

Grand City Properties S.A.
Annual Accounts
For the year ended December 31, 2025
(with the report of the Réviseur d'Entreprises agréé thereon)

| Table of contents: | | Page |
|--------------------|--|-------|
| 1 | Management Report | 1-13 |
| 2 | Report of the Réviseur d'Entreprises Agréé | 14-18 |
| 3 | Balance Sheet | 19-23 |
| 4 | Profit and Loss Account | 24-25 |
| 5 | Notes to the Annual Accounts | 26-51 |

Grand City Properties S.A.

MANAGEMENT REPORT

The management of Grand City Properties S.A. (the “Company”, and together with its investees the “Group”) presents the Company’s audited annual accounts for the year ended December 31, 2025.

The Group is a specialist in residential real estate, investing in value-add opportunities in densely populated areas predominantly in Germany as well as London.

The Group is focused on assets in densely populated urban locations with robust and sustainable economic and demographic fundamentals, and with multiple value-add drivers that it can pursue using its skills and capabilities such as vacancy reduction, increasing rents to market levels, improving operating cost efficiency, increasing market visibility, identifying potential for high-return capex investments, and spotting potential for significant benefits from the Company’s scale.

The Group’s well-balanced and diversified portfolio is composed of properties in attractive micro-locations with identified value creation potential primarily located in major German cities and urban centers as well as in London.

CAPITAL MARKET, DEVELOPMENT AND PERFORMANCE

An important component of the Group’s financial structure is a strong diversification of funding sources, reducing the reliance on any single source and resulting in a diversified financing mix. This is enabled by the Company’s wide reach and proven track record in issuing instruments across various capital markets: straight bonds, perpetual notes and equity capital. Moreover, the Company’s diversity is further improved through issuances in various currencies, issuing straight bonds in CHF, JPY and HKD. The nominal amount of all foreign currency issuances is swapped into Euro until maturity. Issuances in various currencies increase the investor base and provide expansion into a wider range of markets to attract funding.

In addition, the Group maintains lasting relationships with dozens of banks and financial institutions, providing access to bank financing. These banking relationships also provide access to loans from credit institutions and revolving credit facilities which provide an additional flexible financing source. As of December 2025, the Company holds unused credit line from several banks in the amount of EUR 200 million (2024: EUR 300 million) which are not subject to Material Adverse Effect clauses.

During the reporting period the Company repaid its straight bond series E with 1.50% coupon and its straight bond series U with 0.75% coupon amounting to EUR 178.9 million and EUR 80 million respectively.

On December 8, 2025, Grand City Properties Finance S.à r.l, a wholly owned affiliated of the Company issued EUR 600 million principal amount of perpetual notes, bearing a coupon rate of 4.75% p.a. The Company is acting as guarantor of these issued notes.

On December 9, 2025 following the issuance of the EUR 600 million perpetual notes, the Group announced the results of a tender offer launched on December 1, 2025 in respect of its 6.125% (issued by Grand City Properties Finance S.à r.l), 6.322%, 5.901% and 1.5% perpetual notes series. The Company accepted tenders in the aggregate amounts of EUR 393.2 million, EUR 44.1 million, EUR 23.8 million and EUR 97.3 million, respectively

On December 17, 2025, the Company completed with the tap placement of additional EUR 250 million (nominal value) of its straight bond series H, issued at 87.522% of their principal amount, maturing in 2032 with a 2% EUR coupon. The total aggregated principal amount of the straight bond series H increased to EUR 505 million (nominal value).

For further information see note 10 to the accompanying annual accounts.

Grand City Properties S.A.

MANAGEMENT REPORT (CONTINUED)

CAPITAL STRUCTURE

The Company's shares are listed on the Frankfurt Stock Exchange – Prime Standard. The Company also has Notes and Bonds listed on the Irish Stock Exchange (in particular its EMTN Programme), Swiss Stock Exchange, Frankfurt Stock Exchange and Luxembourg Stock Exchange. There are no restrictions on the transfer of the Company's traded securities.

The Company has established over the years an impressive track record in capital markets, continuously accessing various markets through its strong relationships with leading investment banks in the market, supported by two investments- grade credit ratings (BBB stable from S&P and Baa1 stable from Moody's). Since 2011 the Group has issued approximately EUR 11 billion through dozens of issuances of straight bonds, convertible bonds, equity and perpetual notes.

The Company launched an EMTN programme, providing significant convenience and flexibility by enabling the issuance in a short of time of financial instruments of various kinds, sizes, currencies and maturities.

COMPANY'S SHARES

During the reporting period there was no issuance of new ordinary shares.

LIKELY FUTURE DEVELOPMENTS

Focus on extracting value-add potential in attractive, densely populated regions, while keeping a conservative financial policy and investment-grade rating

The Group's investment focus is on the German and London residential markets that it perceives to benefit from favorable fundamentals that will support stable profit and growth opportunities for the foreseeable future. The Group's current portfolio is predominantly focused on Berlin, North Rhine-Westphalia, the metropolitan regions of Leipzig, Dresden and Halle, London, as well as other major cities and urban centers in Germany. The Group follows selective acquisition criteria and benefits from internal growth potential from the acquisitions of high cash flow generating and under-rented properties with upside potential.

Cash flow improvements through focus on rental income and cost discipline

The Group seeks to maximize cash flows from its portfolio through the effective management of its assets by increasing rent, occupancy, and cost efficiency. This process is initiated during the due diligence phase of each acquisition, through the development of a specific plan for each asset. Once taken over, and the initial business plan is realized, the Group regularly assesses the merits of ongoing improvements to its properties to further enhance the yield on its portfolio by increasing the quality and appearance of the properties, raising rents and further increasing occupancy. The Group also applies significant scrutiny to its costs, systematically reviewing ways to increase efficiency and thus increase cash flows.

FINANCIAL RISK MANAGEMENT

The Group is exposed to market risk, credit risk, liquidity risk, operating risk and other risks.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors is supported by audit and risk committees that advise on financial risks and the appropriate financial risk governance framework for the Group. The Group's overall risk management approach has been established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and monitor risks and adherence to limits. The overall financial risk management approach is reviewed regularly to reflect changes in market conditions and in the Group's activities.

Grand City Properties S.A.

MANAGEMENT REPORT (CONTINUED)

FINANCIAL RISK MANAGEMENT (CONTINUED)

The Company follows its risk management strategy to hedge interest rates and foreign currency risks associated with its financial assets and liabilities. The Group has high interest hedge ratio, with currently 95% of its debt protected against interest rate increases. As part of the Group's overall conservative financial approach, bonds issued in foreign currencies are hedged to Euro until maturity. For more information see note 10 and note 16 to the accompanying annual accounts.

The Company holds an investment-grade credit ratings from both Standard & Poor's (S&P) and Moody's Investors Service (Moody's), with current long-term issuer ratings of BBB (stable outlook) and Baa1 (stable outlook), respectively. S&P's rating is based on S&P's group rating methodology, the Company's stand-alone credit profile ("SACP") is bbb+. Additionally, S&P assigned the Company a short-term rating of A-2. Since 2021, Moody's maintains its public rating on the Company on an unsolicited basis.

For more information see note 24 to the accompanying annual accounts.

ACTIVITIES IN THE FIELD OF RESEARCH AND DEVELOPMENT

Due to the nature of its business, the Company does not engage in any research and development activities.

BRANCHES OF THE COMPANY

The Company did not operate any branches in 2025 or 2024.

INFORMATION ACCORDING TO ARTICLE 11(2) OF THE LUXEMBOURG TAKEOVER LAW

The following disclosure is provided pursuant to article 11 of the Luxembourg law of May 19, 2006 transposing Directive 2004/25/EC of the European Parliament and of the Council of April 21, 2004 on takeover bids, as amended (the "Takeover Law"):

- (a) With regard to article 11 (1) (a) and (c) of the Takeover Law (capital structure), the relevant information is available on page 10 and note 8 to the accompanying annual accounts. In addition, the Company's shareholding structure showing each shareholder owning 5% or more of the Company's share capital is available below and on the Company's website, where the shareholding structure is updated on a regular basis.
- (b) With regard to article 11 (1) (b) of the Takeover Law, the ordinary shares issued by the Company are admitted to trading on the regulated market of the Frankfurt Stock Exchange (Prime Standard) and are freely transferable according to the Company's articles of association (the "Articles of Association").
- (c) In accordance with the requirements of Article 11 (1) c of the Takeover Law, the following significant shareholdings were reported to the Company, as of December 31, 2025:

| Shareholder Name | Number of shares | Percentage of voting rights |
|---|-------------------------|------------------------------------|
| Aroundtown SA (through Edolaxia Group Ltd) ¹ | 110,180,680 | 63% |

1) Edolaxia Group Ltd is a wholly owned affiliated of Aroundtown SA.

Total number of Grand City Properties S.A. shares as of December 31, 2025: 176,187,899.

The Company's shares voting right held by Grandcity Holdings Ltd., a wholly owned affiliated of the Company are suspended (see note 8 to the accompanying annual accounts).

Grand City Properties S.A.

MANAGEMENT REPORT (CONTINUED)

INFORMATION ACCORDING TO ARTICLE 11(2) OF THE LUXEMBOURG TAKEOVER LAW (CONTINUED)

- (d) With regard to article 11 (1) (d) of the Takeover Law, each ordinary share of the Company gives right to one vote according to article 8 of the Articles of Association. There are no special control rights attaching to the shares. The voting rights attached to shares acquired by the Company, either directly or indirectly through subsidiaries, pursuant to the buy-back-program are suspended.
- (e) With regard to article 11 (1) (e) of the Takeover Law, control rights related to the issue of shares are directly exercised by the relevant employees. The key terms and conditions in relation to the Company's incentive share plan are described in note 9 Share-based payment agreements to the accompanying annual accounts.
- (f) With regard to article 11 (1) (f) of the Takeover Law, the Articles of Association impose no voting rights limitations. However, the sanction of suspension of voting rights automatically applies, subject to the Luxembourg law of January 11, 2008 on transparency requirements for issuers, as amended (the "Transparency Law") to any shareholder (or group of shareholders) who has (or have) crossed the thresholds set out in the Transparency Law but have not notified the Company accordingly. In this case, the exercise of voting rights relating to the shares exceeding the fraction that should have been notified is suspended. The suspension of the exercise of voting rights is lifted the moment the shareholder makes the notification.
- (g) With regard to article 11 (1) (g) of the Takeover Law, as of December 31, 2025, the Company was not aware of any agreements between shareholders that would lead to a restriction on the transfer of shares or voting rights.
- (h) With regard to article 11 (1) (h) of the Takeover Law, according to article 9 of the Articles of Association, the members of the Board of Directors of the Company (the "Board") shall be elected by the shareholders at their Annual General Meeting by a simple majority vote of the shares present or represented. The term of the office of the members of the Board shall not exceed six years, but they are eligible for re-election after such term. Any member of the Board may be removed from office with or without specifying a reason at any time. In the event of a vacancy in the office of a member of the Board because of death, retirement or otherwise, this vacancy may be filled out on a temporary basis until the next meeting of shareholders, by observing the applicable legal prescriptions. Further details on the rules governing the appointment and replacement of a member of the Board are set out in pages 7–9 to the accompanying Corporate Governance Statement.
- (i) According to article 18 of the Articles of Association, any amendment to the Articles of Association made by the general meeting of shareholders shall be adopted with a quorum and majority pursuant to article 450-3 of the law of August 10, 1915 on commercial companies, as amended (the "1915 Law").

With regard to article 11 (1) (i) of the Takeover Law, the Board of Directors is endowed with wide-ranging powers to exercise all administrative tasks in the interest of the Company including the establishment of an Advisory Board, an Audit Committee, a Risk Committee, a Remuneration Committee, a Nomination Committee and an ESG Committee. Further details on the powers of the Board are described on pages 7–10 to the accompanying Corporate Governance Statement.

According to article 5.1 of the Articles of Association, the Company may redeem its own shares to the extent and under the terms permitted by law. The shareholders' meeting held on June 26, 2024 authorized the Board, with the option to delegate, to buy-back, either directly or through a subsidiary of the Company, shares of the Company for a period of five (5) years not exceeding 20% of the aggregate nominal amount of the Company's issued share capital.

Grand City Properties S.A.

MANAGEMENT REPORT (CONTINUED)

INFORMATION ACCORDING TO ARTICLE 11(2) OF THE LUXEMBOURG TAKEOVER LAW (CONTINUED)

- (j) With regard to article 11 (1) (j) of the Takeover Law, the Company's perpetual notes, bonds and security issuances under the EMTN programme (listed on note 10 to the accompanying annual accounts) contain change of control provisions that provide noteholders with the right to require the Company to repurchase their notes upon a change of control of the issuer. The Company's ISDA master agreement securing derivative transactions with regard to its listed debts contains a termination right if the Company is financially weaker after a takeover.
- (k) With regard to article 11 (1) (k) of the Takeover Law, there are no agreements between the Company and members of the Board or employees according to which, in the event of a takeover bid, the Company may be held liable for compensation arrangements if the employment relationship is terminated without good reason or due to a takeover bid.

CORPORATE GOVERNANCE STATEMENT

The Company places a strong emphasis on corporate governance together with a high standard of transparency. This culture of corporate governance is mandated by the Company's Board of Directors, which includes a majority of independent directors, as well as by the Company's management. The Company focuses its efforts in maintaining the trust it receives from its shareholders and bondholders. The Company is proud of the high degree of confidence of its investors, and the Company's shares and bonds are regularly placed with international leading institutional investors, major global investment and sovereign funds.

In order to maintain the Company's corporate governance and transparency standards, the Board of Directors has implemented a Risk Committee, an Audit Committee, a Nomination Committee, a Remuneration Committee an ESG Committee and an Advisory Board.

Moreover, the Company ensures that its Board of Directors and its senior executives have significant experience and skills in the areas relevant to its business and industry.

