# CONSOLIDATED **ANNUAL REPORT**

For the year ended 31 December

# 2024

Berlin

Hamburg

# CONTENT



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# 01 BOARD OF DIRECTORS’ REPORT

# Key Financials

## Balance sheet highlights

| in €'000 unless otherwise indicated | Dec 2024 | Change | Dec 2023 |
|---|---|---|---|
| Total Assets | 11,218,811 | 3% | 10,918,147 |
| Investment Property | 8,628,962 | 0% | 8,629,083 |
| Loan-to-Value | 33% | -4% | 37% |
| Cash and liquid assets (including those recorded under held-for-sale) | 1,514,674 | 23% | 1,230,483 |
| Total Equity | 5,414,205 | 4% | 5,230,109 |
| Total Liabilities | 5,804,606 | 2% | 5,688,038 |

## P&L Highlights

| in €'000 unless otherwise indicated | FY 2024 | Change | FY 2023 |
|---|---|---|---|
| Net Rental Income | 422,693 | 3% | 411,313 |
| Adjusted EBITDA | 335,010 | 5% | 319,647 |
| FFO I | 187,534 | 2% | 183,936 |
| FFO I per share (in €) | 1.08 | 1% | 1.07 |
| EBITDA | 376,707 | - | (572,232) |
| Profit (loss) for the year | 242,131 | - | (638,068) |
| Basic earnings (loss) per share (in €) | 1.14 | - | (3.18) |
| Diluted earnings (loss) per share (in €) | 1.14 | - | (3.17) |

## EPRA Performance measures

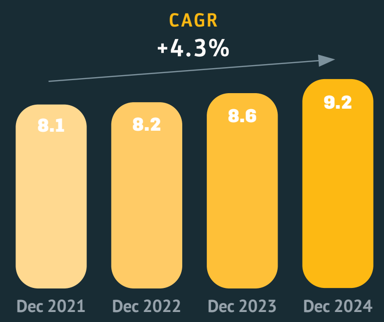
| In €'000 unless otherwise indicated | 2024 | 2023 |
|---|---|---|
| EPRA NRV | 4,902,192 | 4,606,481 |
| EPRA NRV per share (in €) | 27.8 | 26.7 |
| EPRA NTA | 4,279,793 | 4,013,761 |
| EPRA NTA per share (in €) | 24.3 | 23.2 |
| EPRA NDV | 3,782,254 | 3,745,313 |
| EPRA NDV per share (in €) | 21.4 | 21.7 |
| EPRA Earnings* | 163,771 | 153,678* |
| EPRA Earnings per share* (in €) | 0.95 | 0.89* |
| EPRA Earnings (excl. perp.)* | 206,133 | 187,378 |
| EPRA Earnings (excl. perp.) per share* (in €) | 1.19 | 1.09 |
| EPRA LTV | 46% | 48% |
| EPRA LTV (incl. RETT) | 43% | 46% |
| EPRA Net initial yield (NIY) | 3.7% | 3.6% |
| EPRA "topped-up" NIY | 3.7% | 3.6% |
| EPRA Vacancy | 3.8% | 3.8% |
| EPRA Cost Ratio (incl. direct vacancy costs) | 21.3% | 22.7% |
| EPRA Cost Ratio (excl. direct vacancy costs) | 19.6% | 20.8% |
| EPRA Like-for-like rental growth | 3.8% | 3.3% |

* according to the updated EPRA methodology. For more details, refer to the EPRA Performance Measures section of the report, 2023 figures adjusted accordingly

# Operational Performance Highlights

Capturing operational upside potential

**In-place rent** (in €/sqm)




**+3.3%**
L-F-L

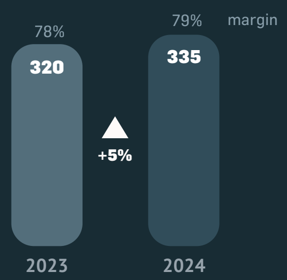
Total net rent growth
Dec 2023

**+3.8%**
L-F-L

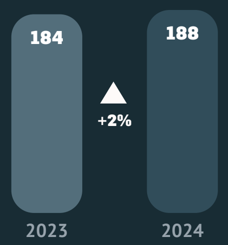
Total net rent growth
Dec 2024

Resulting in higher operational profitability

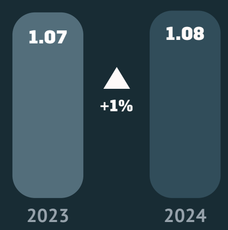
**Adjusted EBITDA** (in € millions)




**FFO I** (in € millions)




**FFO I per share** (in €)




**Strong operational performance driven by solid like-for-like rental growth and low vacancy.**

- GCP is successfully capturing the operational upside potential resulting from the supply-demand imbalance in its portfolio, contributing to further increases in market rents
- High reversionary potential of 23% to current market rents provide potential for future increasing cash flows

