



Grand City Properties S.A.
Société Anonyme
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(the “**Company**”)

REMUNERATION REPORT

for the

Financial Year 2024

Remuneration Report

This Remuneration Report (the “**Report**”) provides detailed information about the remuneration received by the members of the board of directors and the senior management of Grand City Properties S.A. (the “**Company**”) during the financial year 2024 for their service in the Company and its consolidated subsidiaries (together with the Company, the “**Group**”). In accordance with article 7ter of the Luxembourg law of 24 May 2011 on the exercise of certain rights of shareholders in general meetings of listed companies, as amended (the “**2011 Law**”), implementing the Shareholder Rights Directive II (EU) 2017/828 (the “**Directive**”) hereinafter the system of fixed and variable remuneration for the financial year 2024 is presented below.

This Report is submitted to the advisory vote of the Company’s shareholders in connection with agenda item 13 of the annual general meeting of the Company’s shareholders to be held on 24 June 2025 (the “**AGM**”).

Remuneration Policy

In accordance with article 7ter of the 2011 Law, the Company established a remuneration policy (the “**Policy**”) with respect to the remuneration paid by the Company to the members of the board of directors and the senior management, which took effect as of the financial year 2021. The Company’s remuneration committee established the Policy applicable to the board of directors and the executive management of the Company. The Policy was acknowledged by the board of directors of the Company and approved by advisory vote of the Company’s general meeting of shareholders in connection with agenda item 10 of the annual general meeting that took place on 24 June 2020 and resubmitted and approved in connection with agenda item 11 of the annual general meeting that took place on 26 June 2024.

1. INTRODUCTION

This Report for the financial year 2024 has been prepared in accordance with relevant corporate governance and legal requirements. This Report provides a description of the 2024 remuneration granted by the Company and its group companies to members of the board of directors and the senior management.

This Report is submitted to the advisory vote of the Company's shareholders in connection with agenda item 13 of the AGM.

With the presentation of the results for the financial year ending 31 December 2024, the Company provided a detailed overview of the relevant facts and developments in the performance and business environment of the Company.

Net rental income in 2024 was €423 million, an increase of 3% compared to €411 million in 2023. The rise in net rental income was primarily driven by like-for-like rental growth of 3.8%, stemming from in-place rent growth and extraction of the portfolio's embedded growth potential. Positive impacts from operational growth were partially offset by the impact of net disposals. The Company's operational performance was reflected in an adjusted EBITDA of €335 million, up 5% from €320 million in 2023. FFO I for 2024 amounted to €188 million, 2% higher as compared to €184 million in 2023. Solid operational growth was offset by higher finance expenses and perpetual notes attribution. FFO I per share stood at €1.08 in 2024, 1% higher compared to €1.07 in 2023, with full-year FFO I guidance achieved at the upper end of the expected range.

As part of its consolidated annual report, GCP conducted a full revaluation of its portfolio, recording property revaluations of €50 million, representing a like-for-like change of +0.5% compared to December 2023. Independent external valuers assessed the full portfolio, ensuring an up-to-date status of the portfolio value. In the second half of 2024, market conditions improved while strong operational growth continued, leading to a recovery in property values compared to the first half of the year. Rental yield has increased slightly to 4.9% as of December 2024, from 4.8% in December 2023, as revaluations gains came from rental like-for-like growth and high reversionary potential embedded in the portfolio. As of December 2024, the rental yield has returned to its December 2018 level, highlighting GCP's conservative valuation approach over the years and consequently resulted in reduced valuation volatility over time, while better positioning GCP going forward.

In 2024, GCP continued to take a proactive approach to its balance sheet and liquidity management through property disposals and dividend suspension, strengthening its financial position and reducing financing risk. During the year, GCP successfully disposed of assets amounting to ca. €270 million around book values. The Company maintains a sizeable disposal pipeline, but has become more selective, focusing on price optimization over liquidity. During 2024, GCP also launched perpetual exchanges and tender offers for perpetual notes with an aggregate nominal amount of €550 million, which was well received in the market, achieving an acceptance rate of over 85%. Additionally, the Company issued its Series Y bond with a volume of €500 million and a coupon of 4.375%, which was oversubscribed seven times, reflecting strong investor demand. The proceeds were used to repay short-term debt in the amount of ca. €570 million, enhancing the maturity profile and supporting balance sheet stability. The Company's liquidity position reached €1.5 billion as of December 2024, driven by operational cash flows and proceeds from disposals. The Company reported an LTV ratio of 33%, significantly lower compared to 37% in 2023. This decrease reflects both the positive revaluations

recorded in H2 2024 and the Company's ongoing deleveraging efforts, strengthening its position to pursue accretive growth opportunities. The average cost of debt was 1.9%, with an average debt maturity of 4.8 years as of 2024.

