUR 49,479 from which EUR 5,956 was short-term part Company's subsidiaries' bank loan financing.

5.5 Consolidated income statement

Comparison of financial results for the six-month period ended 30 June 2025 with the result for the corresponding period of 2024

REVENUE FROM OPERATIONS

The Group achieved revenue from operations of EUR 12,014 in the six-month period ended 30 June 2025. The revenue from operations of GTC in the six-month period ended 30 June 2024 was EUR 24,724. The decrease resulted from shifting GTC Univerzum Projekt Kft.and Kompakt Land Kft outside of the consolidated Group structure as well as a selldown of Glamp d.o.o. Beograd (GTC X) building in January 2025.

Rental revenue is driven by the rental income received that was 69% of sales revenue in six-month period ended 30 June 2025 and 74% of sales revenue in 6-month period ended 30 June 2024.

GROSS MARGIN

The amount of the gross margin in the six-month period ended 30 June 2025 was EUR 7,159. The amount of the gross margin in the six-month period ended 30 June 2024 was EUR 18,045. The decrease resulted from shifting GTC Univerzum Projekt Kft.and Kompakt Land Kft outside of the consolidated Group structure as well as a selldown of Glamp d.o.o. Beograd (GTC X) building in January 2025.

The average statistical number of employees was 37 as the six -month period ended 30 June 2025 and 37 in the six-month period ended 30 June 2024.

LOSS/PROFIT FROM REVALUATION OF ASSETS

The loss from revaluation of assets was EUR 6,058 in the six-month period ended 30 June 2025 vs a profit of EUR 5,975 in the six-month period ended 30 June 2024.

OPERATIONAL RESULTS

The loss from continuing operations was EUR 249, as compared to a profit in the comparative period of EUR 22,329.

FINANCIAL EXPENSES, NET

The financial income, net in the six-month period ended 30 June 2025 was of EUR 3,567 and in the six-month period ended 30 June 2024 was a net financial cost of EUR 3,753.

Financial income is mainly driven by interest on loan granted to related-parties (EUR 15,283 in the six-month period ended 30 June 2025 and EUR 10,004 in the six-month period ended 30 June 2024). While financial expenses mainly consist of interest on loans granted by related-parties (EUR 9,624 in the 6-month period ended 30 June 2025 and EUR 8,935 in the six-month period ended 30 June 2024) and interest expenses (on financial liabilities that are not fair valued through profit or loss), banking costs and other charges interest on member loans (EUR 1,967 in the six-month period ended 30 June 2025 and EUR 4,858 in the six-month period ended 30 June 2024).

LOSS/PROFIT FOR THE PERIOD

The profit for the period in the six-month period ended 30 June 2025 was EUR 3,305 and in the six-month period ended 30 June 2024 was a profit of EUR 15,944.

5.6 Consolidated cash flow statement

Cash flow analysis

The table below presents an extract of the cash flow for the 6-month period ended 30 June 2025 and 2024:

	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 net cash from operating activities of group was EUR 6,353 in the 6-month period ended 30 June 2025 and EUR 14,741 in the 6-month period ended 30 June 2024.

The net cash from investing activities was EUR (5,230) in the 6-month period ended 30 June 2025 compared to the net cash from investing activities EUR 21,416 in the 6-month period ended 30 June 2024.

The net cash used in financing activities was EUR (10,460) in the 6-month period ended 30 June 2025 compared to the net cash from financing activities EUR (18,533) in the 6-month period ended 30 June 2024.

5.7 Future liquidity and capital resources

As of 30 June 2025, the Group believes that its cash balances, cash generated from disposal of properties, cash generated from leasing activities of its investment properties, and cash available under its existing and future loan facilities will fund its needs.

The Group endeavors to manage all its liabilities efficiently and is constantly reviewing its funding plans related to (i) the development and acquisition of commercial properties, (ii) debt servicing of its existing assets portfolio, and (iii) CAPEX. Such funding is sourced through available cash, operating income, and refinancing.

The Group's loans and borrowings are mainly denominated in Euro Debt in other currencies includes green bonds issued by Hungarian subsidiary in HUF (series maturing in 2030-2031), which are hedged through cross currency interest rate swaps in line with the hedging policy of the Group.

AVAILABILITY OF FINANCING

Real estate development companies, including the companies of the Group, usually finance their real estate projects with proceeds from the issue of the bonds, proceeds from bank loans, loans extended by their holding companies. The availability and cost of procuring financing are of material importance to the implementation of the Group's projects and for the Group's development prospects and its ability to repay existing debt. Finally, the availability and cost of financing may impact on the Group's development dynamics and the Group's cash flow and net profit.