The Company has two Codes of Conduct in place, one of which apply to business partnerships and the other to its employees. The Employee Code of Conduct addresses issues and prohibitions related to corruption, bribery, human rights abuse as well as discrimination. The Employee Code of Conduct also sets out a reporting framework for any potential violations. Additionally, it also provides for disciplinary measures as may be required in case of violations. The Employee Code of Conduct has been updated with a focus on improved transparency as well as reporting lines, which are now supported by the Compliance Department and the availability of a whistleblower system.

In addition, the Group has a Diversity Policy in place. The Group's Diversity Policy promotes a fair and inclusive workplace culture, advancing equal opportunities and eliminating discrimination based on gender, ethnicity, disability, age and other personal attributes. The Diversity Committee oversees the implementation and integration of diversity initiative across the organization. The Diversity Policy is accessible via the Company's website as well as through the compliance intranet. The Diversity Policy outlines specific goals and measurable objectives to track progress in diversity and inclusion. Regular assessments and reports are conducted to ensure transparency and accountability. Employees are encouraged to participate in the diversity training programmes to foster a more inclusive environment. The Company is committed to the representation of women on the Board of Directors and to ensuring a diverse mix of professional background and expertise. The Board of Directors are selected on aspects such as their years of experience in the real estate sector and other relevant industries. Good progress has been made in strengthening the number of women in leadership. As of December 31, 2025, women held two of five positions on the Board of Directors.

Grand City Properties S.A.

MANAGEMENT REPORT (CONTINUED)

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

The Company is not subject to any compulsory corporate governance code of conduct or respective statutory legal provisions. In particular, the Company is currently not required to adhere to the “Ten Principles of Corporate Governance” of the Luxembourg Stock Exchange or to the German corporate governance regime, the latter of which are only applicable to listed companies incorporated in Germany. Solely for purposes of section 4.1.1.1 of the Guide to the DAX equity indices of STOXX Ltd., the Company declare that it does not deviate from recommendations C.10 (with sole reference to its applicability to the Chair of the Audit Committee), D.8 and D.9 of the German Corporate Governance Code (Deutscher Corporate Governance Kodex), in each case applied accordingly to a public limited liability company with a one-tier governance system under Luxembourg law. In general, the Company already complies with most of the principles and continues to take steps to implement environmental, social and corporate governance best practices throughout its organization.

ANNUAL GENERAL MEETING

The Annual General Meeting of the shareholders of Grand City Properties S.A. (“AGM”) was held on June 24, 2025 in Luxembourg. All of the items on the agenda were carried by a majority, including the approval of the statutory annual accounts of the Company and the consolidated financial statements of the Group for the year ended December 31, 2024.

The AGM for 2026 is intended to take place on June 24, 2026, in Luxembourg.

COMPLIANCE, CODE OF CONDUCT AND DATA PROTECTION

The Company has incorporated a high degree of compliance with statutory laws as well as Company guidelines into its management and corporate culture. This has also the benefit of mitigating reputational, which the Company considered as a significant risk. Employees are provided with initial as well as on-going training related to issues connected with the Code of Conduct for Employees. The Company’s compliance and risk management framework includes the corresponding internal audit procedures and covers all areas of the business including transactions, property and asset management, administrative and operative functions.

Internally, the Company’s Code of Conduct for Employees is a mandatory component for all employment contracts and includes policies such as the Anti-Corruption Policy, Anti-Discrimination Policy, the Whistleblowing Policy, the Data Protection Policy. Externally, business partners are required to adhere to the strict Code of Conduct for Business Partners. This Code of Conduct for Business Partners lays out the legal and ethical framework to be followed and includes references to a number of important issues such as prohibition of corruption and bribery, health and safety of employees, environmental protection, money laundering practices, respect of human rights of employees, prevention of child labour as well as forced labour, data protection and recognition of employees’ rights pertaining to freedom of association. The Company’s Code of Conduct for Employees includes the prohibition of insider dealing. The Company is subject to several obligations under Regulation (EU) No. 596/2014 (Market Abuse Regulation, “MAR”), as amended. Therefore, it has set up a Company’s insider register and a process to ensure that persons on such list acknowledge their duties and are aware of sanctions. The Company notifies pursuant to Article 19 para. 5 subpara. 1 sentence 1 of MAR all persons discharging managerial responsibilities of their obligations in the context of managers’ transactions. Trainings for directors and managers are held and information is distributed, and the Company has also established a guideline relating to dealing with inside information and prohibition of market manipulation.

One of the Company’s important objectives has been to ensure the best possible protection of company data and personal data from unauthorized access or abuse. In this regard, the company utilizes various modern technologies with high standards of data privacy and security. Employees are also trained on that topic of data protection through video training modules. Displaying its proactive nature, the Company has also prepared clearly communicated standard operating procedures (SOPs) which assist all stakeholders in their daily operations involving data as well as ensure the effective protection of data.

Grand City Properties S.A.

MANAGEMENT REPORT (CONTINUED)

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

BOARD OF DIRECTORS

The Company is administered by a Board of Directors that is vested with the powers to perform and manage in the Company's best interests.

The Board of Directors represents all shareholders and makes decisions solely in the Company's best interests and independent of conflicts of interest. The Board of Directors and senior management regularly evaluate the effective fulfilment of their remit and compliance with strong corporate governance standards. The Audit Committee and the Risk Committee also play an important role.

The members of the Board of Directors are elected by the shareholders at the AGM for a term not exceeding six years and are eligible for re-election. The directors may be dismissed with or without cause at any time and at the sole discretion of the shareholders at the Annual General Meeting.

The Board of Directors, a majority of whom are independent, resolves on matters on the basis of a simple majority, in accordance with the Company's articles of association. The Board of Directors chooses amongst the directors a chairperson who shall have a casting vote in the event of tied vote.

At the AGM in 2025, the renewal of the mandates of Mr. Scot Wardlaw, Ms. Monica Porfilio and Mr. Markus Leininger as independent directors were approved for a period of one year respectively. Their mandates will automatically expire on the date of the AGM to be held in 2026.

At the AGM in 2025, the renewal of the mandate of Ms. Simone Runge-Brandner as a non-executive member of the Board of Directors of the Company was approved for one year. This mandate will automatically expire on the date of the AGM to be held in 2026.

The renewal of the mandate of Mr. Christian Windfuhr as executive member of the Board of Directors was also approved at the AGM for one year. This mandate will automatically expire on the date of the AGM to be held in 2026.

MEMBERS OF THE BOARD OF DIRECTORS

| NAME | POSITION |
|---------------------------|------------------------|
| Mr. Christian Windfuhr | Director, Chairperson |
| Ms. Simone Runge-Brandner | Non-executive Director |
| Mr. Markus Leininger | Independent Director |
| Mr. Scot Wardlaw | Independent Director |
| Ms. Monica Porfilio | Independent Director |

CEO

In October 2020, the Board of Directors resolved to delegate the daily management of the Company to Mr. Refael Zamir, as Daily Manager (administrateur-délégué) of the Company under the endorsed denomination (Zusatzbezeichnung) of Chief Executive Officer (CEO).

Grand City Properties S.A.

MANAGEMENT REPORT (CONTINUED)

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

CFO

In January 2023, the Board of Directors additionally resolved to delegate the daily management of the Company to Mr. Idan Hadad as Daily Manager (administrateur-délégué) of the Company under the endorsed denomination (Zusatzbezeichnung) of Chief Financial Officer (CFO).

CCMO

In November 2025, the Board of Directors appointed Mr. Michael Bar- Yosef under the endorsed denomination (Zusatzbezeichnung) of Chief Capital Markets Officer (CCMO) of the Company.

ADVISORY BOARD

The Board of Directors has established an Advisory Board to provide expert advice and assistance to the Board of Directors. The Board of Directors decides on the composition, tasks and terms of the Advisory Board as well as the appointment and dismissal of its members. The Advisory Board has no statutory powers under Luxembourg law or the articles of incorporation of the Company. The members of the Advisory Board can be source of guidance when making strategic decisions.

AUDIT COMMITTEE

The Board of Directors has established an Audit Committee for which it decides on the composition, tasks and term as well as the appointment and dismissal of its members. The Audit Committee shall be composed of at least two members who are independent directors. The responsibilities of the Audit Committee relate to the integrity of the annual accounts and the consolidated financial statements, including reporting to the Board of Directors on its activities and the adequacy of internal systems controlling the financial reporting processes and monitoring the accounting processes.

The Audit Committee is also tasked with monitoring the effectiveness and the adequacy of the internal controls and risk management system. Where appropriate, the Committee may delegate specific monitoring tasks to the Company's risk committee. In addition, the Audit Committee regularly reviews the compliance program of the Company in light of the changing regulatory environment.

The Audit Committee provides recommendations to the Board of Directors on the audit of the annual accounts and the consolidated financial statements of the Company and, in particular, shall monitor the independence of the approved independent auditor, the additional services rendered by such auditor, the issuing of the audit mandate to the auditor and determination of auditing focal points.

RISK COMMITTEE AND RISK OFFICER

The Board of Directors has established a Risk Committee. The Risk Committee exercises its functions relating to the internal control and risk management systems within the scope of authority delegated by the Company's Audit Committee.

The Risk Committee can support the Board of Directors in fulfilling its oversight responsibilities relating to the different types of risks to which the Company has exposure, review of the risk management structure, including its organization and processes, and assessment and monitoring of the overall risk management to ensure that key risks are properly identified and mitigated.

Grand City Properties S.A.

MANAGEMENT REPORT (CONTINUED)

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

RISK COMMITTEE AND RISK OFFICER (CONTINUED)

The Risk Committee shall be comprised of at least two members of the Board, of which membership at least half shall be independent, and is supported by the Risk Officer. The Risk Officer's responsibilities are determined and monitored by the Risk Committee and are guided by the Risk Committee as part of its oversight role pursuant to the Rules of Procedure of the Risk Committee, with the objective of bringing a systematic and disciplined approach to evaluate and improve the culture, capabilities, and practices integrated with risk management.

The Risk Committee also reviews the Company's risk assessments as well as the scope and effectiveness of the Company's risk management and internal control systems in mitigating risks and identifying, assessing and monitoring risks.

REMUNERATION COMMITTEE

The Board of Directors has established a Remuneration Committee. The Remuneration Committee submits to the Board its recommendation regarding the remuneration of directors and executive managers to the Board, taking into consideration whether these proposals are in accordance with the remuneration policy adopted by the Company and the performance of the persons concerned among other factors considered.

NOMINATION COMMITTEE

The Board of Directors has established a Nomination Committee. For directorship and significant senior management positions to be filled, the Nomination Committee will make an evaluation of the existing and required skills, knowledge and experience of candidates. Based on an assessment of the role, together with the skills, knowledge and experience required, the Nomination Committee shall make recommendations in respect of prospective appointments to the Board. As such, the Nomination Committee shall act in the best interests of the Company, and among others, assess succession planning of outgoing directors and senior management, evaluate the required skills, knowledge, and experience for the roles, consider proposals from shareholders, the Board and senior management, and make recommendations in respect of candidates to the Board of Directors.

ESG COMMITTEE

The Board of Directors established an ESG Committee to supervise the Company's ESG processes. In addition, the Committee reviews and assesses the Company's contribution to sustainable development. The ESG Committee shall be composed by at least two members of the Board. The chairperson of the Committee shall be independent.

INTERNAL CONTROLS AND RISK MANAGEMENT SYSTEMS

The Company's internal controls and risk management systems ("RM systems") are designed to ensure that key risks, financial and non-financial are identified, assessed, managed, and mitigated in a structured and consistent manner across the Company. Oversight rests with the Board of Directors, and primary responsibility for the RM system rests with the Audit Committee, which delegates certain responsibilities to the risk committee in accordance with the Audit Committee's rule of procedures. Senior management, the Risk officer and the designated risk owners are responsible for the implementation and daily operation of the system.

GOVERNANCE AND FRAMEWORK

The RM systems are embedded into strategic planning, operational processes, and reporting cycles. The Board has approved a Risk Management Policy which defines the Company's risks appetite and tolerance levels, including zero tolerance areas.

Grand City Properties S.A.

MANAGEMENT REPORT (CONTINUED)

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

INTERNAL CONTROLS

Internal controls ensure reliable financial reporting, compliance with laws and policies and effective operations. They include segregation of duties, approval and authorization processes, reconciliations, and budget to actual analysis, supported by documented procedures. Management performs regular monitoring, and the statutory auditor verifies the consistency of the management report with the financial statements and applicable reporting requirement.

RISK IDENTIFICATION AND ASSESMENT

Risks, comprising both internal and external, are identified through a thorough risk assessment. Each business unit has risk owners who document risks across strategic, operational, financial, legal/ regulatory and ESG dimensions. Risks are assessed using standardized criteria for potential impact, financial and non-financial, and likelihood. The outcomes feed into consolidated risk inventory and heat map, which support prioritization and monitoring. Emerging risk are identified through ongoing environmental scanning.

RISK RESPONSE AND CONTROLES ACTIVITIES

For material risks, the Company applies appropriate response strategies such as avoidance, limitation, reduction, transfer, or acceptance. High criticality risks require specific mitigation actions and periodic updates by risk owners, reviewed by the Risk Officer. Control activities may include contractual safeguards, insurance solutions, financial limits, or operational adjustments.

MONITORING AND REPORTING

The RM System is reviewed at least annually. Risk owners complete assessments at year end and the Risk Officer validates and consolidates the results into Company level reporting for the Risk Committee, and, where relevant, the Audit Committee. The Risk Officer reports on significant exposures, control issues, and the status of recommendations. Immediate risks are escalated through a dedicated reporting template for urgent attention.

The Risk Committee periodically evaluates the effectiveness of the RM System, and the Risk Officer maintains a quality assurance and improvement program to ensure alignment with leading practices and evolving business needs.

Internal control checks conducted by the Compliance Officer and compliance department further assist the Audit Committee in monitoring and evaluating the effectiveness and correctness of the RM system.