The results for 2024 reflect an improvement in the market situation, allowing GCP to strengthen its balance sheet and reduce uncertainty.

Operational and Financial Highlights 2024

- Top range of FY 2024 guidance achieved.
- Net rental income of €423 million, higher by 3% as compared to €411 million in FY 2023.
- Solid like-for-like rental growth of 3.8%, driven by in-place rent growth.
- Adjusted EBITDA of €335 million in FY 2024, higher by 5% as compared to €320 million in FY 2023.
- FFO I of €188 million in 2024 (1.08 per share), 2% higher as compared to €184 million in 2023, driven robust growth in adjusted EBITDA, partially offset by the higher finance expenses and perpetual notes attribution.
- Full year positive property revaluation of +0.5% on a like-for-like basis, following devaluation in H1 and marking first positive revaluation result in 2 years, driven by operational growth and underlining shift in momentum.
- Signed €350 million disposals in FY 2024, of which €125 million in Q4 2024 alone, up from €190 million in 2023. In 2024, €270 million disposals have been closed, carried at a slight 2% discount to book value, and supporting deleveraging and strengthening the balance sheet.
- LTV ratio down 4% to 33% as of December 2024, compared to 37% in December 2023.
- ICR ratio of 5.7x and €6.4 billion of unencumbered assets (73% of total portfolio value).
- Profit of €242 million as a result of strong operational profits, supported by the positive property revaluation.
- EPRA NTA amounted to €4.3 billion or €24.3 per share as of December 2024.

2. MAIN CONSIDERATIONS OF THE REMUNERATION

The Company's remuneration structure for the executive board members and senior management is based on fixed and variable compensation and involves long-term and/or short-term incentives. The independent directors' remuneration is based on a fixed amount only. With respect to the variable remuneration elements, the Policy provides for certain performance related elements to be considered by the Board of Directors in awarding variable remuneration, including (i) the performance of the price per Company share and (ii) operational performance measured by improvements in the Company's credit rating, funds-from-operations I per share and EPRA net asset value per share ((i) and (ii) together, the "**Key Performance Indicators**").

The Company believes that the variable remuneration of the executive board members and the senior management, with an emphasis on share-based remuneration, creates strong personal incentives for the

Company's executives to improve the Key Performance Indicators, resulting in a strong alignment of executives' personal financial interest and the Company's targets with the aims of the Policy. The Company notes that the variable remuneration granted to its executives (for variable remuneration granted as of 1 January 2023 or later) is based on the expectation that its executives will generate returns for the Company's shareholders (as measured by the Company's share price performance) that are at least substantially in line with shareholder returns generated by the Company's peers and substantially achieve the Company's annual guidance. The Board of Directors is empowered to adjust executives' variable remuneration in the event that executives have failed to improve the Key Performance Indicators.

The overall aim of the Company's remuneration structure is to provide a total compensation to motivate the executive board members and senior management towards the achievement of long-term goals and short-term milestones which support long-term goals in order to promote the Company's business strategy, long-term value creation and sustainability. It shall provide adequate compensation in consideration of the responsibilities, competency, commitment, workload, time spent and performance of each individual. The Company aims to ensure that the Company continues to attract and retain those individuals who consistently perform at or above expected levels and contribute to the success of the Company. The remuneration structure shall further ensure a close link between the interests of the executive management and the interests of the Company's stakeholders.

3. SHORT TERM REMUNERATION

During the financial year 2024, the Company granted the following fixed remuneration:

3.1 Fixed Remuneration

The non-performance related fixed remuneration for the financial year 2024 was as follows:

Mr. Refael Zamir (CEO)

Mr. Zamir received a fixed compensation for his executive management role within the Company and its Group of annual 450 TEUR gross plus 130 TEUR of allowances gross.

Mr. Idan Hadad (CFO)

Mr. Hadad received a fixed compensation for his executive management role within the Company and its Group of annual 240 TEUR gross plus 25 TEUR of allowances gross.