# Financial Profile Optimisation Highlights

Strong Financial Profile

**1.9%**
**DEC 2024**
LOW COST OF DEBT

**33%**
**DEC 2024**
LTV

**€6.4bn**
**73%**
of value
**DEC 2024**
UNENCUMBERED ASSETS

**4.8y**
**DEC 2024**
AVERAGE DEBT MATURITY

**5.7x**
**2024**
ICR

**BBB+**
NEGATIVE OUTLOOK
**DEC 2024**
CREDIT RATING S&P

**€1.5bn**
Cash and liquid assets amount to 34% of total debt
**DEC 2024**
CASH AND LIQUID ASSETS

### Successful return to capital markets

- Perpetual notes exchanges with over 85% acceptance rate
- First bond issuance in three years took place in July 2024, amounting to €500m, and was 7x oversubscribed

### Valuations have reached bottom, turning point in mid 2024

- Positive revaluations of €50 million in FY 2024, reflecting +0.5% L-F-L
- Driven by operational growth, offsetting yield expansion
- GCP's current rental yield is at 4.9% , up from 4.8% in December 2023

### Further deleveraging through disposals

- ca. €350 million signed disposals in 2024, ca. €125 million included in HFS expected to complete in coming periods
- ca. €270 million of completed disposals in 2024
- Disposals carried out at around book values

# Letter from the Board and the Management

**Dear Stakeholders,**

In 2024, we observed continued positive developments in the operational trends underpinning strong letting demand across all our regions. The capital markets also experienced a significant shift in sentiment during the year, leading to increased activity within the real estate sector. These improvements supported the transaction market, property valuations and bolstered our capital market initiatives, including the successful execution of perpetual note exchanges and our first bond issuance since 2021. Accordingly, 2024 marks as a pivotal year into stabilisation, following a period of volatility and uncertainty.

Operationally, our performance remained robust throughout the year, benefiting from the strong platform we have built over previous years. GCP's exceptional service to its tenants, and its ability to attract new tenants, has delivered strong and increasing internal growth. As a result, GCP captured a robust 3.8% rent like-for-like growth in 2024, up from 3.3% in 2023 and 2.9% in 2022. The adjusted EBITDA increased in 2024 by 5% compared to 2023, despite being a net seller, as the combined result of increasing rents and of operational efficiency gains offset the impact of disposals. GCP's operational results were supported by strong and sustainable dynamics throughout its portfolio locations, with key structural factors such as growing population, urbanisation, and the growing number of single person households driving sustained housing demand. Meanwhile, supply constraints persist due to elevated construction costs, high interest rates, and regulatory challenges—particularly in Germany, where delays and bureaucratic inefficiencies continue to impact housing development. Although government initiatives aim to address the shortfall, these have had no significant impact on new supply, with annual housing completions in Germany decreasing further in 2024, remaining far below targets and failing to meet the needs of a growing population. Looking ahead, it is expected that this shortage will continue to persist over the mid-term as the number of permits granted continued to decrease strongly throughout 2024, reaching lows not seen since the 2010's. These trends provide further tailwind for our operations, reflected in 23% reversionary rent potential, which continues to expand despite the strong like-for-like rental growth extracted during the year, and which is expected to provide further internal growth potential over the coming years. FFO I for the year 2024 was €188 million, broadly stable compared to last year, as a result of the strong like-for-like rental growth which mostly offset the negative impact of higher perpetual note attribution and finance costs. FFO I per share was also stable, amounting to €1.08 for 2024, with full-year FFO I guidance achieved at the upper end of the expected range.

The macroeconomic environment in the first half of 2024 was shaped by remaining uncertainty on inflation and elevated interest rates, carried over from central banks' monetary policies in 2023. While markets expected the European Central Bank (ECB) to start cutting rates in 2024, the timing and trajectory were uncertain, causing volatility in capital markets. These conditions placed pressure on the broader economy and the real estate sector, slowing down transaction markets. However, by mid-year the ECB, as well as other central banks, began easing monetary policies. The ECB implemented four rate cuts in the latter half of the year, signalling a shift toward a more accommodative stance. This transition not only improved the economic outlook but also helped restore confidence across the market. Lower interest rates facilitated enhanced access to capital markets, enabling companies to pursue acquisitions and strategic growth initiatives. As a result, transaction volumes within the sector began a moderate recovery.

Throughout 2024, we pursued a disciplined approach to asset disposals, successfully completing several transactions. We signed ca. €350 million of new disposals in 2024 of which ca. €270 million were completed in 2024 and ca. €125 million is expected to close during 2025. In addition, we completed during 2024 ca. €40 million deals signed in 2023. The disposals primarily included the sale of units located in London, as well as in NRW, Berlin, Hessen and Braunschweig. In 2024, we also acquired properties amounting to over €45 million, primarily comprising of over 100 units in London, which was acquired by gaining control over properties which were previously included under loans-to-own. While maintaining a sizable disposal pipeline, we have become more selective in prioritising price optimisation over liquidity. This shift in strategy reflects our confidence in the improving transaction market and our focus on maximising shareholder value. The positive trends in the real estate market suggest that transaction activity is likely to increase further in the coming months.

As of December 2024, the Company's portfolio comprises 61 thousand units, primarily in metropolitan areas of Germany and London, with a low vacancy rate of 3.8%. The Company benefits from the strong portfolio, and the ongoing supply-demand imbalance continues to drive market rent increases in our locations, creating significant upside potential. The portfolio generates an annual rental income of €413 million, with an average rent of €9.2 per sqm and an average value of €2,203 per sqm, resulting in a rental yield of 4.9%.