For further information regarding the Company's risk management objectives and policies, see note 24 to the accompanying annual accounts.

SHAREHOLDERS' RIGHTS

The Company respects the rights of all shareholders and ensures that they receive equal treatment. All shareholders have equal voting rights and all corporate publications are transmitted through general publication channels and are also available in a specific section on the Company's website. The Company discloses its share ownership and additionally discloses any shareholder position above 5% when it is informed by the respective shareholder. Shares held and/or acquired by the Company, either directly or through subsidiaries, pursuant to its buy-back program (currently inactive), are suspended from their voting rights.

The shareholders of the Company exercise their voting rights at each AGM of the shareholders, whereby each share is granted one vote. The AGM of the shareholders takes place within 6 months after the end of the financial year at the registered office of the Company, or at such other place as may be specified in the notice of the meeting.

Grand City Properties S.A.

MANAGEMENT REPORT (CONTINUED)

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

SHAREHOLDERS' RIGHTS (CONTINUED)

At the AGM, the Board of Directors presents, among other items, the management report as well as the statutory and consolidated financial statements to the shareholders.

The AGM resolves, among others, on the statutory and consolidated financial statements of the Company, the allocation of the statutory financial results, the appointment of the approved independent auditor, the discharge and the (re-)election of the members of the Board of Directors. The convening notice for the AGM of the shareholders contains the agenda and is publicly announced in the Recueil électronique des sociétés et associations in Luxembourg (RESA), in a Luxembourg newspaper and on the Company's website at least thirty days before the AGM and in accordance with applicable Luxembourg law.

Grand City Properties S.A.

MANAGEMENT REPORT (CONTINUED)

ESG – ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Group's ESG Strategy is guided by our dedication to operating responsibly, creating value for our stakeholders, including our tenants and employees and improving the environmental and social performance of our assets. The core of our business model – investing in value-add opportunities instead of demolition and new asset development – demonstrates our commitment to sustainable real estate. Overall, our approach and success are underpinned by a set of comprehensive tangible benefits for our stakeholders, our investors, tenants, building users, local communities, employees and the environment. The Company considers ESG to be pivotal to the overall success of the organization and has thus created and integrated wide reaching ESG policies into the different functions of the Company. To monitor and manage its sustainability – related measures, the Company is also committed to transparently reporting on its ESG progress. The Company has prepared its sustainability statement in compliance with the European Sustainability Reporting Standards (ESRS), as mandated by the Corporate Sustainability Reporting Directive (CSRD).

The Company progress in ESG has been recognized externally, reaffirming Group's position as an industry leader. Sustainalytics further improved its rating on the Group, maintaining its low ESG-risk rating and placing the Company among the top performers globally, while the Company ranked in the top 9% of real estate management and development industry in S&P Global's Corporate Sustainability Assessment (CSA). In 2025, the Company was included for the first time in the Sustainability Yearbook 2026, which features only 848 companies out of more than 9,200 assessed by the S&P CSA, setting the Company apart from its industry peers. The Company has also improved its rating by ISS, upgrading to B- and maintaining the Prime Status. For the ninth consecutive year, the Company received the EPRA BPR Gold Award and EPRA sBPR Gold Award for excellence in finance transparency and sustainability reporting.

ESG COMMITTEE AND ESG MANAGEMENT

The Company's governance incorporates consideration of sustainability issues at both the Board of Directors and management levels. The operational ESG strategy has been established and is managed by the Board of Directors, which has ultimate oversight of the overall ESG performance. The Board of Directors has established an ESG Committee to supervise ESG strategy, regulatory compliance, and sustainability risk mitigation.

The ESG Committee is chaired by Mr. Markus Leininger and two additional voting members, Mr. Christian Windfuhr and Ms. Monica Portfolio, both members of the Board of Directors, as well as advisory members including the Company's Head of Sustainability, the Group's Head of Energy, the Chief Operations Officer of the German operations, and the Group's Head of Human Resources. The ESG Committee oversees strategic guidance on ESG topics and is responsible for reviewing and assessing the Company's responsible business strategy, policies and practices with respect to ESG. The Committee meets at least twice a year, with additional meetings called as required, and sets the direction for the work of the Sustainability Department.

The Sustainability Department acts as a cross-departmental interface, working across the Company, reviewing and communicating on sustainability programs, as well as being responsible for sustainability reporting. It is led by the Head of Sustainability. The Department also prepares the Company's double materiality analysis and ESG reporting, as well as responds to enquiries by investors and rating agencies on ESG topics. It collaborates closely with the Energy Department, which applies its engineering expertise to implement the technical elements of our sustainability strategy. There are constant exchanges of information between departments around ESG-related aspects.

Grand City Properties S.A.

MANAGEMENT REPORT (CONTINUED)

RESPONSIBILITY STATEMENT

The annual accounts of Grand City Properties S.A., prepared in accordance with the applicable reporting principles for annual accounts, give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company and the management report of the Company includes a fair view of the development of the business, and describes the main opportunities, risks, and uncertainties associated with the Company.

BOARD OF DIRECTORS APPROVAL

MEMBER

SIGNATURE

Mr. Christian Windfuhr, Director and Chairperson



Ms. Simone Runge-Brandner, Director



Mr. Markus Leininger, Director



Date: April 01, 2026



KPMG Audit S.à r.l.
39, Avenue John F. Kennedy
L-1855 Luxembourg

Tel: +352 22 51 51 1
Fax: +352 22 51 71
E-mail: info@kpmg.lu
Internet: www.kpmg.lu

To the Shareholders of
Grand City Properties S.A.
37, boulevard Joseph II
1840 Luxembourg
Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREÉ

Report on the audit of the annual accounts

Opinion

We have audited the annual accounts of Grand City Properties S.A. (the "Company"), which comprise the balance sheet as at 31 December 2025, and the profit and loss account for the year then ended, and notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of the Company as at 31 December 2025, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Basis for opinion

We conducted our audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier (the "CSSF"). Our responsibilities under the EU Regulation N° 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "réviseur d'entreprises agréé" for the audit of the annual accounts » section of our report. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of the audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of shares in affiliated undertakings

We refer to note 5 and to the corresponding accounting policy in note 2.5 to the annual accounts.



a. Why the matter was considered to be one of most significance in our audit of the annual accounts of the current period

As at December 31, 2025 shares in affiliated undertakings represent 50% of the total assets of the Company.

Recoverability of shares in affiliated undertakings depends on the performance of the subsidiaries, thus management performs an impairment assessment at each reporting date.

The identification of durable impairment indicators and the determination of the impairment charge requires application of judgment by management.

Due to the significance of the amount and the required application of judgement by management, the valuation of shares in affiliated undertakings is identified as a key audit matter.

b. How the matter was addressed in our audit

Our procedures concerning the valuation of shares in affiliated undertakings included, but were not limited to, the following:

- We tested the design and implementation of the key controls around the identification of triggers and assessment of impairment;
- We challenged management’s assessment of the durable nature of the value adjustment, if any;
- We assessed the fair value of the underlying real estate investments used for the assessment by management of the recoverability of the shares in affiliated undertakings;
- We assessed how management adjusted the Equity of the subsidiaries in determining the recoverable amount, including evaluating the appropriateness and consistency of such adjustments.

Other information

The Board of Directors is responsible for the other information. The other information comprises the management report and the Corporate Governance Statement but does not include the annual accounts and our report of the “réviseur d’entreprises agréé” thereon.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and Those Charged with Governance for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.



The Board of Directors is responsible for presenting the annual accounts in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format (“ESEF Regulation”).

In preparing the annual accounts, the Board of Directors is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

Responsibilities of the “réviseur d’entreprises agréé” for the audit of the annual accounts

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “réviseur d’entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

Our responsibility is to assess whether the annual accounts have been prepared in all material respects with the requirements laid down in the ESEF Regulation.

As part of an audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the “réviseur d’entreprises agréé” to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the “réviseur d’entreprises agréé”. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

We have been appointed as “réviseur d’entreprises agréé” by the Shareholders on 24 June 2025 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 14 years.

The management report is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement is included in the management report. The information required by Article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings as amended, is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

We confirm that the audit opinion is consistent with the additional report to the audit committee or equivalent.

We confirm that the prohibited non-audit services referred to in the EU Regulation N° 537/2014 were not provided and that we remained independent of the Company in conducting the audit.

We have checked the compliance of the annual accounts of the Company as at 31 December 2025 with relevant statutory requirements set out in the ESEF Regulation that are applicable to annual accounts.

For the Company it relates to:

- annual accounts prepared in a valid xHTML format;

In our opinion, the annual accounts of Grand City Properties S.A. as at 31 December 2025, identified as 5299002QLUYKK2WBMB18-2025-12-31-1-en.Xhtml, have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

Our audit report only refers to the annual accounts of Grand City Properties S.A. as at 31 December 2025, identified as 5299002QLUYKK2WBMB18-2025-12-31-1-en.Xhtml, prepared and presented in accordance with the requirements laid down in the ESEF Regulation, which is the only authoritative version.



Luxembourg, 01 April 2026

KPMG Audit S.à r.l.
Cabinet de révision agréé

Alessandro Raone

Annual Accounts Helpdesk :

Tel. : (+352) 247 88 494
Email : centralebilans@statec.etat.lu

RCSL Nr. : B165560

Matricule : 2011 2227 262

eCDF entry date :

BALANCE SHEET

Financial year from ⁰¹ 01/01/2025 **to** ⁰² 31/12/2025 (in ⁰³ EUR)

Grand City Properties S.A.
 37, Boulevard Joseph II
 L-1840 Luxembourg

ASSETS

| | Reference(s) | Current year | Previous year |
|--|---------------------|-----------------------------------|-----------------------------------|
| A. Subscribed capital unpaid | 1101 _____ | 101 _____ | 102 _____ |
| I. Subscribed capital not called | 1103 _____ | 103 _____ | 104 _____ |
| II. Subscribed capital called but unpaid | 1105 _____ | 105 _____ | 106 _____ |
| B. Formation expenses | 1107 _____ 4 | 107 _____ 7.521.927,33 | 108 _____ 8.972.614,84 |
| C. Fixed assets | 1109 _____ | 109 _____ 2.884.679.188,88 | 110 _____ 2.498.566.837,81 |
| I. Intangible assets | 1111 _____ | 111 _____ | 112 _____ |
| 1. Costs of development | 1113 _____ | 113 _____ | 114 _____ |
| 2. Concessions, patents, licences, trade marks and similar rights and assets, if they were | 1115 _____ | 115 _____ | 116 _____ |
| a) acquired for valuable consideration and need not be shown under C.I.3 | 1117 _____ | 117 _____ | 118 _____ |
| b) created by the undertaking itself | 1119 _____ | 119 _____ | 120 _____ |
| 3. Goodwill, to the extent that it was acquired for valuable consideration | 1121 _____ | 121 _____ | 122 _____ |
| 4. Payments on account and intangible assets under development | 1123 _____ | 123 _____ | 124 _____ |
| II. Tangible assets | 1125 _____ | 125 _____ 42.765,59 | 126 _____ 69.410,57 |
| 1. Land and buildings | 1127 _____ | 127 _____ | 128 _____ |
| 2. Plant and machinery | 1129 _____ | 129 _____ | 130 _____ |

RCSL Nr. : B165560

Matricule : 2011 2227 262

| | Reference(s) | Current year | Previous year |
|---|--------------|-------------------------|-------------------------|
| 3. Other fixtures and fittings, tools and equipment | 1131 | 42.765,59 | 69.410,57 |
| 4. Payments on account and tangible assets in the course of construction | 1133 | | |
| III. Financial assets | 1135 | 2.884.636.423,29 | 2.498.497.427,24 |
| 1. Shares in affiliated undertakings | 1137 5 | 2.884.634.923,29 | 2.498.495.927,24 |
| 2. Loans to affiliated undertakings | 1139 | | |
| 3. Participating interests | 1141 | | |
| 4. Loans to undertakings with which the undertaking is linked by virtue of participating interests | 1143 | | |
| 5. Investments held as fixed assets | 1145 2.1 | | |
| 6. Other loans | 1147 | 1.500,00 | 1.500,00 |
| D. Current assets | 1151 | 2.878.643.699,98 | 3.661.429.755,98 |
| I. Stocks | 1153 | | |
| 1. Raw materials and consumables | 1155 | | |
| 2. Work in progress | 1157 | | |
| 3. Finished goods and goods for resale | 1159 | | |
| 4. Payments on account | 1161 | | |
| II. Debtors | 1163 | 2.527.908.741,51 | 3.271.901.209,86 |
| 1. Trade debtors | 1165 | | |
| a) becoming due and payable within one year | 1167 | | |
| b) becoming due and payable after more than one year | 1169 | | |
| 2. Amounts owed by affiliated undertakings | 1171 6 | 2.467.833.139,89 | 3.211.458.004,42 |
| a) becoming due and payable within one year | 1173 | 1.160.231.096,06 | 1.210.457.189,84 |
| b) becoming due and payable after more than one year | 1175 | 1.307.602.043,83 | 2.001.000.814,58 |
| 3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests | 1177 | | |
| a) becoming due and payable within one year | 1179 | | |
| b) becoming due and payable after more than one year | 1181 | | |
| 4. Other debtors | 1183 7 | 60.075.601,62 | 60.443.205,44 |
| a) becoming due and payable within one year | 1185 | 2.878.029,05 | 20.470.568,95 |
| b) becoming due and payable after more than one year | 1187 | 57.197.572,57 | 39.972.636,49 |