Traditionally, the principal sources of financing for the Group's core business included rental revenues, bank loans, proceeds from projects, proceeds from bonds issued by the Company, and proceeds from asset disposals.

The Management has prepared and analyzed the cash flow budget based on certain hypothetical defensive assumptions to assess the reasonableness of the going concern assumption given the current developments on the market. This analysis assumed certain loan repayment acceleration, negative impact on net operating income, as well as other offsetting measures, which the Management may take to mitigate the risks, including deferring the development activity and dividend pay-out.

Based on Management's analysis, the current cash liquidity of the Company, and the budget assumptions, Management concluded that there is no material uncertainty as to the Company's ability

to continue as a going concern in the foreseeable future i.e., at least in the next 12 months. Management notes that it is difficult to predict the ultimate short, medium, and long-term impact of the macroeconomic conditions on the financial markets and the Company's activities, but the expected impact may be significant. Accordingly, Management conclusions will be updated and may change from time to time.

6. TERMS AND ABBREVIATIONS

Terms and abbreviations capitalized in this management's board Report shall have the following meanings unless the context indicates otherwise:

the Company or GTC	are to GTC Hungary Real Estate Development Pltd.
the Group or the GTC Hungary	are to GTC Hungary Real Estate Development Pltd. and its consolidated subsidiaries
the GTC SA	are to Globe Trade Centre S.A.
the GTC Group	are to Globe Trade Centre S.A. and its consolidated subsidiaries
Shares	are to the shares in GTC Hungary Real Estate Development Pltd., fully-owned by Globe Trade Centre S.A.
Bonds	are to the bonds issued by GTC Hungary Real Estate Development Pltd. and introduced to alternative trading market on Xbond and marked with the ISIN codes HU0000360102 and HU0000360284
the Report	are to the consolidated annual report prepared according to Act CXX of 2001on the Capital Market and Prime Minister Decree no. 24/2008. (VIII. 15.)
CEE	is to the Group of countries that are within the region of Central and Eastern Europe (Poland, Hungary);
SEE	is to the Group of countries that are within the region of South-Eastern Europe (Bulgaria, Croatia, Romania, and Serbia);
Net rentable area, NRA, or net leasable area, NLA	are to the metric of the area of a given property as indicated by the property appraisal experts to prepare the relevant property valuations. With respect to commercial properties, the net leasable (rentable) area is all the office or retail leasable area of a property exclusive of non-leasable space, such as hallways, building foyers, and areas devoted to heating and air conditioning installations, elevators, and other utility areas. The specific methods of calculation of NRA may vary among particular properties, which is due to different methodologies and standards applicable in the various geographic markets on which the Group operates;
Gross rentable area or gross leasable area, GLA	means the amount of office, retail or residential space already rented or available to be rented in the Income Generating Portfolio. In the case of the Group's office portfolio, GLA also includes the proportionate share of common areas (add-on-factor). GLA is the area for which tenants pay rent, and thus the area that produces income for the property owner;

Total property portfolio	are Income Generating Portfolio (completed assets including completed assets held for sale), investment property land bank, residential land bank), investment properties under construction and land bank held for sale and right of use land under perpetual usufruct (including right-of-use assets related to residential land bank and right of use assets related to assets held for sale).;
Commercial Income Generating Portfolio	are completed investment properties (in office and retail segments) including the portion of such items classified under assets held for sale;
Occupancy rate	is the ratio of space that is being leased (in sqm) to the total GLA (in sqm) at a given point in time;
In-place rent	is to rental income that was in place as of the reporting date. It includes headline rent from premises, income from parking, and other rental income;
Net loan to value (LTV); net loan-to-value ratio	means Net Debt divided by Total Investment Portfolio. "**Adjusted Net LTV**" means Adjusted Net Debt divided by Total Investment Portfolio. "**Net Debt**" means long-term and current portion of borrowings plus long-term borrowings' acquisition costs net of cash and cash equivalents, non-current and current blocked deposits and, if applicable cash and cash equivalents, blocked deposits, and short-term blocked deposits related to assets held for sale and loans related to assets held for sale, net of long-term borrowings' acquisition costs, if applicable. "**Adjusted Net Debt"** is calculated as Net Debt adjusted for cash on escrow accounts;
The Average Cost of Debt; Average Interest Rate or Weighted Average Interest Rate	is calculated as a weighted average interest rate of total debt (excluding liabilities related to assets held for sale), as adjusted to reflect the impact of contracted interest rate swaps and cross-currency swaps by the Group;
EUR, € or euro	are to the single currency of the participating Member States in the Third Stage of European Economic and Monetary Union of the Treaty Establishing the European Community, as amended from time to time;
HUF	is to the lawful currency of Hungary;