In 2024 we took proactive steps to strengthen our financial position. GCP launched perpetual exchange and tender offers to the holders of two of its perpetual notes with aggregate nominal amount of €550 million. Due to the market volatility and effective shut down of capital markets, the Company did not use its voluntary option to call the notes in 2023. The transactions were highly successful, with a high combined acceptance rate of over 85%. Through the transactions, we provided a solution to our perpetual notes investors, which also resulted in savings of €2 million of coupon annually and recovery of the equity content on the exchanged notes under S&P's rating methodology, supporting the Company's credit rating metrics. In July 2024, we issued our Series Y bond at an issue volume of €500 million and a coupon of 4.375%. The issuance was our first new bond issuance since 2021 and received strong support from leading global investors and was seven times oversubscribed. The proceeds were used for the repayment of short-term debt. Furthermore, in December 2024 we sold most of our remaining treasury shares at a price of €11.9 per share to several international investors who approached the Company and were looking to obtain a relatively large stake in GCP. The disposal of the treasury shares resulted in ca. €45 million equity and of cash injection, strengthening the equity position of the Company while only having a slight negative impact on the share count. These transactions, alongside other liability management measures, have bolstered our balance sheet and liquidity position while extending our average debt maturity. By the end of 2024, our liquidity stood at €1.5 billion, up from €1.2 billion at the end of 2023.

The high-interest rate environment during the first half of the year continued to negatively impact property valuations across the industry and the Company recorded for the first half devaluations in the amount of €195 million. In the second half of the year, GCP's strong operational growth succeeded in offsetting the impact and recorded positive property revaluations during this period. Our operational strength has played a critical role in mitigating the impact of yield expansion on valuations. While the transaction market activity started to pick up, supported by interest rate cuts, and rents and reversionary potential continued to increase, market expected that the bottom of devaluations had been reached after the first half of 2024. In the second half of 2024, values started to increase again on the back of continued strong operational growth. For the year, the Company recorded property revaluations of approximately €50 million, representing a like-for-like change of 0.5% and thus remaining broadly stable compared to the end of 2023, despite the devaluations in the first half of the year.

We anticipate gradual improvement in valuations moving forward, with positive values in 2025 expected to be driven primarily by operational growth.

Through pro-active and targeted efforts, including property disposals, dividend suspension, and the sale of our remaining treasury shares, we were able to further reduce our leverage ratio throughout the year, standing at 33% as of December 2024, compared to 37% at the end of 2023. This figure remains well below our internal policy limit of 45%. Additionally, our financial profile remains conservative, underscored by a hedging ratio of 95%, an average debt maturity of 4.8 years, and a low cost of debt at 1.9%. These measures, combined with an interest coverage ratio (ICR) of 5.7x, highlight the strength of our financial foundation.

Looking ahead to 2025, we anticipate that the European real estate market will experience a recovery phase, supported by the stabilisation observed in 2024 and a more favourable macroeconomic environment. Investor confidence has improved alongside the easing of interest rates, creating conditions beneficial to growth. The structural drivers of housing demand, combined with the stabilisation of property valuations and an increase in transaction volumes, provide a strong foundation for the year ahead. For 2025 we are expecting FFO I to be in the range of €185 - €195 million, reflecting the positive impact of further operational growth which we expect will more than offset the negative impact of recent disposals.

In 2024, we maintained our high standards for corporate social responsibility as a fundamental component of our business strategy, reinforcing our role as a responsible stakeholder in the market. Our commitment to tenant satisfaction was evident through a variety of initiatives and services delivered both online and in person. These included tenant engagement activities and exclusive benefit programs. A key highlight was the GCP Cinema Summer Festival, hosted at multiple locations, offering open-air movie screenings alongside at-home viewing options via pre-ordered GCP Cinema Boxes containing treats. The event concluded with a digital competition featuring popcorn machines as prizes, fostering a sense of community and supporting the GCP brand. Additionally, we reintroduced our digital Advent calendar, which provided daily giveaways, including GCP loyalty points, strengthening tenant connections.

In line with our focus on digitalisation and self-service, we further enhanced the GCP app and portal services in 2024. The tenant app not only enables prospective and existing tenants to manage leases, upload documents, monitor monthly energy consumption, and submit service requests, but recent upgrades included functionalities for tenant communications, consultation hours, rent reminders, and contract management. An AI-powered chatbot was introduced to improve response times and accessibility, streamlining tenant support, and enhancing operational efficiency. These advancements supported our continued high level of tenant satisfaction. This progress has been recognised with the recertification of our service center by TÜV for both Quality Management and Service Quality.

Supporting our employees remains an essential aspect of our corporate social responsibility efforts. We have taken meaningful steps to position ourselves as a preferred employer within the real estate sector. We initiated the development of the "Career Pathways" program, scheduled for completion in 2025. This initiative aims to provide employees with greater clarity regarding growth and development opportunities. Additionally, KPI-based evaluations have been extended to a larger group of employees, along with the introduction of surveys to support self-development. We also conducted the second round of the "Activate the Base" program, which encourages employees to develop their own sustainability projects with guidance from a coach.