RCSL Nr. : B165560

Matricule : 2011 2227 262

| | Reference(s) | Current year | Previous year |
|--------------------------------------|----------------|-----------------------------|-----------------------------|
| III. Investments | 1189 _____ | 189 <u>12.516.689,14</u> | 190 <u>12.785.415,95</u> |
| 1. Shares in affiliated undertakings | 1191 _____ | 191 _____ | 192 _____ |
| 2. Own shares | 1209 _____ | 209 _____ | 210 _____ |
| 3. Other investments | 1195 _____ 2.1 | 195 <u>12.516.689,14</u> | 196 <u>12.785.415,95</u> |
| IV. Cash at bank and in hand | 1197 _____ | 197 <u>338.218.269,33</u> | 198 <u>376.743.130,17</u> |
| E. Prepayments | 1199 _____ | 199 _____ | 200 _____ |
| | | 201 <u>5.770.844.816,19</u> | 202 <u>6.168.969.208,63</u> |
| TOTAL (ASSETS) | | | |

RCSL Nr. : B165560

Matricule : 2011 2227 262

CAPITAL, RESERVES AND LIABILITIES

| | Reference(s) | Current year | Previous year |
|---|--------------|------------------|------------------|
| A. Capital and reserves | | | |
| | 1301 | 845.366.838,59 | 737.073.615,55 |
| I. Subscribed capital | 1303 8.1 | 17.618.789,90 | 17.618.789,90 |
| II. Share premium account | 1305 8.2 | 323.303.145,69 | 323.303.145,69 |
| III. Revaluation reserve | 1307 | | |
| IV. Reserves | 1309 | 1.761.878,99 | 1.761.878,99 |
| 1. Legal reserve | 1311 8.3 | 1.761.878,99 | 1.761.878,99 |
| 2. Reserve for own shares | 1313 | | |
| 3. Reserves provided for by the articles of association | 1315 | | |
| 4. Other reserves, including the fair value reserve | 1429 | | |
| a) other available reserves | 1431 | | |
| b) other non available reserves | 1433 | | |
| V. Profit or loss brought forward | 1319 | 394.389.800,97 | 35.158.306,35 |
| VI. Profit or loss for the financial year | 1321 | 108.293.223,04 | 359.231.494,62 |
| VII. Interim dividends | 1323 | | |
| VIII. Capital investment subsidies | 1325 | | |
| B. Provisions | 1331 | | |
| 1. Provisions for pensions and similar obligations | 1333 | | |
| 2. Provisions for taxation | 1335 | | |
| 3. Other provisions | 1337 | | |
| C. Creditors | 1435 | 4.925.477.977,60 | 5.431.895.593,08 |
| 1. Debenture loans | 1437 | 4.214.624.109,43 | 4.405.920.150,55 |
| a) Convertible loans | 1439 | | |
| i) becoming due and payable within one year | 1441 | | |
| ii) becoming due and payable after more than one year | 1443 | | |
| b) Non convertible loans | 1445 | 4.214.624.109,43 | 4.405.920.150,55 |
| i) becoming due and payable within one year | 1447 10.1 | 589.777.328,81 | 300.530.313,54 |
| ii) becoming due and payable after more than one year | 1449 10.2 | 3.624.846.780,62 | 4.105.389.837,01 |
| 2. Amounts owed to credit institutions | 1355 | 60.306.666,67 | 60.354.087,20 |
| a) becoming due and payable within one year | 1357 | 306.666,67 | 354.087,20 |
| b) becoming due and payable after more than one year | 1359 13 | 60.000.000,00 | 60.000.000,00 |

The notes in the annex form an integral part of the annual accounts

RCSL Nr. : B165560

Matricule : 2011 2227 262

| | Reference(s) | Current year | Previous year |
|--|--------------|-------------------|------------------|
| 3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks | 1361 | 361 | 362 |
| a) becoming due and payable within one year | 1363 | 363 | 364 |
| b) becoming due and payable after more than one year | 1365 | 365 | 366 |
| 4. Trade creditors | 1367 | 5.799.379,20 | 1.077.557,92 |
| a) becoming due and payable within one year | 1369 | 5.799.379,20 | 1.077.557,92 |
| b) becoming due and payable after more than one year | 1371 | 371 | 372 |
| 5. Bills of exchange payable | 1373 | 373 | 374 |
| a) becoming due and payable within one year | 1375 | 375 | 376 |
| b) becoming due and payable after more than one year | 1377 | 377 | 378 |
| 6. Amounts owed to affiliated undertakings | 1379 | 14 644.210.706,78 | 964.209.178,58 |
| a) becoming due and payable within one year | 1381 | 5.722.706,78 | 531.889.285,40 |
| b) becoming due and payable after more than one year | 1383 | 638.488.000,00 | 432.319.893,18 |
| 7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests | 1385 | 253.524,83 | 386 |
| a) becoming due and payable within one year | 1387 | 253.524,83 | 388 |
| b) becoming due and payable after more than one year | 1389 | 389 | 390 |
| 8. Other creditors | 1451 | 283.590,69 | 334.618,83 |
| a) Tax authorities | 1393 | 274.428,44 | 323.037,88 |
| b) Social security authorities | 1395 | 9.162,25 | 11.580,95 |
| c) Other creditors | 1397 | 397 | 398 |
| i) becoming due and payable within one year | 1399 | 399 | 400 |
| ii) becoming due and payable after more than one year | 1401 | 401 | 402 |
| D. Deferred income | 1403 | 403 | 404 |
| TOTAL (CAPITAL, RESERVES AND LIABILITIES) | 405 | 5.770.844.816,19 | 6.168.969.208,63 |

Annual Accounts Helpdesk :

Tel. : (+352) 247 88 494
Email : centralebilans@statec.etat.lu

RCSL Nr. : B165560

Matricule : 2011 2227 262

eCDF entry date :

PROFIT AND LOSS ACCOUNT

Financial year from ⁰¹ 01/01/2025 **to** ⁰² 31/12/2025 (in ⁰³ EUR)

Grand City Properties S.A.
 37, Boulevard Joseph II
 L-1840 Luxembourg

| | Reference(s) | Current year | Previous year |
|--|----------------|---------------------------|--------------------------|
| 1. Net turnover | 1701 <u>17</u> | 701 <u>700.000,00</u> | 702 <u>700.000,00</u> |
| 2. Variation in stocks of finished goods and in work in progress | 1703 _____ | 703 _____ | 704 _____ |
| 3. Work performed by the undertaking for its own purposes and capitalised | 1705 _____ | 705 _____ | 706 _____ |
| 4. Other operating income | 1713 _____ | 713 <u>80.031,87</u> | 714 <u>519.211,15</u> |
| 5. Raw materials and consumables and other external expenses | 1671 _____ | 671 <u>-12.040.956,25</u> | 672 <u>-8.641.394,54</u> |
| a) Raw materials and consumables | 1601 _____ | 601 _____ | 602 <u>-7.841,68</u> |
| b) Other external expenses | 1603 <u>18</u> | 603 <u>-12.040.956,25</u> | 604 <u>-8.633.552,86</u> |
| 6. Staff costs | 1605 _____ | 605 <u>-138.675,98</u> | 606 <u>-156.544,04</u> |
| a) Wages and salaries | 1607 _____ | 607 <u>-124.503,94</u> | 608 <u>-140.631,10</u> |
| b) Social security costs | 1609 _____ | 609 <u>-14.172,04</u> | 610 <u>-15.912,94</u> |
| i) relating to pensions | 1653 _____ | 653 <u>-9.584,75</u> | 654 <u>-10.807,20</u> |
| ii) other social security costs | 1655 _____ | 655 <u>-4.587,29</u> | 656 <u>-5.105,74</u> |
| c) Other staff costs | 1613 _____ | 613 _____ | 614 _____ |
| 7. Value adjustments | 1657 _____ | 657 <u>-2.727.333,81</u> | 658 <u>-2.776.883,58</u> |
| a) in respect of formation expenses and of tangible and intangible fixed assets | 1659 _____ | 659 <u>-2.727.333,81</u> | 660 <u>-2.776.883,58</u> |
| b) in respect of current assets | 1661 _____ | 661 _____ | 662 _____ |
| 8. Other operating expenses | 1621 <u>20</u> | 621 <u>-999.696,32</u> | 622 <u>-1.323.083,06</u> |

RCSL Nr. : B165560

Matricule : 2011 2227 262

| | Reference(s) | Current year | Previous year |
|---|--------------|-----------------|-----------------|
| 9. Income from participating interests | 1715 | 66.801.476,00 | 324.175.766,04 |
| a) derived from affiliated undertakings | 1717 21 | 66.801.476,00 | 324.175.766,04 |
| b) other income from participating interests | 1719 | | |
| 10. Income from other investments and loans forming part of the fixed assets | 1721 | 182.473,35 | |
| a) derived from affiliated undertakings | 1723 | | |
| b) other income not included under a) | 1725 | 182.473,35 | |
| 11. Other interest receivable and similar income | 1727 | 149.882.130,18 | 202.870.189,12 |
| a) derived from affiliated undertakings | 1729 6 | 118.580.850,30 | 143.118.688,01 |
| b) other interest and similar income | 1731 22 | 31.301.279,88 | 59.751.501,11 |
| 12. Share of profit or loss of undertakings accounted for under the equity method | 1663 | | |
| 13. Value adjustments in respect of financial assets and of investments held as current assets | 1665 | 68.386.677,97 | -3.758.700,43 |
| 14. Interest payable and similar expenses | 1627 23 | -161.812.072,10 | -152.362.525,26 |
| a) concerning affiliated undertakings | 1629 14 | -37.204.033,02 | -31.597.592,04 |
| b) other interest and similar expenses | 1631 | -124.608.039,08 | -120.764.933,22 |
| 15. Tax on profit or loss | 1635 | -8.618,42 | |
| 16. Profit or loss after taxation | 1667 | 108.305.436,49 | 359.246.035,40 |
| 17. Other taxes not shown under items 1 to 16 | 1637 | -12.213,45 | -14.540,78 |
| 18. Profit or loss for the financial year | 1669 | 108.293.223,04 | 359.231.494,62 |

Grand City Properties S.A.
Notes to the annual accounts
For the year ended December 31, 2025

Note 1. General

Grand City Properties S.A. (the “Company”) was incorporated in Grand Duchy of Luxembourg on December 16, 2011 as a “Société Anonyme” (public limited liability company) in accordance with the Luxembourg Law of August 10, 1915, as amended, on Commercial Companies (the “Law”) for an unlimited period of time. Its registered office is at 37 Boulevard Joseph II, L-1840 Luxembourg and the Company is registered with the Registre de Commerce et des Sociétés du Grand Duché de Luxembourg (the “Luxembourg R.C.S.”) under number B 165.560.

Grand City Properties S.A. is a holding company that holds together with its investees (the “Group”) real estate assets, and is a specialist in residential real estate, investing in value-add opportunities in densely populated areas, predominantly in Germany and in London.

The Company’s financial year starts on January 1st and ends on December 31st of each year.

The Company did not operate any branch in 2025 and 2024.

The purpose of the Company together with its investees is the acquisition, repositioning, and administration of real estate property.

The Company may further acquire through contributions, firm purchases or options, patents, service marks, trademarks licenses, know-how and other industrial, commercial or intellectual property rights and generally hold, license the right to use it, sublicense, sell or dispose of the same, into whole or in part, for such consideration as the Company may think fit, and to subcontract the management and development of those rights, trademarks and licenses and to obtain and make any registration required in this respect.

The Company can also take whatever action necessary to protect rights derived from patents, trademarks, service marks, licenses, know-how and other industrial, commercial or intellectual property rights, licenses, sublicenses and similar rights against infringement by third party.

The Company can furthermore provide or cause to provide know how, development consulting advice and operating services, promotion, representation and all operations of such nature.

The Company may make any transactions pertaining directly or indirectly to the taking of participating interests in any enterprises in whatever form, as well as the administration, the management, the control and the development of such participating interests.

It may participate in the creation, development, management and control of any company or enterprise. The Company may borrow in any form whatever.

The Company may grant to the companies of the Group or to its shareholders, any support, loans, advances or guarantees, within the limits of the Law.

Within the limits of its activity and the limits of the concerning legal dispositions, the Company can grant mortgage, contract loans, with or without guarantee, and stand security for other persons or companies.

The Company may take any measure to safeguard its rights and make any transactions whatsoever which are directly or indirectly connected with its purposes and which are liable to promote its development or extension.

Grand City Properties S.A.
Notes to the annual accounts
For the year ended December 31, 2025 (continued)

Note 1. General (continued)

Since 2012 the Company's shares are listed on the Frankfurt Stock Exchange. On May 9, 2017 the Company's shares were uplisted to the Prime Standard of the Frankfurt Stock Exchange in Germany. The Company's shares are included in the SDAX index of the Deutsche Börse.

The Company listed its different bonds and perpetual notes in Frankfurt, Irish, Swiss and Luxembourg stock exchanges (see note 10).

Since July 1, 2021 the Group is consolidated in Aroundtown SA's consolidated financial statement, a public limited liability company ("Société Anonyme"), incorporated under the laws of the Grand Duché de Luxembourg. Aroundtown SA is a real estate company with a focus on income generating quality properties with value-add potential in central locations in top tier European cities.

The Company also prepares consolidated financial statements in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and adopted by the European Union (EU) that were approved for issuance in accordance with the provisions of the Law.

The Company's accounts are included in the consolidated financial statements of the Group. These consolidated financial statements are also available at the registered office of the Company or its website (www.grandcityproperties.com).

Note 2. Summary of Significant Accounting Policies

2.1 Basis of presentation

The notes to the annual accounts of the Company are presented in thousands of Euro (KEUR), rounded to the nearest KEUR unless otherwise stated and prepared in accordance with current legal and regulatory requirements and generally accepted accounting principles in the Grand Duchy of Luxembourg.

The accounting and valuation policies are determined by the Board of Directors in compliance with the amended Law of December 19, 2002. These policies have been consistently applied to the annual periods presented.

The annual accounts have been prepared assuming the Company will continue as going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

Certain figures for the year that ended 2024 have been reclassified to ensure comparability with the figures for the year ended 2025.

2.2 Foreign currency transactions

The Company maintains its books and records in Euro.