Mr. Christian Windfuhr (Executive Director and Chairman of the Board of Directors)

Mr. Windfuhr received a fixed compensation for his executive management role within the Company and its Group of annual 144 TEUR gross plus 30 TEUR of allowances gross.

Independent Directors

The independent director Markus Leininger received a fixed compensation of annually 50 TEUR gross. The independent directors Scot Wardlaw and Monica Porfilio, who joined the Company's board of directors in connection with the Company's 2024 annual general meeting held on 26 June 2024, each received a pro-rated fixed compensation of 26 TEUR and a pro-rated committee membership fee of 5

TEUR. The non-executive director Simone Runge-Brandner received a fixed compensation of annually 50 TEUR gross.

3.2 Variable Remuneration – Short Term Incentive Payments

Mr. Refael Zamir (CEO)

During financial year 2024, the Company recorded an expense for a short-term fixed cash incentive granted to Mr. Zamir in the amount of 150 TEUR gross.

Mr. Idan Haddad (CFO)

During financial year 2024, the Company recorded an expense for a short-term fixed cash incentive granted to Mr. Hadad in the amount of 60 TEUR gross.

Mr. Christian Windfuhr (Executive Director and Chairman of the Board of Directors)

During financial year 2024, the Company recorded an expense for a short-term fixed cash incentive granted to Mr. Windfuhr in the amount of 100 TEUR gross.

3.3 Allowances

The term “allowances” refers to one or more of the following: company car, accommodation, communication and other benefits.

Travel expenses have been reimbursed according to the Company’s travel expense policy.

4. LONG TERM SHARE INCENTIVE REMUNERATION

As of the financial year 2024, the Company granted the following incentive remuneration to its executive member of the board of directors and the senior management as further described below.

The Company did not reclaim any variable remuneration during the financial year.

Mr. Refael Zamir (CEO)

Program 3 –

- I. from 1 July 2021 a fixed amount of 16,000 shares total, vested for a period of three (3) years until 30 June 2024; and
- II. from 1 July 2021 on an award incentive with a vesting period of three years of EUR 2.1 million (“Award”), whereby annually 1/3 of the Award is calculated in shares by the average weighted share price of the respective year. Such Award is exercisable on 30 June 2024.

Program 4 –

- I. from 1 July 2023 a fixed amount of 140,000 shares total, vested for a period of two (2) years until 30 June 2025;

It was agreed that Mr. Zamir shall receive Programs 3 and 4 that vested pro rata, in case the Company releases him before the vesting period expires. In all other circumstances the vested programs shall be reduced to 1/3 in order to motivate Mr. Zamir to complete the full vesting period (except Program 3.I which Mr. Zamir shall receive in total in all events of premature terminations). All shares vested under

Programs 3 and 4 shall be paid at the end of the program. An immediate acceleration in full of Programs 3 and 4 in the event a change of control occurs was agreed.

During the financial year 2024, the Company recorded an expense for the share-based remuneration to which Mr. Zamir is entitled in the amount of 916 TEUR gross.

Mr. Idan Hadad (CFO)

The Company and Mr. Hadad entered into the below share-based incentive programs:

- from 1 January 2021 a fixed amount of 10,000 shares total, vested for a period of four (4) years until 31 December 2024;
- from 1 January 2023 on an incentive award with a vesting period of four years of up to EUR 160,000 (“**Award**”), whereby annually 1/4 of the Award is calculated in shares by the average weighted share price of the respective year. Such Award is exercisable on 31 December 2026.

It was agreed that Mr. Hadad shall receive the share incentive vested pro rata in case the Company releases him before the vesting period expires. In all other circumstances the vested Award shall be reduced to 1/3 in order to motivate Mr. Hadad to complete the full vesting period. All shares vested shall be paid at the end of the program. It was agreed that an immediate acceleration in full takes place in the event a change of control occurs.

During the financial year 2024, the Company recorded an expense for the share-based remuneration to which Mr. Hadad is entitled in the amount of 92 TEUR gross.

Mr. Christian Windfuhr (Chairman of the Board of Directors)

The Company and Mr. Windfuhr entered into share-based incentive programs as follows:

Program –

- from 1 January 2024, EUR 100,000 or the equivalent in shares in the Company per year until 31 December 2025;

It was agreed that Mr. Windfuhr shall receive the share incentive vested pro rata, in case the Company releases him before the vesting period expires. In all other circumstances the vested Award shall be reduced to 1/3 in order to motivate Mr. Windfuhr to complete the full vesting period. All shares vested shall be paid at the end of the program. It was agreed that an immediate acceleration in full takes place in the event a change of control occurs.