We continued to actively support local organisations and initiatives through direct contributions and the GCP Foundation. In 2024, the foundation extended support to over ten institutions in Leipzig, a German Red Cross daycare center, youth sports clubs, and educational organisations. Assistance was also provided to emergency services and community projects. In Cologne, the GCP Foundation supported an association for children with cancer by funding new furniture for the parent house at the University Hospital of Cologne, improving living conditions for families during treatment. Additional contributions included funding for outpatient care and bereavement services, donations to local food banks, and providing financial support for the installation of new equipment in playgrounds. These efforts reinforced our commitment to addressing local needs and supporting community welfare.

As part of our ESG strategy, we aim to reduce $CO_2$ emissions by 40% by 2030 compared to 2019 levels. In 2024, we continued integrating sustainability into our operations by advancing the establishment of an environmental database and achieving semi-automated data collection through an app. We also conducted energy assessments of our buildings. These initiatives support our goal of incorporating the expertise of the energy department into capital expenditure planning to facilitate emissions reductions. We continue to implement additional energy efficiency measures, including smart water metering initiatives and biodiversity projects at our properties. Progress was also made in transitioning to renewable and climate-neutral energy sources. We encouraged tenants to adopt more sustainable energy practices and improve energy efficiency and accordingly we are confident to meet and potentially outperform our targets.

Our work in these areas has been reflected in external assessments. Sustainalytics rated us as low risk, placing us among the top 9% of companies globally. Additionally, we ranked in the top 6% of real estate companies in S&P Global's Corporate Sustainability Assessment (CSA), in the top 55% in MSCI Real Estate Management & Service, rated BBB, and by ISS with a C+ rating awarded with Prime status, putting us in the top 20%. We are also included in the Bloomberg Gender Equality Index, which serves as a sustainability index. For the eighth consecutive year in September 2024, we received the EPRA BPR Gold Award and the EPRA sBPR Gold Award for our financial transparency and sustainability reporting.

We are also happy to report that we have been able to further enhance our corporate governance with two new highly experienced independent directors, Ms. Monica Porfilio and Mr. Scot Wardlaw, thereby expanding our board of directors to five, of whom 80% are now independent or non-executive and 40% is female.

We extend our sincere appreciation to all stakeholders for their continued confidence in GCP. The management recognises and values the commitment and efforts of our employees throughout 2024. Their dedication has been instrumental in enhancing the efficiency and quality of our services while enabling GCP to remain agile and responsive in navigating the prevailing market conditions. Looking ahead to 2025, we are committed to pursuing our new objectives and targets, with a focus on sustainably generating long-term value for all stakeholders.

Luxembourg, 17 March 2025

**Christian Windfuhr**
Chairman and member of the Board of Directors

**Simone Runge-Brandner**
Member of the Board of Directors

**Markus Leininger**
Member of the Board of Directors

**Scott Wardlaw**
Independent Director

**Monica Porfilio**
Independent Director

**Refael Zamir**
CEO

**Idan Hadad**
CFO

Dresden


Berlin

# The Company

Grand City Properties S.A. and its investees (the "Company", "GCP" or the "Group") Board of Directors (the "Board") hereby submits the annual report as of 31 December 2024.

The figures presented in this Board of Director's Report are based on the consolidated financial statements as of 31 December 2024, unless stated otherwise.

GCP 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's portfolio, excluding assets held-for-sale and properties under development, as of December 2024 consists of 60,820 units (hereinafter "GCP portfolio" or "the Portfolio") located in densely populated areas with a focus on Berlin, Germany's capital, North Rhine-Westphalia, Germany's most populous federal state, the metropolitan regions of Dresden, Leipzig and Halle and other densely populated areas as well as London.

GCP 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. GCP's management has vast experience in the German real estate market with a long track record of success in repositioning properties using its tenant management capabilities, tenant service reputation, and highly professional and specialised employees.

In addition, GCP's economies of scale allow for considerable benefits of a strong bargaining position, a centralised management platform supported by centralised IT/software systems, and a network of professional connections.