Monetary assets and liabilities in foreign currencies are revalued at the exchange rate prevailing at the Balance Sheet date. Exchange gains and losses are recorded in the Profit and Loss account.

Other non-monetary assets and non-monetary liabilities in foreign currencies are kept at historical exchange rates or revalued at exchange rates prevailing at the Balance Sheet date, respectively if the latter rate is higher or lower. Exchange losses are recognized immediately in the Profit and Loss account. Exchange gains are recorded in the Profit and Loss account at the moment of their realization.

Formation expenses, fixed assets and other long-term assets in foreign currencies are kept at historical exchange rates at the Balance Sheet date.

Grand City Properties S.A.
Notes to the annual accounts
For the year ended December 31, 2025 (continued)

Note 2. Summary of Significant Accounting Policies (continued)

2.3 Formation expenses

Formation expenses consist of share capital increase costs, credit facility and bank loan transaction costs and bonds and perpetual notes subscription fees. They are amortized on a straight-line basis over a period of 5 years or over the lifetime of the related financial liability respectively.

If the financial instruments are repaid, converted, repurchased or redeemed on an earlier date, the related remaining balances of unamortized financing costs are directly fully expensed in the profit and loss account in the year of repayment, repurchase, redemption or conversion.

2.4 Tangible assets

Tangible assets are valued at purchase price including the expenses incidental thereto. They are depreciated over their estimated useful economic lives.

2.5 Financial assets

Financial assets are recorded at cost. A value adjustment is recorded if the expected realization value is permanently lower than the carrying amount in the opinion of the Board of Directors. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

2.6 Debtors

Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is compromised. Value adjustments are recorded at the end of the financial year if the net realizable value is lower than the book value. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

2.7 Investments

Investments may include transferable securities, as well as other investments in shares and other securities equivalent to shares and in bonds or other forms of securitized debts.

Transferable securities and other investments are valued at the lower of cost, including expenses incidental thereto and calculated on the basis of the FIFO method or market value. A value adjustment is recorded where the market value is lower than the cost of purchase. These value adjustments are reversed if the reasons for which the value adjustments were made have ceased to apply.

The market value corresponds to:

- a. the last available quoted price in an active market for quoted securities;
- b. the fair value estimated with due care and in good faith by the Board of Directors based on market and business assumptions.

2.8 Derivatives

Derivative financial instruments include mainly cross currency and interest swap and forward and option contracts. Derivatives are initially stated at cost for derivatives purchased. At year-end, when a value adjustment is deemed necessary, a value adjustment is set up in respect of individual unrealized losses resulting from their revaluation. In case of hedging an asset and/or a liability that is not recorded at fair value, unrealized gains or losses are deferred until the recognition of the realized losses or gains on the hedged items.

Commitments on those derivative financial instruments are disclosed in note 16.

Grand City Properties S.A.
Notes to the annual accounts
For the year ended December 31, 2025 (continued)

Note 2. Summary of Significant Accounting Policies (continued)

2.9 Prepayments

The asset item includes expenditures incurred during the financial year but relating to subsequent financial year.

2.10 Provisions

Provisions are intended to cover losses or debts, the nature of which is clearly defined and, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

Provisions may also be created to cover charges which have their origin in the financial year or in a previous financial year, the nature of which is clearly defined and which at the Balance Sheet date are either likely to be incurred, or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

2.11 Creditors

Creditors are recorded at their nominal value.

Where the amount repayable on account is greater than the amount received, the difference is shown as an asset and is amortized on a straight-line basis over the period of the debt.

2.12 Income and charges

Income and charges are recorded on the accrual basis of accounting and as services are provided for fees invoiced.

2.12.1 Interest income and interest charges

Interest income and interest charges are accrued on a timely basis, by reference to the principal outstanding and at the nominal interest rate applicable.

2.12.2 Dividend income

Dividend income from investments is recognized when the shareholder's right to receive the payment has been established.

2.13 Net turnover

Net turnover comprises the amount derived from the provision of services net of value added tax and other taxes directly linked to turnover.

2.14 Taxation

The Company is subject to the general tax regulation applicable to commercial companies in Luxembourg.

2.15 Share-based payment transactions

The grant-date fair value of equity-settled share-based payment awards granted to directors, key management personnel and senior employees is generally recognized as an expense, with a corresponding increase in provision, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

Grand City Properties S.A.
Notes to the annual accounts
For the year ended December 31, 2025 (continued)

Note 3. Critical accounting estimates

The preparation of the annual accounts and the application of the accounting policies and methods described below require critical accounting estimates that involve judgements and the use of assumptions. By their nature, the assessments necessary for drawing up the annual accounts require the formulation of hypotheses and carry risks and uncertainties as to their occurrence in the future.

Although the Board of Directors believes that it has taken all available information into account in determining these judgements and estimates, the actual future profits and losses from the operations concerned could differ from these estimates and therefore have a material impact on the annual accounts.

The use of estimates mainly concerns the estimation of the recoverable amount of the potentially impaired financial assets.

Note 4. Formation expenses

Formation expenses consist of share capital increase costs, credit facility and bank loan transaction costs, perpetual notes and bonds subscription fees:

| | 2025 | 2024 |
|--|-----------------|-----------------|
| | KEUR | KEUR |
| Gross book value as at January 1, | 59,715 | 53,334 |
| Additions | 1,250 | 6,381 |
| Gross book value as at December 31, | 60,965 | 59,715 |
| Accumulated amortization as at January 1, | (50,742) | (47,994) |
| Amortization | (2,701) | (2,748) |
| Accumulated amortization as at December 31, | (53,443) | (50,742) |
| Net book value as at January 1, | 8,973 | 5,340 |
| Additions | 1,250 | 6,381 |
| Amortization | (2,701) | (2,748) |
| Net book value as at December 31, | 7,522 | 8,973 |

Grand City Properties S.A.
Notes to the annual accounts
For the year ended December 31, 2025 (continued)

Note 5. Shares in affiliated undertakings

The movements on shares in affiliated undertakings are as follows:

| | 2025 | 2024 |
|--|------------------|------------------|
| | KEUR | KEUR |
| Gross book value as at January 1, | 2,603,029 | 6,980,393 |
| Additions | 317,484 | 322,636 |
| Disposals | - | (4,700,000) |
| Gross book value as at December 31, | 2,920,513 | 2,603,029 |
| Accumulated value adjustment as at January 1, | (104,533) | (99,474) |
| Allocations | (26,902) | (5,059) |
| Reversals | 95,557 | - |
| Accumulated value adjustment as at December 31, | (35,878) | (104,533) |
| Net book value as at January 1, | 2,498,496 | 6,880,919 |
| Additions, net | 317,484 | (4,377,364) |
| Value adjustment, net | 68,655 | (5,059) |
| Net book value as at December 31, | 2,884,635 | 2,498,496 |

The Company beneficially owns the following shares in affiliated undertakings:

| <u>Affiliate</u> | <u>Country</u> | <u>Percentage Holding</u> | <u>Acquisition Cost (***)</u> | <u>Equity as at December 31, 2025 (**)</u> | <u>Profit (loss) for the year ended December 31, 2025 (**)</u> |
|--|-----------------|---------------------------|-------------------------------|--|--|
| <u>KEUR</u> | | | | | |
| Grandcity Property Ltd (With registered office at 54B Artemidos & Nikou Demetriou Corner, Scanner Avenue Tower, 6031 Larnaca, Cyprus) | Cyprus | 94,80% | (a) 2,333,718 | 2,839,210 | 140,587 |
| Grandcity Holdings Ltd (ex: Tespomo Limited, With registered office at 54B Artemidos & Nikou Demetriou Corner, Scanner Avenue Tower, 6031 Larnaca, Cyprus) | Cyprus | 100% | (b) 417,680 | 321,711 | (413) |
| Bareno Ltd (With registered office at 54B Artemidos & Nikou Demetriou Corner, Scanner Avenue Tower, floor 2, 6027 Larnaca, Cyprus) | Cyprus | 100% | (*) | (30) | (10) |
| Grand City Properties Holdings B.V. (With registered office at H.J.E. Wenckebachweg 123, 1096 AM Amsterdam) | The Netherlands | 100% | (c) 40,042 | 66,909 | (5) |
| GCP Finance B.V. (ex: Ymir Holding B.V, With registered office at H.J.E. Wenckebachweg 123, 1096 AM Amsterdam) | The Netherlands | 100% | 1 | (4) | (1) |
| Grand City Properties Holdings S.à r.l (With registered office at 37, Boulevard Joseph II, L-1840 Luxembourg) | Luxembourg | 100% | 79,336 | 78,138 | 684 |
| Tourmaline Holding S.à r.l (ex: KPI Retail Property 35 S.à r.l., With registered office at 37, Boulevard Joseph II, L-1840 Luxembourg) | Luxembourg | 100% | 13,846 | 13,810 | (37) |
| Grand City Properties Finance S.à r.l (With registered office at 37, Boulevard Joseph II, L-1840 Luxembourg) | Luxembourg | 100% | 12 | (d) 629,902 | 1,832 |
| | | | 2,884,635 | 3,949,646 | 142,637 |

(*) Less than KEUR 1.

(**) Based on unaudited individual financial information prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) as of December 31, 2025.

(***) Net of redemptions and impairments (value adjustments)

Grand City Properties S.A.
Notes to the annual accounts
For the year ended December 31, 2025 (continued)

Note 5. Shares in affiliated undertakings (continued)

- (a) As at December 31, 2025, the acquisition cost includes an investment of KEUR 2 in ordinary shares and an investment of KEUR 2,333,716 in Redeemable Preference Shares.
- (b) As at December 31, 2025, the acquisition cost includes an investment of KEUR 69,262 in ordinary shares and capital contributions, an investment of KEUR 357,394 in Redeemable Preference Shares and an impairment for the investment of KEUR 8,976.
- (c) As at December 31, 2025, the acquisition cost includes an investment of KEUR 66,944 in ordinary shares and capital contributions and an impairment for the investment of KEUR 26,902.
- (d) KEUR 629,719 is attributed to perpetual notes investors.

The Redeemable Preference Shares have similar rights as the ordinary shares have, with the exception that they accumulate their right for dividends, in a way that any future dividend will be first paid to the Redeemable Preference Shares holders and the remaining part will be paid to the ordinary shareholders pro-rata, and that the Redeemable Preference Shares are redeemable at the sole discretion of the affiliate.

On December 29, 2025, Grandcity Property Ltd issued 1 Redeemable Preference Share to be allotted to the Company for a total amount of KEUR 107,000 which has been fully paid.

On December 23, 2025, Grandcity Property Ltd distributed dividend to the Company in total amount of KEUR 66,801 (see note 21).

During 2025, the Company recognized an impairment (value adjustment) for the investment in Grand City Properties Holdings B.V. of KEUR 26,902 (2024: nil) and reversed a previous impairment for the investment in Grandcity Holdings Ltd of KEUR 95,557 (2024: KEUR 5,059 impairment).

In the opinion of the Board of Directors, no further value adjustments were required in respect of shares in affiliated undertakings as of December 31, 2025.

Note 6. Amounts owed by affiliated undertakings

| | 2025 | 2024 |
|--|------------------|------------------|
| | KEUR | KEUR |
| Balance as at January 1, | 3,211,458 | 106 |
| Additions | 224,115 | 3,080,155 |
| Repayments | (923,184) | (178) |
| Interest income | 116,008 | 143,119 |
| Interest received | (175,144) | (11,744) |
| Foreign exchange gains (losses), net | 2,573 | - |
| Balance as at December 31, | 2,455,826 | 3,211,458 |
| Discount on amounts owed to affiliated undertakings | 12,007 | - |
| Total Amounts owed by affiliated undertakings | 2,467,833 | 3,211,458 |
| (a) Becoming due and payable within one year | 1,160,231 | 1,210,457 |
| (b) Becoming due and payable after one year | 1,307,602 | 2,001,001 |

During the year, the Company recognized an interest income on loans derived from affiliated undertaking Grandcity Property Ltd, Grand City Properties Holding S.à r.l. and other affiliated undertaking, in total amount of KEUR 114,727 (2024: KEUR 143,119), KEUR 1,273 (2024: nil) and KEUR 8 (2024: nil) respectively.

Grand City Properties S.A.
Notes to the annual accounts
For the year ended December 31, 2025 (continued)

Note 7. Other debtors

Other debtors are composed of the below:

| | 2025 | 2024 |
|--|---------------|---------------|
| | KEUR | KEUR |
| Discount on perpetual notes and bonds | 58,181 | 40,629 |
| Collateral for derivatives | 1,060 | 19,110 |
| Tax receivable | 835 | 704 |
| Balance as at December 31, | 60,076 | 60,443 |
| (a) Becoming due and payable within one year | 2,878 | 20,470 |
| (b) Becoming due and payable after one year | 57,198 | 39,973 |

Note 8. Capital and Reserves

8.1 Subscribed capital

| | 2025 | | 2024 | |
|--|---------------------|---------------|---------------------|---------------|
| | Number of shares | KEUR | Number of shares | KEUR |
| Authorized | | | | |
| Ordinary shares of EUR 0.10 each (issued and fully paid) | 400.000.000 | 40.000 | 400.000.000 | 40.000 |
| Balance as at January 1, | 176,187,899 | 17,619 | 176,187,899 | 17,619 |
| Balance as at December 31, | 176,187,899 | 17,619 | 176,187,899 | 17,619 |

There are no uncalled and called but not paid share capital.

During the reporting period the Company had not issued any new shares (2024: nil).

Company's own shares held by Grandcity Holdings Ltd

- (a) During 2025, in connection with the share-based payment arrangements, Grandcity Holdings Ltd delivered 28,087 (2024: 41,326) Company's own shares.
- (b) In December 2024, Grandcity Holdings Ltd sold 3,700,000 Company's own shares.

As at December 31, 2025, the Company shares held by Grandcity Holdings Ltd amounted to 62,253 shares (2024: 90,340).