The Company recorded a total expense for the entire share-based remuneration to which Mr. Windfuhr is entitled under the above incentive remuneration program in the amount of 100 TEUR gross.

5. COMPLIANCE WITH THE REMUNERATION POLICY

The Company’s remuneration policy was presented to the AGM of the Company on 24 June 2020 and was approved by advisory non-binding vote of its shareholders and resubmitted and approved at the annual general meeting that took place on 26 June 2024. The remuneration policy is applicable as of the

financial year 2021. The Company has conformed the total remuneration package of its executive directors and senior management with the requirements of the Policy.

Therefore, the Company reports on its compliance with, or in case applicable, any derogations and deviations from its Policy and from the procedure for its implementation with the then applicable remuneration in its remuneration report for the financial year 2021.

6. COMPARATIVE INFORMATION OF REMUNERATION

A comparison report is presented below of the remuneration of the Company's senior management, executive, non-executive and independent directors and employees for financial years 2020 to 2024 in TEUR.

With regard to the remuneration granted during the financial year 2024, the principles of fixed remuneration and variable remuneration have been reviewed and recommended by the Company's remuneration committee.

	Mr. Refael Zamir					Mr. Christian Windfuhr					Mr. Idan Hadad	
	CEO	CEO	CEO/CFO	CEO/CFO	CEO/CFO ¹	Chairman	Chairman	Chairman	Chairman	CEO/Chairman ²	CFO	CFO ³
in TEUR (gross):	2024	2023	2022	2021	2020	2024	2023	2022	2021	2020	2024	2023
SHORT TERM REMUNERATION												
Base Remuneration and Short Term Incentive Payments	600	600	600	455	400	244	60	60	60	172	300	201
Allowances	130	121	111	108	98	30	26	26	25	27	25	24
Total	730	721	711	563	498	274	86	86	85	199	325	225
VARIABLE REMUNERATION:												
Long Term Incentive Remuneration	916	844	638	811	608	100	63	63	63	341	92	92
TOTAL REMUNERATION	1,646	1,564	1,349	1,374	1,106	374	149	149	148	540	417	318

1 Mr. Refael Zamir served as CFO of the Company and as Chairman of the board of directors until 30 September 2020. Effective as of 1 October 2020, Mr Zamir became the Company's CEO (Daily Manager - *administrateur-délégué*) and continued to serve as the Company's CFO until January 2023.

2 Mr Christian Windfuhr served as CEO (Daily Manager - *administrateur-délégué*) until 30 September 2020. Effective as of 1 October 2020 Mr. Christian Windfuhr withdrew from his position as the CEO (Daily Manager - *administrateur-délégué*) in order to replace Mr. Refael Zamir as a member and Chairman of the Board of Directors as of that date.

3 Mr. Idan Hadad became the Company's CFO (Daily Manager - *administrateur-délégué*) as of 23 January 2023.

	Ms. Simone Runge-Brandner					Mr. Markus Leininger		Mr. Scot Wardlaw ⁴	Ms. Monica Porfilio ⁵
	Non-Executive Director	Independent Director	Independent Director	Independent Director	Independent Director	Independent Director	Independent Director	Independent Director	Independent Director
in TEUR (gross):	2024	2023	2022	2021	2020	2024	2023 ⁶	2024	2024
BASE REMUNERATION, FEES AND ALLOWANCE:									
Annual base remuneration	50	60	60	60	60	50	25	26	26
Committee Fees	/	40	40	40	40	/	/	5	5
Allowances	/	12	12	12	12	/	/	/	/
TOTAL REMUNERATION	50	112	112	112	112	50	25	31	31

Average FTE Compensation in TEUR (gross)	2024	2023	2022 ⁷	2021	2020
Grand City Properties S.A. Workforce⁸	68	62	70	/	/

⁴ Joined the Company's Board of Directors as an Independent Director at the Company's AGM on 26 June 2024.

⁵ Joined the Company's Board of Directors as an Independent Director at the Company's AGM on 26 June 2024.

⁶ Markus Leininger was voted onto the Company's Board of Directors as an Independent Director at the Company's AGM on 28 June 2023.

⁷ The Company started to report salary per average FTE as of financial year 2022.

⁸ On a standalone basis.