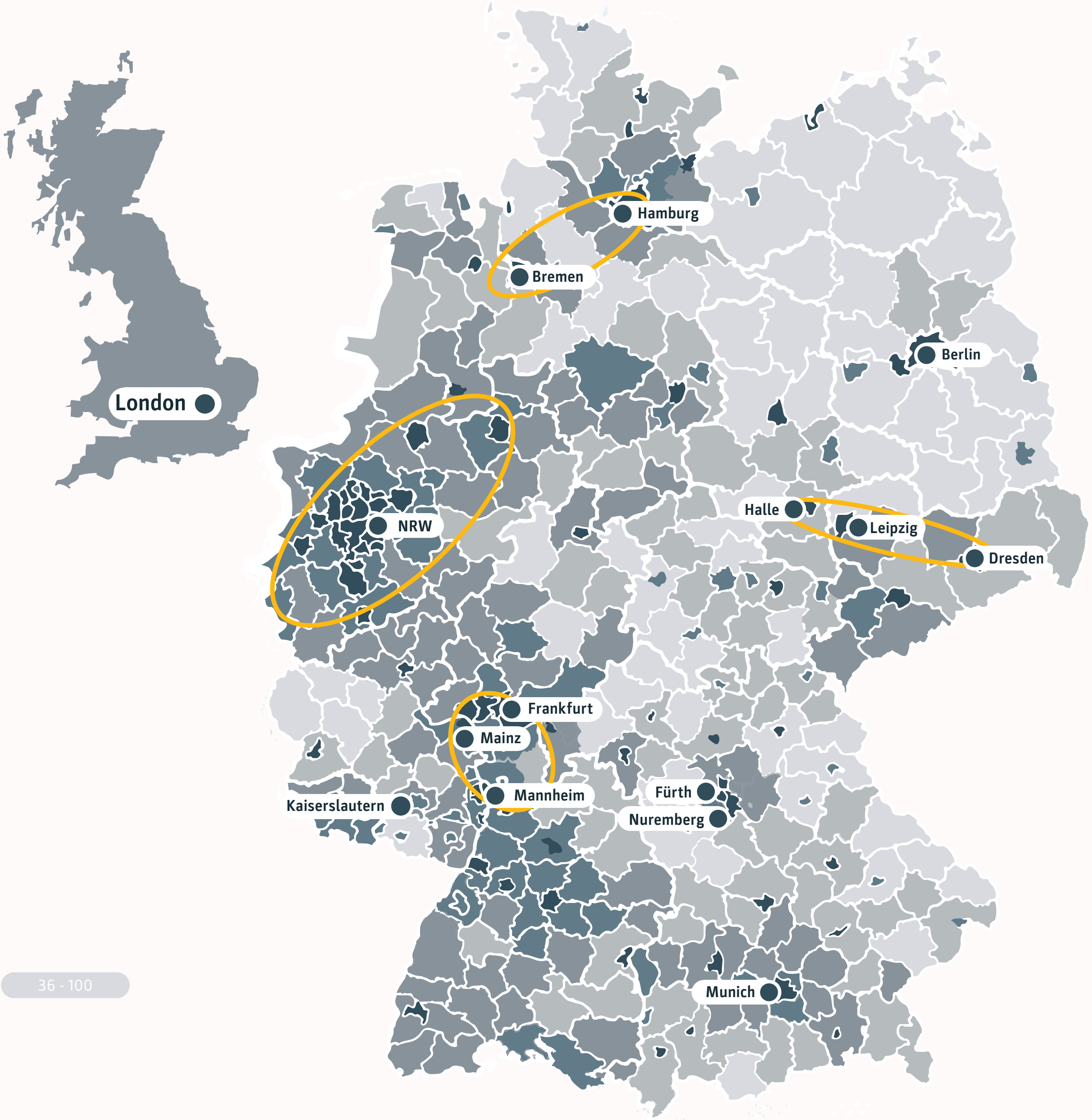
This strategy enables the Company to create significant value in its portfolio and generate stable and increasing cash flows.

# Portfolio

Attractive portfolio concentrated in densely populated metropolitan areas with value-add potential

GCP'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.

The Group's well-allocated portfolio provides for strong geographic and tenant diversification and benefits from economies of scale, supporting the risk-averse portfolio approach. GCP's focus on densely populated areas is mirrored by 23% of the Portfolio being located in Berlin, 21% in NRW, 14% in the metropolitan region of Dresden, Leipzig and Halle, and 20% in London, four clusters with their own distinct economic drivers. The portfolio also includes additional holdings in other major urban centres with strong fundamentals such as, Nuremberg, Munich, Mannheim, Frankfurt, Hamburg and Bremen.




**Population density in Germany**

inhabitants per sqkm inhabitants per sqkm*

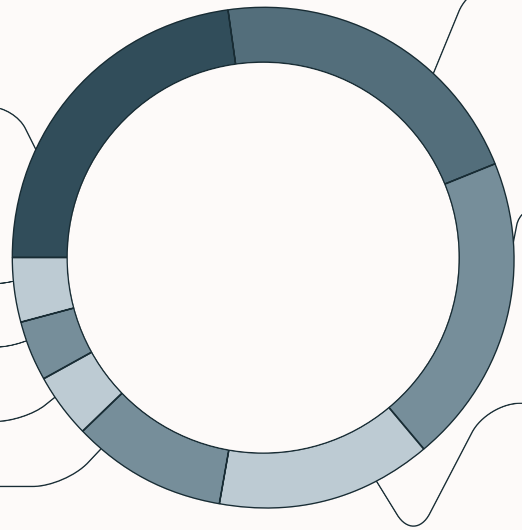
1,000 - 4,790 | 300 - 1,000 | 150 - 300 | 100 - 150 | 36 - 100

* based on data from Statistisches Bundesamt

# Diversified portfolio with distinct economic drivers

## Portfolio overview

GCP has assembled a portfolio of high-quality assets in densely populated metropolitan regions, benefiting from diversification among dynamic markets with positive economic fundamentals and demographic developments.