The voting rights of the Company's own shares held by Grandcity Holdings Ltd are suspended.

Grand City Properties S.A.
Notes to the annual accounts
For the year ended December 31, 2025 (continued)

Note 8. Capital and Reserves (continued)

8.2 Share premium account

The share premium derives directly from the capital increases which were affected since the date of incorporation and exercise conversions of bonds into shares.

| | 2025 | 2024 |
|-----------------------------------|----------------|----------------|
| | KEUR | KEUR |
| Balance as at January 1, | 323,303 | 323,303 |
| Balance as at December 31, | 323,303 | 323,303 |

The dividend distributions, if any, are paid out from the share premium account.

Resolution of dividend distribution

| For the year | Amount per share (in cents) | Gross amount (KEUR) | Ex-date | Payment date |
|---------------------|--|--------------------------------|----------------|---------------------|
| 2014 | 20.00 | 24,333 | June 25, 2015 | July 3, 2015 |
| 2015 | 25.00 | 38,447 | June 30, 2016 | July 1, 2016 |
| 2016 | 68.25 | 112,468 | June 29, 2017 | July 1, 2017 |
| 2017 | 73.00 | 120,296 | June 30, 2018 | July 17, 2018 |
| 2018 | 77.35 | 129,002 | June 27, 2019 | July 22, 2019 |
| 2019 | 82.38 | 138,407 | June 25, 2020 | July 14, 2020 |
| 2020 | 82.32 | 136,433 | July 01, 2021 | July 20, 2021 |
| 2021 | 83.40 | 137,580 | June 30, 2022 | July 19, 2022 |

The Company has decided not to recommend a dividend payment for 2022-2024, following the increase in macro-economic uncertainty and volatility and preserve further liquidity.

8.3 Legal reserve

The Company is required to allocate a minimum of 5% of its annual net profits to a legal reserve, until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed.

As at December 31, 2025, the legal reserve amounted to KEUR 1,762 (2024: KEUR 1,762).

Grand City Properties S.A.
Notes to the annual accounts
For the year ended December 31, 2025 (continued)

Note 9. Share-based payment agreements

A. Description of share-based payment arrangements

As of December 31, 2025, the Company had the following share-based payment arrangements:

Incentive share plan

The incentive program for the directors, key management personnel and senior employees has up to four years vesting period with target to enhance employees' long-term commitment to the Company's strategic targets.

The key terms and conditions related to the program are as follows:

| Vesting period | Number of shares | Weighted vesting period | Contractual life of the shares |
|-------------------------------|------------------|-------------------------|--------------------------------|
| March 1, 2022 – June 30, 2029 | 753 thousand | 1.67 years | Up to 4 years |

B. Reconciliation of outstanding share options

The number and weighted average of shares under the share incentive program and replacement awards were as follows:

| | 2025 | 2024 |
|---------------------------------------|------------------|------------------|
| | Number of shares | Number of shares |
| | In thousands | |
| Outstanding as at January 1, | 483 | 558 |
| Granted during the year | 478 | 156 |
| Exercised during the year (*) | (208) | (231) |
| Outstanding as at December 31, | 753 | 483 |

(*) Of which 28 thousand (2024: 41 thousand) shares have been transferred from the Company's own shares held by Grandcity Holdings Ltd (see note 8.1).

Grand City Properties S.A.
Notes to the annual accounts
For the year ended December 31, 2025 (continued)

Note 10. Straight bond and Perpetual notes

| Composition | Note | Nominal amount outstanding | Effective coupon (*) | Placement | Maturity | As at December 31 | | |
|--|--------|----------------------------|----------------------|-----------|----------|-------------------|------------------|------|
| | | | | | | 2025 | 2024 | |
| | | <u>In thousands</u> | | | | | | KEUR |
| 10.1 becoming due and payable within one year | | | | | | | | |
| Straight bond series E | (d, f) | | 1.50% | Apr-15 | Apr-25 | - | 178,900 | |
| Straight bond series G | (d) | EUR 407,300 | 1.38% | Aug-17 | Aug-26 | 407,300 | - | |
| Straight bond series K | | CHF 125,000 | 0.96% | Mar-18 | Sep-26 | 134,206 | - | |
| Straight bond series U | (g) | | 0.75% | Jul-19 | Jul-25 | - | 80,000 | |
| Accrued interest straight bonds | | | | | | 43,078 | 32,577 | |
| Accrued interest perpetual notes | | | | | | 5,193 | 9,053 | |
| | | | | | | 589,777 | 300,530 | |
| 10.2 becoming due and payable after more than one year | | | | | | | | |
| Straight bond series G | (d) | | 1.38% | Aug-17 | Aug-26 | - | 407,300 | |
| Straight bond series H | (i) | EUR 505,000 | 2.00% | Oct-17 | Oct-32 | 505,000 | 255,000 | |
| Straight bond series I | | HKD 900,000 | 4.147% | Feb-18 | Feb-28 | 98,399 | 111,544 | |
| Straight bond series J | (d) | EUR 583,300 | 1.50% | Feb-18 | Feb-27 | 583,300 | 583,300 | |
| Straight bond series K | | | 0.96% | Mar-18 | Sep-26 | - | 132,809 | |
| Straight bond series L | | JPY 7,500,000 | 1.20% | Jun-18 | Jun-38 | 40,741 | 45,995 | |
| Straight bond series M | | EUR 47,000 | 2.177% | Jul-18 | Jul-33 | 47,000 | 47,000 | |
| Straight bond series N | | EUR 88,000 | 3M Euribor + 1.71% | Feb-19 | Feb-39 | 88,000 | 88,000 | |
| Straight bond series O | | EUR 15,000 | 3M Euribor + 1.68% | Feb-19 | Feb-34 | 15,000 | 15,000 | |
| Straight bond series P | | HKD 290,000 | 4.301% | Mar-19 | Mar-29 | 31,707 | 35,942 | |
| Straight bond series R | | EUR 40,000 | 2.50% | Jun-19 | Jun-39 | 40,000 | 40,000 | |
| Straight bond series V | | EUR 70,000 | 2.293% | Aug-19 | Aug-34 | 70,000 | 70,000 | |
| Straight bond series X | | EUR 1,000,000 | 0.125% | Jan-21 | Jan-28 | 1,000,000 | 1,000,000 | |
| Straight bond series Y | (e) | EUR 500,000 | 4.375% | Jul-24 | Jan-30 | 500,000 | 500,000 | |
| Perpetual Notes 2 | (a,h) | EUR 1,700 | 6.332% | Sep-16 | (**) | 1,700 | 48,400 | |
| Perpetual Notes 3 | (a,h) | EUR 1,300 | 5.901% | Apr-18 | (**) | 1,300 | 25,100 | |
| Perpetual Notes 4 | (h) | EUR 602,700 | 1.5% | Dec-20 | (**) | 602,700 | 700,000 | |
| | | | | | | 3,624,847 | 4,105,390 | |
| Total straight bond, perpetual notes and accrued interest | | | | | | 4,214,624 | 4,405,920 | |

(*) Including hedging impact where applicable

() Perpetual notes**

| Composition | Nominal amount outstanding (KEUR) | Placement date | Coupon | Next call date | Next reset date | Coupon as of next reset date |
|---------------------------------|-----------------------------------|----------------|--------|----------------|-----------------|-------------------------------------|
| Perpetual Notes 2- 200,000 KEUR | 1,700 | Sep-2016 | 6.332% | Jan-2026 | Jan-2028 | 3.887% over five-year mid swap rate |
| Perpetual Notes 3-350,000 KEUR | 1,300 | Apr-2018 | 5.901% | Oct-2026 | Oct-2028 | 2.682% over five-year mid swap rate |
| Perpetual Notes 4-700,000 KEUR | 602,700 | Dec-2020 | 1.5% | Mar-2026 | Jun-2026 | 2.184% over five-year mid swap rate |

Grand City Properties S.A.
Notes to the annual accounts
For the year ended December 31, 2025 (continued)

Note 10. Straight bond and Perpetual notes (continued)

10.3 Transactions occurred during 2024-2025

As of December 31, 2025, the Company has established a EUR 10 billion EMTN programme. Notes issued under the EMTN programme are guaranteed by the Company.

- (a) On April 2, 2024, the Board of Directors approved a voluntary exchange and tender offer targeting the holders of two outstanding perpetual notes, with nominal values of EUR 200 million (Perpetual Notes 2) and EUR 350 million (Perpetual Notes 3), carrying coupons of 6.332% and 5.901%, respectively (the “Existing Perpetual Notes”).

The offer provided the holders of the Existing Perpetual Notes with two options:

1. Exchange option: exchange their holdings for newly issued perpetual notes at a specified exchange ratio.
2. Exchange and partial redemption option: Exchange their holdings for new perpetual notes at the specified exchange ratio and redeem 15% of their exchanged notes at a small premium over the market prices prevailing prior to the offer.

On September 10, 2024, a second offer was approved for the same notes, allowing holders to:

1. Exchange option: exchange their holdings for new perpetual notes.
2. Exchange and partial redemption: exchange 80% of holdings and tender 20% for purchase at a small premium over the market prices prevailing prior to the offer.

The first offer period commenced on April 2, 2024 and closed on April 9, 2024. The second offer period commenced on September 10, 2024 and closed on September 18, 2024.

On April 10, 2024, the Company announced an acceptance of EUR 449 million in aggregate nominal amount of Existing Perpetual Notes, reflecting an 82% acceptance rate. Subsequently, on September 19, 2024 the Company announced an additional acceptance of EUR 25.3 million, leading to a combined acceptance rate of 85% for both offers.

On April 16, 2024, Grand City Properties Finance S.à r.l, a wholly owned affiliated of the Company (the “Perpetual Notes Issuer”) issued EUR 410 million in new perpetual notes and the Company repurchased EUR 34 million of the Existing Perpetual Notes through the tender offer. On September 26, 2024, Grand City Properties Finance S.à r.l issued an additional EUR 22 million in new perpetual notes and the Company repurchased EUR 1.6 million of the Existing Perpetual Notes via the tender offer. The Company is acting of the guarantor of these issued notes. The newly issued perpetual notes have a coupon of 6.125% and are undated, with an unlimited duration and can only be called by the Perpetual Notes Issuer on contractually agreed dates or specific occasions. They are subordinated and feature a first reset date on April 16, 2030. The coupon rate remains at 6.125% until this date. If the Perpetual Notes Issuer chooses not to exercise its call option at that time, the coupon will reset as follows:

Grand City Properties S.A.
Notes to the annual accounts
For the year ended December 31, 2025 (continued)

Note 10. Straight bond and Perpetual notes (continued)

10.3 Transactions occurred during 2024-2025 (continued)

- From April 2030 to April 2035: 3.508% over five-year swap rate
- From April 2035 to April 2050: 3.758% over five-year swap rate
- From April 2050 onwards: 4.508% over five-year swap rate

The newly issued perpetual notes were admitted to trading on the Euro MTF Market operated by the Luxembourg Stock Exchange.

- (b) On April 9, 2024, the Company redeemed EUR 149.8 million principal amount of straight bond series W.
- (c) On June 24, 2024, the Company redeemed CHF 130 million principal amount of straight bond series Q.
- (d) On July 1, 2024, the Board of Directors decided to invite holders of three outstanding straight bonds EUR 667.6 million, EUR 600 million, and EUR 550 million, series J, G, and E respectively to tender the notes for purchase by the Company for cash. The offer was open until July 8, 2024. As a result of the tender offer, on July 10, 2024, the Company repurchased EUR 74.3 million, EUR 149.5 million, and EUR 14.5 million principal amount of straight bond series J, G, and E respectively, excluding any accrued interest.

During the year 2024 and in addition to the offer, the Company bought back additional EUR 20.6 million, EUR 1 million and EUR 10 million principal amount of straight bond series G, E and J respectively for a cumulative amount of EUR 31.6 million.

- (e) On July 9, 2024, under the EMTN program, the Company issued EUR 500 million Straight Bond series Y due 2030, at an issue price of 97.774% of the principal amount, with a coupon of 4.375%.
- (f) On April 17, 2025, the Company repaid EUR 178.9 million principal amount of straight bond series E.
- (g) On July 25, 2025, the Company repaid EUR 80 million principal amount of straight bond series U.
- (h) On December 8, 2025, Grand City Properties Finance S.à r.l issued EUR 600 million principal amount of perpetual notes, bearing a coupon rate of 4.75% p.a. The Company is acting of the guarantor of these issued notes. On December 9, 2025 following the issuance of EUR 600 million perpetual notes with a 4.75% coupon, the Company announced the results of a tender offer launched on December 1, 2025 in respect of its 6.125% (issued by Grand City Properties Finance S.à r.l), 6.322% (Perpetual Notes 2), 5.901% (Perpetual Notes 3) and 1.5% (Perpetual Notes 4) perpetual notes series. The Company accepted tenders in the aggregate amounts of EUR 393.2 million, EUR 44.1 million, EUR 23.8 million and EUR 97.3 million, respectively. See also note 28(a).

The Group has the option to redeem any perpetual note for which the first call date to voluntarily redeem has passed, at every future coupon payment date, or more frequently, as per the terms and conditions of each respective note series.

- (i) On December 17, 2025, the Company completed with the tap placement of additional EUR 250 million (nominal value) of straight bond series H, issued at 87.522% of their principal amount, maturing in 2032 with a 2% EUR coupon. The total aggregated principal amount of the straight bond series H increased to EUR 505 million (nominal value).