| December 2024 | Value (in €M) | Area (in k sqm) | EPRA vacancy | Annualised net rent (in €M) | In-place rent per sqm (in €) | Number of units | Value per sqm (in €) | Rental yield (1) |
|---|---|---|---|---|---|---|---|---|
| Berlin | 1,951 | 619 | 3.9% | 73 | 9.8 | 8,387 | 3,150 | 3.7% |
| NRW | 1,744 | 1,140 | 4.4% | 92 | 6.8 | 16,674 | 1,530 | 5.3% |
| Dresden/Leipzig/Halle | 1,149 | 788 | 3.0% | 56 | 6.1 | 13,757 | 1,458 | 4.9% |
| Mannheim/KL/Frankfurt/Mainz | 346 | 160 | 3.5% | 18 | 9.2 | 2,793 | 2,159 | 5.1% |
| Nuremberg/Fürth/Munich | 292 | 80 | 4.1% | 11 | 12.5 | 1,430 | 3,666 | 3.9% |
| Hamburg/Bremen | 340 | 227 | 4.6% | 20 | 7.6 | 3,434 | 1,496 | 5.8% |
| London | 1,723 | 181 | 2.8% | 91 | 42.7 | 3,469 | 9,509 | 5.3% |
| Others | 896 | 637 | 4.9% | 52 | 7.2 | 10,876 | 1,407 | 5.8% |
| Development rights and new buildings | 188 | | | | | | | |
| **Total** | **8,629** | **3,832** | **3.8%** | **413** | **9.2** | **60,820** | **2,203** | **4.9%** |

(1) Rental yield is calculated by dividing the Annualised net rent by the Investment property value, excluding properties classified as development rights & invest. For more details please see page 175 of the Alternative Performance Measures section of this report

Cologne

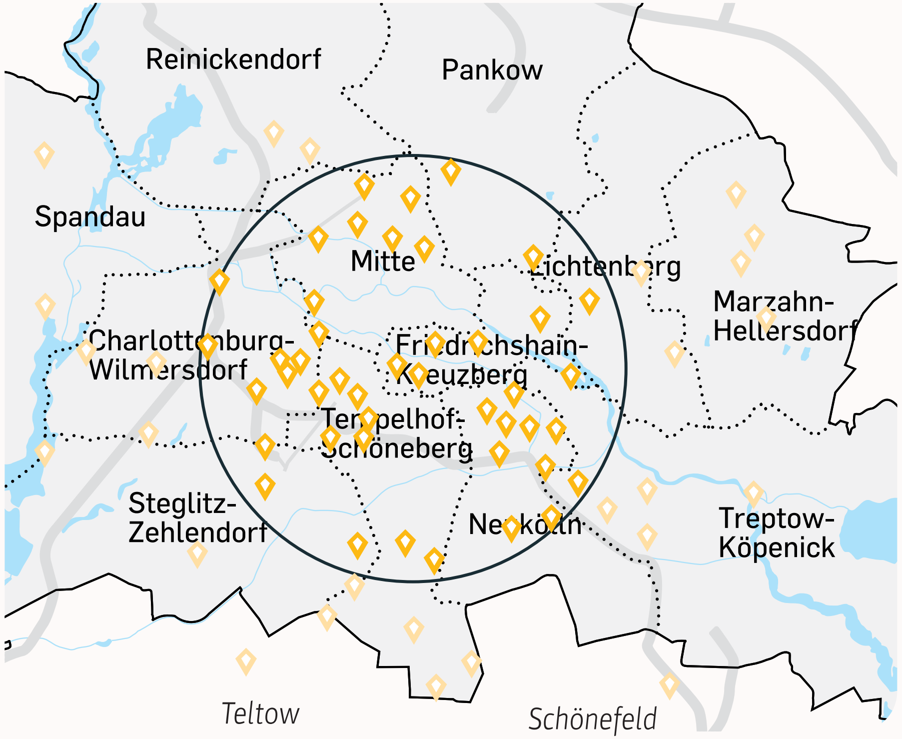
| December 2023 | Value (in €M) | Area (in k sqm) | EPRA vacancy | Annualised net rent (in €M) | In-place rent per sqm (in €) | Number of units | Value per sqm (in €) | Rental yield [1] |
|---|---|---|---|---|---|---|---|---|
| Berlin | 1,939 | 625 | 4.3% | 69 | 9.2 | 8,492 | 3,102 | 3.5% |
| NRW | 1,790 | 1,193 | 4.3% | 93 | 6.5 | 17,436 | 1,501 | 5.2% |
| Dresden/Leipzig/Halle | 1,152 | 816 | 2.9% | 56 | 5.9 | 13,997 | 1,412 | 4.9% |
| Mannheim/KL/Frankfurt/Mainz | 389 | 177 | 3.5% | 19 | 8.9 | 3,013 | 2,191 | 4.9% |
| Nuremberg/Fürth/Munich | 289 | 80 | 6.2% | 9 | 10.6 | 1,430 | 3,624 | 3.3% |
| Hamburg/Bremen | 385 | 264 | 3.5% | 22 | 7.1 | 3,996 | 1,457 | 5.7% |
| London | 1,653 | 189 | 3.1% | 84 | 37.9 | 3,549 | 8,757 | 5.1% |
| Others | 881 | 676 | 4.5% | 54 | 6.9 | 11,390 | 1,302 | 6.1% |
| Development rights and new buildings | 151 | | | | | | | |
| **Total** | **8,629** | **4,020** | **3.8%** | **406** | **8.6** | **63,303** | **2,109** | **4.8%** |