Grand City Properties S.A.
Notes to the annual accounts
For the year ended December 31, 2025 (continued)

Note 11. Security, negative pledge

The Company's outstanding series of bonds contain a customary negative pledge clause that prohibits the Company, so long as any of the Senior Notes remain outstanding, from creating or having outstanding any Security Interest (other than a Permitted Security Interest) upon any of its present or future business, undertaking, assets or revenues (including any uncalled capital) to secure any Capital Markets Indebtedness, unless the Company, before or at the same time in the case of the creation of a Security Interest and, in any other case promptly takes any and all action necessary to ensure that:

- (i) all amounts payable by it under the Senior Notes and the Trust Deed are secured by the Security Interest equally and ratably with the Capital Markets Indebtedness to the satisfaction of the Trustee; or
- (ii) such other Security Interest or other arrangement is provided either (i) as the Trustee in its absolute discretion deems not materially less beneficial to the interests of the Senior Noteholders or (ii) as is approved by an Extraordinary Resolution of the Senior Noteholders.

Grand City Properties S.A.
Notes to the annual accounts
For the year ended December 31, 2025 (continued)

Note 12. Covenants in accordance with the bonds and financial debt terms and conditions

Under its outstanding bond series, the Company has covenanted, among other things, the following (capitalized terms have the meanings set forth in the relevant bond series):

1. The Company undertakes that it will not, and will procure that none of its subsidiaries will, up to (and including) the Final Discharge Date, incur any Indebtedness (other than Refinancing Indebtedness) if, immediately after giving effect to the incurrence of such additional Indebtedness and the application of the net proceeds of such incurrence:
 - a. The sum of: (i) the Consolidated Indebtedness (less Cash and Cash Equivalents) as at the Last Reporting Date; and (ii) the Net Indebtedness (less Cash and Cash Equivalents) incurred since the Last Reporting Date would exceed 60% of the sum of (without duplication): (i) the Total Assets (less Cash and Cash Equivalents) as at the Last Reporting Date; (ii) the value of all assets acquired or contracted for acquisition by the Group as determined at the relevant time in accordance with IFRS and the accounting principles applied by the Company in the latest Financial Statements as certified by the auditors of the Company, since the Last Reporting Date; and (iii) the proceeds of any Indebtedness incurred since the Last Reporting Date (but only to the extent that such proceeds were not used to acquire Real Estate Property or to reduce Indebtedness); and
 - b. The sum of: (i) the Consolidated Secured Indebtedness (less Cash and Cash Equivalents) as at the Last Reporting Date; and (ii) the Net Secured Indebtedness (less Cash and Cash Equivalents) incurred since the Last Reporting Date shall not exceed 45% of the sum of (without duplication): (i) the Total Assets (less Cash and Cash Equivalents) as at the Last Reporting Date; (ii) the value of all assets acquired or contracted for acquisition by the Group as determined at the relevant time in accordance with IFRS and the accounting principles applied by the Company in the latest Financial Statements as certified by the auditors of the Company, since the Last Reporting Date; and (iii) the proceeds of any Indebtedness incurred since the Last Reporting Date (but only to the extent that such proceeds were not used to acquire Real Estate Property or to reduce Indebtedness);
2. The Company undertakes that the sum of: (i) the Unencumbered Assets (less Cash and Cash Equivalents) as at the Last Reporting Date; and (ii) the Net Unencumbered Assets (less Cash and Cash Equivalents) newly recorded since the Last Reporting Date will at no time be less than 125% of the sum of: (i) the Unsecured Indebtedness (less Cash and Cash Equivalents) at the Last Reporting Date; and (ii) the Net Unsecured Indebtedness (less Cash and Cash Equivalents) incurred since the Last Reporting Date.
3. Up to and including the Final Discharge Date, the Company undertakes that, on each Reporting Date, the Consolidated Coverage Ratio will be at least 1.8 (excluding ICBC loan, for which the Consolidated Coverage Ratio will be at least 2.0).

“Financial Statements” means the annual audited consolidated financial statements (including the management report) of the Company or the unaudited consolidated interim financial statements (including the management report) of the Company, in each case as published by the Company as at the Last Reporting Date and prepared in accordance with IFRS;

As at December 31, 2025, under its outstanding bond series and loan the Company is compliant with its financial covenants.

Grand City Properties S.A.
Notes to the annual accounts
For the year ended December 31, 2025 (continued)

Note 13. Amounts owed to credit institutions

On March 8, 2023 the Company entered into a Term Facility Agreement amounting to EUR 60 million from Industrial and Commercial Bank of China Ltd., Luxembourg Branch (“ICBC loan”).

The maturity date for the ICBC loan is five years after the signing date, means March 8, 2028 and it bears an interest rate of 2% (modified in October 2024 from 1.4%+ 6 months Euribor) paid every 30th March and 30th September.

As at December 31, 2025, the accrued interest for the ICBC loan amounted to KEUR 307 (2024: KEUR 307) and the interest expense recorded during the year amounted to KEUR 1,217 (2024: KEUR 2,749).

Note 14. Amounts owed to affiliated undertakings

| | <u>2025</u> | <u>2024</u> |
|--|----------------|----------------|
| | KEUR | KEUR |
| Balance as at January 1, | 964,209 | 1,630,769 |
| Additions | 946,514 | 954,828 |
| Repayments | (1,243,714) | (1,647,286) |
| Interest expenses | 37,067 | 31,598 |
| Interest paid | (59,865) | (5,700) |
| Balance as at December 31, | 644,211 | 964,209 |
| (a) Becoming due and payable within one year | 5,723 | 531,889 |
| (b) Becoming due and payable after one year | 638,488 | 432,320 |

During the year the Company recognized interest expenses on loans from affiliated undertakings, Grandcity Property Ltd and Grand City Properties Finance S.à r.l for a total amount of KEUR 10,108 (2024: KEUR 13,185) and KEUR 26,959 (2024: 18,413) respectively.

During the year the Company recognized discount amortization expenses on loans owed to affiliated undertakings, Grand City Properties Finance S.à r.l for a total amount of KEUR 137 (2024: nil), (note 6, note 23).

Grand City Properties S.A.
Notes to the annual accounts
For the year ended December 31, 2025 (continued)

Note 15. Related parties

During the year the Company had the following transactions with related parties:

| | For the year ended | |
|--|---------------------------|-------------|
| | December 31, | |
| | 2025 | 2024 |
| | KEUR | KEUR |
| Dividend income from affiliated undertakings- Grandcity Property Ltd (note 21) | 66,801 | 322,565 |
| Dividend income from affiliated undertakings- Grand City Properties Holdings S.à r.l (note 21) | - | 1,611 |
| Consultancy services fees income- Grandcity Property Ltd (note 17) | 700 | 700 |
| Office cost recharged- Aroundtown SA | 80 | 76 |
| Interest receivable income on loans from affiliated undertakings- Grandcity Property Ltd (note 6) | 114,727 | 143,119 |
| Interest receivable income on loans from affiliated undertakings- Greip Holding BV (note 6) | 1 | - |
| Interest receivable income on loans from affiliated undertakings- Tourmaline Holding S.à r.l. (note 6) | 7 | - |
| Interest receivable income on loans from affiliated undertakings- Grand city Holdings S.à r.l. (note 6) | 1,273 | - |
| Consultancy services fees expenses- ATCP management GmbH (note 20) | (500) | (500) |
| Director fees (note 20) | (237) | (269) |
| Brokerage fees from services rendered by affiliated undertakings- Grandcity Property Ltd (note 18) | (2,975) | (1,750) |
| Recharge cost from affiliated undertakings – Grand City Properties Finance S.à r.l. (note 18) | (1,721) | - |
| Interest expenses on loans from affiliated undertakings- Grandcity Property Ltd (note 14) | (10,108) | (13,185) |
| Interest expenses on loans from affiliated undertakings- Grand City Properties Finance S.à r.l (note 14) | (26,959) | (18,413) |

As at December 31, 2025, the Company had outstanding receivable amount from Grandcity Property Ltd in the amount of KEUR 2,416,613 (2024: KEUR 3,209,838) and had no outstanding payable amount (2024: KEUR 513,941).

As at December 31, 2025, the Company had outstanding receivable amount from Grand City Properties Finance S.à r.l. in the amount of KEUR 481 (2024: nil) and had outstanding payable amount of KEUR 644,210 (2024: KEUR 450,260).

As at December 31, 2025, the Company had outstanding receivable amount from Grand City Properties Holding S.à r.l. in the amount of KEUR 38,733 (2024: KEUR 1,611).

There were no other transactions between the Company and its key management or related parties during the year except those described above and in note 5, 6, 7, 8, and 9.

Grand City Properties S.A.
Notes to the annual accounts
For the year ended December 31, 2025 (continued)

Note 16. Derivative financial instruments

The Company uses derivative financial instruments to hedge its foreign exchange and the interest rate risk associated with its straight bonds and Group's debt instruments and to hedge the foreign currency risk derives from its indirectly holding of several subsidiaries which operate in foreign currency.

The Company has entered into foreign exchange and interest rate contracts as detailed below:

| Risk hedged | Derivative type | Amount receivable | Amount Payable | Maturity | Fair value as at December 31, 2025 | Unrealized gains (losses) not recorded in profit or loss account | Realized gains (losses) recorded in profit or loss account |
|---------------|------------------------|-------------------|----------------|-----------|------------------------------------|--|--|
| | | | | | | in KEUR | |
| Currency risk | Forward and Put option | KEUR 1,455,021 | KGBP 1,375,000 | 2026-2027 | (43,008) | 18,161 | (6,992) |
| Currency risk | Swap | KHKD 900,000 | KEUR 92,631 | 2028 | 4,995 | (9,299) | (98) |
| Currency risk | Swap | KHKD 290,000 | KEUR 32,768 | 2029 | (1,412) | (2,951) | (142) |
| Currency risk | Swap | KJPY 7,500,000 | KEUR 75,500 | 2038 | (22,560) | (7,546) | (295) |

In addition, the Company hedged its interest rate risk for straight bonds series O, N, M and V and for forecast Group's debt transactions using swap contracts for which their fair value, unrealized gains and net realized losses as at December 31, 2025 are KEUR 16,666 liability, KEUR 6,186 and KEUR 2,226 respectively.

The net realized losses in the amount of KEUR 9,754 (2024: KEUR 17,848 realized gain) disclosed in note 22 and note 23.

Note 17. Turnover

The net turnover concerns consultancy services to Grandcity Property Ltd amounted to KEUR 700 (2024: KEUR 700).

Grand City Properties S.A.
Notes to the annual accounts
For the year ended December 31, 2025 (continued)

Note 18. Other external expenses

| | For the year ended December 31, | |
|--|--|----------------|
| | 2025 | 2024 |
| | KEUR | KEUR |
| Insurance, telephone and other administrative expenses | (510) | (548) |
| Legal and professional fees | (618) | (960) |
| Advertising and marketing expenses | (93) | (94) |
| Bank fees and other financial transaction costs | (4,905) | (4,179) |
| Brokerage fees from services rendered by affiliated undertakings | (2,975) | (1,750) |
| Recharge cost from affiliated undertakings | (1,721) | - |
| Audit and non-audit services (note 19) | (1,219) | (1,102) |
| Total | (12,041) | (8,633) |

Note 19. Audit and non-audit services

| | For the year ended December 31, | |
|----------------------------|--|----------------|
| | 2025 | 2024 |
| | KEUR | KEUR |
| Audit fees | (1,095) | (906) |
| Audit related fees | (111) | (189) |
| Tax related and other fees | (13) | (7) |
| Total | (1,219) | (1,102) |

Note 20. Other operating expenses

| | For the year ended December 31, | |
|--|--|----------------|
| | 2025 | 2024 |
| | KEUR | KEUR |
| Director fees | (237) | (269) |
| Consultancy services fees expenses | (500) | (500) |
| Non-deductible VAT expenses and other tax and duties | (255) | (539) |
| Software licence | (8) | (15) |
| Total | (1,000) | (1,323) |

Note 21. Dividend income from affiliated undertakings

Grandcity Property Ltd

On December 23, 2025, Grandcity Property Ltd distributed a preferred dividend to the Redeemable Preference Shares' holders in total amount of KEUR 66,801 (2024: KEUR 322,565).

Grand City Properties Holdings S.à r.l

On October 1, 2024, Grand City Properties Holdings S.à r.l distributed dividend in an amount of KEUR 1,611.

Grand City Properties S.A.
Notes to the annual accounts
For the year ended December 31, 2025 (continued)

Note 22. Other interest receivable and similar income

Other interest receivable and similar income consist of the following:

| | For the year ended December 31, | |
|--|--|---------------|
| | 2025 | 2024 |
| | KEUR | KEUR |
| Gains on buyback transaction of bonds and perpetual notes | 1,198 | 15,792 |
| Derivatives realized gains (note 16) | 1,939 | 35,815 |
| Interest income from bank deposit | 5,404 | 8,145 |
| Foreign currency exchange gains and other financial income | 22,760 | - |
| Total | 31,301 | 59,752 |

Note 23. Interest payable and similar expenses

Interest payable and similar expenses consist of the following:

| | For the year ended December 31, | |
|--|--|------------------|
| | 2025 | 2024 |
| | KEUR | KEUR |
| Interest expenses on straight bonds | (57,737) | (52,007) |
| Interest expenses on perpetual notes | (14,613) | (24,206) |
| Discount amortization of straight bonds and perpetual notes | (12,551) | (11,226) |
| Discount amortization of loan from affiliated undertakings | (137) | - |
| Losses on buyback transaction of bonds and perpetual notes | (23,594) | (10,790) |
| Derivatives realized losses (note 16) | (11,693) | (17,967) |
| Interest expenses on loan from affiliated undertakings (note 14) | (37,067) | (31,598) |
| Interest expenses on loans from credit institution (note 13) | (1,217) | (2,749) |
| Foreign currency exchange losses and other financial expenses | (3,203) | (1,820) |
| Total | (161,812) | (152,363) |

Grand City Properties S.A.
Notes to the annual accounts
For the year ended December 31, 2025 (continued)

Note 24. Financial risk management

Financial risk factors

The Company is exposed to the following major risks from its use of financial instruments:

- Market risk
- Credit risk
- Liquidity risk

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Board of Directors is supported by a risk committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and in the Group's activities.

a. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk.

The Company enters into hedging transactions to hedge currency and interest risk related to its bonds issued in HKD, CHF and JPY and Groups' bank loans, to hedge currency risk related to its indirectly investment in foreign operation in the UK.

b. Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade and other receivables) and from its financing activities, including cash and cash equivalents held in banks, derivatives and other financial instruments.

c. Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability but can also increase the risk of loss. The Company has procedures with the objective of minimizing such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

Operating risk

Operational risk is the risk that derives from the deficiencies relating to the Company's information technology and control systems as well as the risk of human error and natural disasters. The Company's systems are evaluated, maintained and upgraded continuously.

Grand City Properties S.A.
Notes to the annual accounts
For the year ended December 31, 2025 (continued)

Note 24. Financial risk management (continued)

Other risks

Through ordinary course of business, the Company is exposed to various external risks. The Risk Committee is constantly determining whether the infrastructure, resources, and systems are in place and adequate to maintain a satisfactory level of risk. The potential risks and exposures are related, inter alia, to volatility of interest rate risk, liquidity risks, credit risks, regulatory and legal risks, collection and tenant deficiencies, the need for unexpected capital investments, and market downturn risk.

The Company sets direct and specific guidelines and boundaries to mitigate and address each risk, hedging and reducing to a minimum the occurrence of failure or potential default.

Risk Factors — Macroeconomic, Geopolitical, Inflationary and Interest Rate Environment

The Group operates in a dynamic macroeconomic and geopolitical environment characterized by heightened uncertainty, shifting policy responses, and periodic capital market volatility. These factors are interrelated and can reinforce one another (e.g., geopolitical developments influencing energy prices and inflation, which in turn affect interest rates, financing conditions, asset valuations and tenant affordability). While the Group has no direct operational or portfolio exposure to the regions most affected by current conflicts or political tensions, it remains exposed to the indirect economic consequences of these developments. The risks described below, individually or collectively, could have a material adverse effect on the Group's business, net assets, financial condition, cash flows and results of operations.

Geopolitical Uncertainty

Global geopolitical uncertainty has increased in recent years, driven by tensions among major powers, regional conflicts, evolving trade and industrial policies, sanctions and other restrictive measures. Although the Group does not have direct exposure to the regions most affected by current conflicts, it is exposed to indirect consequences such as energy market volatility, supply chain disruptions, shifts in migration patterns within Europe, and changes in regulatory priorities. These dynamics have contributed to elevated operating costs (particularly energy and heating), may affect tenants' ability to meet rent and recoverable operating costs, and can increase broader inflationary pressure. Volatility in capital markets linked to geopolitical events can also reduce the Group's ability to raise capital on attractive terms, increasing its cost of capital and potentially limiting growth opportunities. Geopolitical developments have additionally influenced migration across Europe, which can intensify demand pressure in residential real estate markets, exacerbate supply-demand imbalances, and increase political focus on housing availability, regulatory intervention and construction. The timing, scope and impact of further escalation or new conflicts are inherently uncertain; the Group continues to monitor developments. See also note 28(b).

Grand City Properties S.A.
Notes to the annual accounts
For the year ended December 31, 2025 (continued)

Note 24. Financial risk management (continued)

Inflationary Environment

A sequence of global events, including the pandemic, supply chain disruptions, evolving geopolitical tensions across multiple regions, and expansive monetary and fiscal interventions, has contributed to a period of elevated inflation. Price pressures have been particularly notable in energy (oil, gas and electricity) and in construction and maintenance materials. While inflationary pressures have continued to ease, the risk of renewed increases remains, given continued sensitivity of energy markets to geopolitical events and the vulnerability of supply chains to disruption. Higher price levels may affect tenants' ability to bear operating costs passed through under lease agreements. As a result, future rent losses or delays in the recovery of operating expenses cannot be ruled out. To mitigate these risks, the Group provides guidance to tenants on reducing energy consumption and managing utility usage efficiently. Persistently high energy and materials inflation could also raise the cost of supplies for capital expenditure projects, increase ongoing utility expenses, or cause delays in operational execution. Broader inflationary trends may increase personnel and external service costs, negatively affecting profitability. In addition, elevated inflation has been associated with rapid increases in interest rates and heightened capital market volatility, adversely impacting the cost and availability of new financing and putting upward pressure on discount and capitalization rates used in real estate valuations.

Interest Rates and Financing Conditions

In response to elevated inflation across the Eurozone, the European Central Bank (ECB) raised policy rates rapidly. This tightening led to higher interest rates in Germany and across the Eurozone, which reduced real estate valuations and transaction volumes and dampened investment activity. Starting in mid-2024, the ECB began gradually easing rates, which alleviated some pressure; however, rates remain above levels seen in prior years, and the risk of renewed increases cannot be excluded. Adverse impacts on the Group may include:

- Valuation effects: Discount and capitalization rates used to determine the fair value of investment properties under IAS 40 typically increase in rising rate environments, which would reduce the fair value of the Group's assets recorded on the balance sheet.
- Financing and refinancing risk: While the Group's current debt structure primarily involves fixed rate instruments or, where variable rates apply, is largely hedged, higher market rates may negatively affect the Group's ability to refinance upcoming maturities or raise additional financing on favourable terms. Lenders may reduce exposure to real estate or face stricter capital and regulatory requirements, limiting debt availability and increasing borrowing costs. Rising rates, or expectations of further increases, could make funding for refinancing, acquisitions, capital expenditure and other activities more expensive, reducing profitability.
- Negotiation constraints and hedging: In elevated rate environments, it may be more challenging to secure financing terms that align with profit targets. Hedging instruments may not be available on acceptable terms or may entail higher costs. A prolonged period of high rates would likely increase overall financing and hedging costs, with corresponding negative effects on profitability.
- Perpetual notes: The Group have perpetual notes that reset their interest rate every five years based on a margin plus the prevailing 5-year swap rate. If a reset date occurs during a period of high rates, future coupons may rise materially, reducing profits available to shareholders. The Company generally aims to replace such notes at the first call date; however, if new issuance costs exceed reset rates, calling the notes may be uneconomical.
- Market liquidity and transactions: Higher rates can reduce buyer appetite for real estate, particularly where acquisitions rely on mortgage financing or similar instruments, thereby constraining the Group's ability to dispose of properties on favourable terms when desired.

Grand City Properties S.A.
Notes to the annual accounts
For the year ended December 31, 2025 (continued)

Note 24. Financial risk management (continued)

Interdependencies, Uncertainty and Monitoring

The above risks are interdependent and may reinforce one another. For example, geopolitical events may increase energy prices, feeding inflation and driving tighter monetary policy, which can depress valuations and transaction activity. While some price and rate pressures have eased, renewed volatility remains possible. The Group actively monitors macroeconomic and geopolitical developments, reviews financing options and maturity profiles, employs interest rate hedging where appropriate, engages with tenants to support energy efficiency measures, and assesses selective timing of capital expenditure. Nevertheless, these actions cannot fully eliminate the risks described.

Climate related risks

The significant impact of human activity on ecosystems and the climate have become apparent in recent years. Climate change mitigation but also adaptation have become challenges for governments, society and businesses. The Company does not only face increasing physical climate risks but also transitional climate risks resulting from international pressure to move to a decarbonized world. This pressure is linked to changes in investor and consumer demand, from regulatory changes as well as from other societal factors.

To better understand its physical climate risk exposure, the Company uses a renowned third-party tool for asset-level physical risk assessment taking into account multiple climate scenarios and time horizons. This analysis serves the identification of assets at higher risk exposure and to subsequently analyze their sensitivity and vulnerability. Based on their outcome, any remaining risks will trigger develop asset-specific adaptation plans. Besides gradually developing adequate adaptation plans, the Company is considering other measures to mitigate the impact of such physical climate risks, for example through insurance coverage. However, the increased occurrence of severe weather events will likely result in high insurance premiums.

The Building Resilience Task Force, an interdepartmental team set up to further cooperation in the Company on climate adaptation, continues to further develop control mechanisms and risk mitigation measures for physical climate risks.

In addition to physical climate risks, the Company also faces transitional risks. As a result of the more apparent impact of climate change in recent years, regulators have increased their efforts to mitigate current, as well as potential future impacts of climate change, through a wide range of regulations. Emerging regulations in the Group's regions pursuing a phase-out of fossil fuels and improved energy efficiency in the real estate sector present technological risks to the Company. These require careful attention when planning maintenance and capex measures. At the EU level, the Energy Performance of Buildings Directive (EPBD) includes new minimum energy performance requirements for buildings that progressively increase over time, although the specific requirements can only be known once national level implementation commences among member states. EU Member States have until May 2026 to transpose the EPBD into national law. Noncompliance with these new energy requirements would result in an inability to let the assets and requires increased capital expenditures to become compliant. The Company continuously monitors changes in regulations and aims to minimize the financial risk through pro-active carbon reduction and energy efficiency policies and programmes.

Grand City Properties S.A.
Notes to the annual accounts
For the year ended December 31, 2025 (continued)

Note 24. Financial risk management (continued)

Climate related risks (continued)

Furthermore, the Group's sustainability strategy incorporates self-set targets for material environmental, social and corporate governance matters (ESG). If any of these self-set ESG goals are not met, this could damage the Group's reputation. Considering the increasing focus of market participants and lenders on sustainability and "green financing", this could have a negative impact on the Group's refinancing and access to further financing, for example, via the capital market or by taking out loans, at all or on attractive terms. If the Group fails to meet expectations and trends related to sustainability aspects in a timely manner or at all, there could be a decline in demand from tenants.

Furthermore, this could also lead to investors divesting from the Group's bonds or shares, as they also expect ESG goals to be met. From a regulatory perspective, failure to achieve sustainability goals may also have a negative impact on the Group. To take on a proactive approach towards mitigating transitional climate risks and meet its environmental targets, the Company has developed a Climate Transition Plan to guide the investment in on-site renewable energy and building energy efficiency improvements needed to achieve its 2030 emission reduction target while enabling further emission reductions down the line. The size and scope of the investment program depend on the availability of governmental subsidies and grants, as is also subject to increasing cost of material. Furthermore, potential new requirements set by the regulators or set as a market standard, could increase the amount the Company would need to invest and potentially accelerate the execution time of the investment program.

In 2022, the Company began the process of aligning to the Task Force on Climate-Related Financial Disclosures (TCFD) Recommendations framework. Although the TCFD has been disbanded and integrated into the International Sustainability Standards Board (ISSB), the framework's core principles for corporate climate-related risk disclosures have also been adopted by the European Sustainability Reporting Standards (ESRS) E1 Standard. The early decision to align to best practices on climate-related risk disclosures leaves the Company in a good position for ensuring compliance, although it is a process requiring continuous effort. As part of this process, the Company updates its climate-related risk assessment each year.

Grand City Properties S.A.
Notes to the annual accounts
For the year ended December 31, 2025 (continued)

Note 25. Staff

The Company employed an average of 2 persons (2024: 2) during the financial year.

Note 26. Taxation

The Company is subject in Luxembourg to the general tax regulations applicable to all companies. The corporation tax rate for Luxembourg companies is 23.87% (2024: 24.94%).

The Company is incorporated and operates in Luxembourg and its subsidiaries and affiliates operate in various other countries, which have enacted new legislation to implement the global minimum top-up tax. The Company is subject to the top-up tax in relation to some of its subsidiaries and affiliates' operations, where the statutory tax rate is below 15 percent. The newly enacted tax legislation is effective since January 1, 2024.

In 2024, Luxembourg announced a reduction in the corporate income tax rates. The tax rate for companies with taxable income up to euro 175,000 decreased from 15% to 14%, and for companies with taxable income exceeding euro 200,000, it decreased from 17% to 16%. These changes impacted the measurement of deferred tax assets and liabilities, as well as tax provisions. The Company has proactively evaluated the potential effect of these changes and has adjusted its deferred tax balances accordingly for future periods. The newly enacted tax legislation is effective from 2025 fiscal year and the new corporation tax rate for Luxembourg companies is 23.87% (aggregated rate including also solidarity surtax and municipal business tax).

| Taxable income | Former CIT rate | New CIT rate | New aggregate rate (CIT and municipal business tax) * |
|-----------------------|-----------------|--------------|---|
| ≤ EUR 175,000 | 15% | 14% | 21.73% |
| EUR 175,000 – 200,000 | 15% – 17% | 14% - 16% | 21.73% – 23.87% |
| ≥ EUR 200,001 | 17% | 16% | 23.87% |

* for taxpayers resident in Luxembourg-City (including the 7% employment fund surcharge)

Note 27. Commitment and contingencies

The Company has no material commitments as at December 31, 2025 and 2024, except for the commitments detailed in note 10 and note 16.

Note 28. Subsequent events

- (a) In February 2026, following the tender offer, the Company exercised its option to fully redeem the outstanding principal amount in respect of its 6.125% (issued by Grand City Properties Finance S.à r.l), 6.322% (Perpetual Notes 2) and 5.901% (Perpetual Notes 3) perpetual notes series in an aggregate amount of EUR 41.5 million. See note 10.3 (h).
- (b) Subsequent to the balance sheet date, geopolitical developments in the Middle East have continued to evolve, resulting in a military conflict between the US and regional allies, notably Israel on one side, and Iran and regional allies and proxies on the other side, contributing to increased regional and global economic uncertainty, particularly impacting energy prices. Management has assessed the potential impact of these developments on the Company's financial position and operations, including the identification of any material uncertainties as part of the Company's going risk assessment, and has not identified any material direct impact as at the date of approval of these annual accounts. Management continues to monitor the situation.
- (c) On March 6, 2026, Aroundtown SA published an offer to the Company shareholders to exchange up to 47,451,773 Company shares, representing up to approximately 26.9% of the Company's total share capital, into Aroundtown SA shares in a ratio of 4 Aroundtown SA shares for 1 Company share. The acceptance period started on March 6, 2026 and is expected to expire on April 9, 2026.