(1) Rental yield is calculated by dividing the Annualised net rent by the Investment property value, excluding properties classified as development rights & invest. For more details please see page 175 of the Alternative Performance Measures section of this report

Bonn

# Berlin - GCP's Largest Location

Quality locations in top tier Berlin neighborhoods




**70%** of the Berlin portfolio is located in top tier neighbourhoods: Charlottenburg, Wilmersdorf, Mitte, Kreuzberg, Friedrichshain, Lichtenberg, Neukölln, Schöneberg, Steglitz and Potsdam.

**30%** is well located primarily in Reinickendorf, Treptow, Köpenick and Marzahn-Hellersdorf.

## KEY DRIVERS

- Largest city by population in Germany.
- German capital and centre of national political decision making.
- Berlin is the leading start-up location in Germany, attracting high quality, global talent.
- Berlin continues to have the lowest home ownership rate in Germany.
- Chronic supply-demand imbalance with estimated shortfall of over 100,000 apartments, which continues to widen as new supply falls well short of demand.*
- Completion rates in residential construction remain considerably below average at 71% in Berlin, thus driving up rental prices.**

* Senatsverwaltung für Stadtenwicklung, Bauen und Wohnen; Pestel Institut, Bauen und Wohnen 2024 in Deutschland

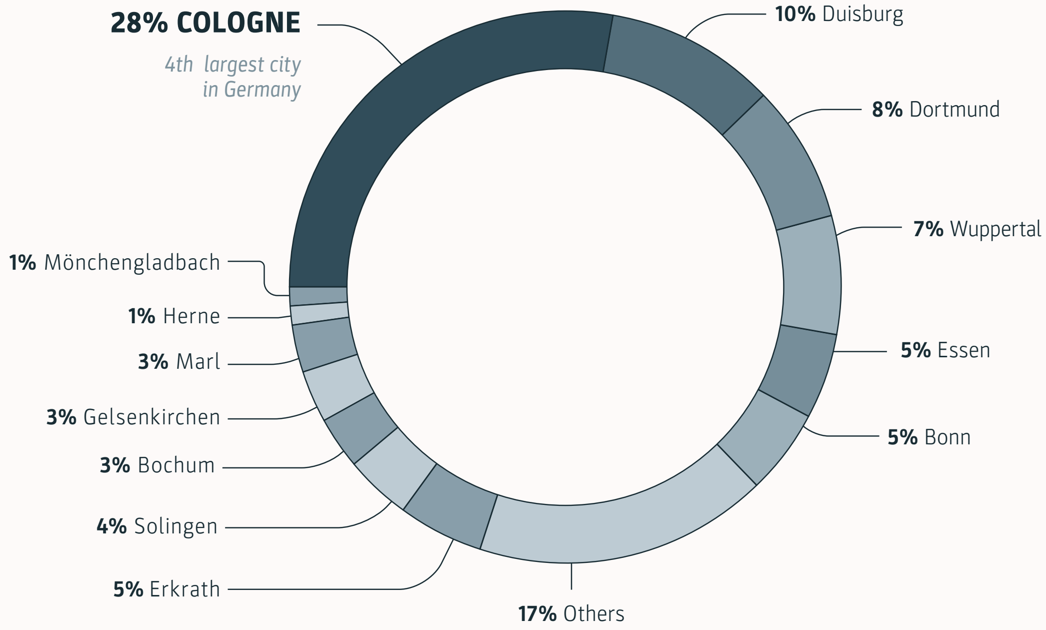
** Colliers Residential Market Germany 2024/2025

**23%** of GCP's portfolio

| December 2024 | Value (in €M) | Area (in k sqm) | EPRA vacancy | Annualised net rent (in €M) | In-place rent per sqm (in €) | Number of units | Value per sqm (in €) | Rental yield |
|---|---|---|---|---|---|---|---|---|
| **Berlin** | 1,951 | 619 | 3.9% | 73 | 9.8 | 8,387 | 3,150 | 3.7% |

# North Rhine-Westphalia (NRW)

Well positioned in the largest metropolitan area in Germany




The portfolio distribution in NRW is focused on cities with strong fundamentals within the region. 28% of the NRW portfolio is located in Cologne, the largest city in NRW, 10% in Duisburg, 8% in Dortmund, 7% in Wuppertal, 5% in Essen, and 5% in Bonn.

## KEY DRIVERS

Both the most populous and densely populated state in Germany.

More than 24,000 international companies have presence in the NRW region, that is around 20% of all international investments in Germany.

Home to many of Germany's leading companies, of Germany's top 50 grossing corporations, 17 are based in North Rhine-Westphalia.

Number 1 in the environmental economy across Germany.

Industrial center of Germany contributing around one-fifth of the GDP of Germany, and 4.5% of the EU's GDP.

**21%** of GCP's portfolio

| December 2024 | Value (in €M) | Area (in k sqm) | EPRA vacancy | Annualised net rent (in €M) | In-place rent per sqm (in €) | Number of units | Value per sqm (in €) | Rental yield |
|---|---|---|---|---|---|---|---|---|
| **NRW** | 1,744 | 1,140 | 4.4% | 92 | 6.8 | 16,674 | 1,530 | 5.3% |

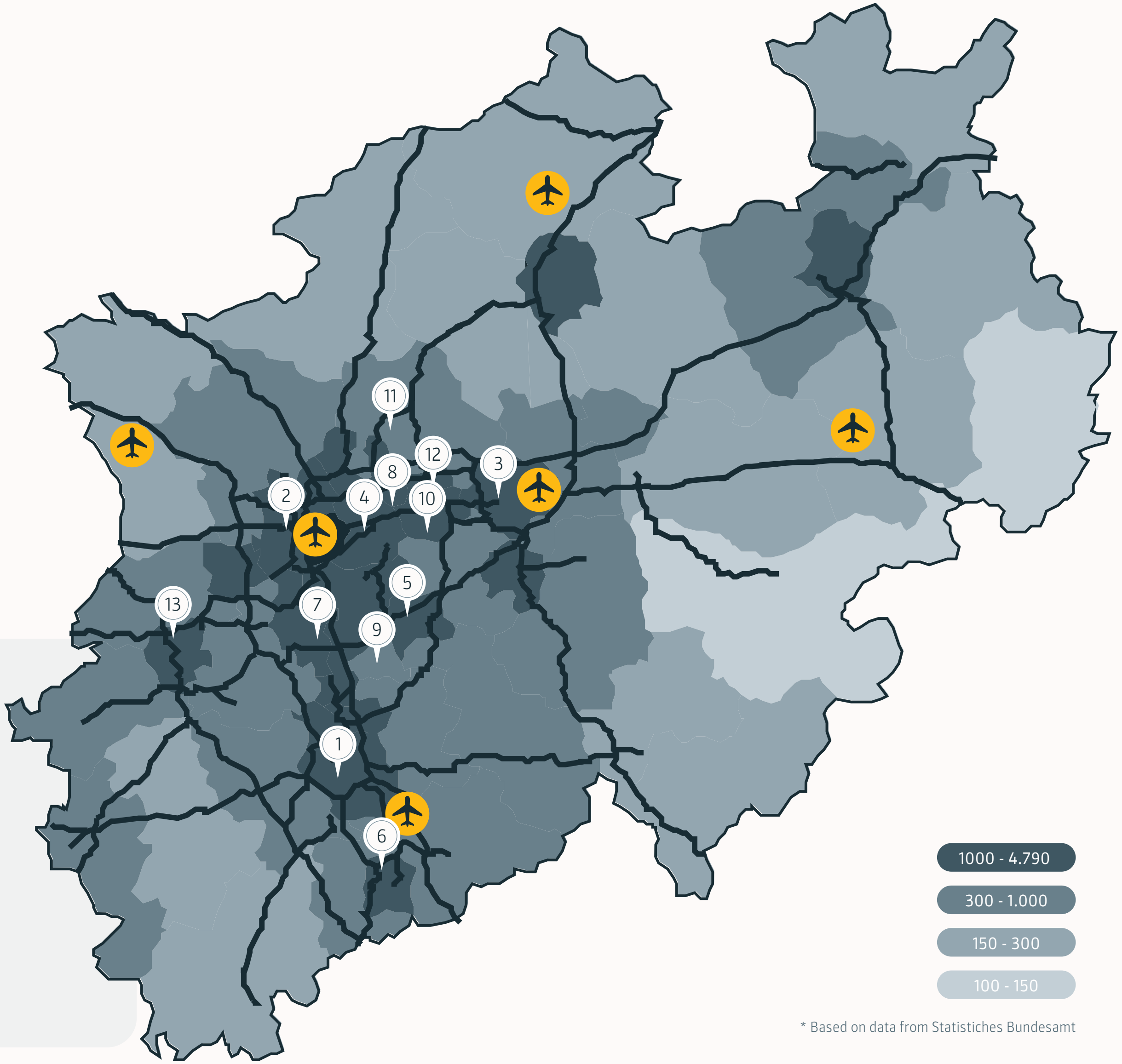
# Population Density In NRW

## Dense and diversified transport and logistics network:

- Densest rail network in Germany with about 6,000 kilometers of tracks.
- Well connected to global maritime trade through 120 ports which include the world's largest inland port in Duisburg.
- Well connected to global air travel with two major international airports (Düsseldorf Airport and Cologne Bonn Airport) and three other airports (Dortmund, Münster/Osnabrück, Paderborn/Lippstadt and Weeze/Niederrhein) which connect the region to all major domestic destinations as well as many international cities.
- More than 2,200 km of highways and 17,600 km of federal and provincial roads that seamlessly link into the wider European interstate road network.

1. Cologne
2. Duisburg
3. Dortmund
4. Essen
5. Wuppertal
6. Bonn
7. Erkrath
8. Gelsenkirchen
9. Solingen
10. Bochum
11. Marl
12. Herne
13. Mönchengladbach

Source: nrw.Global Business




* Based on data from Statistiches Bundesamt

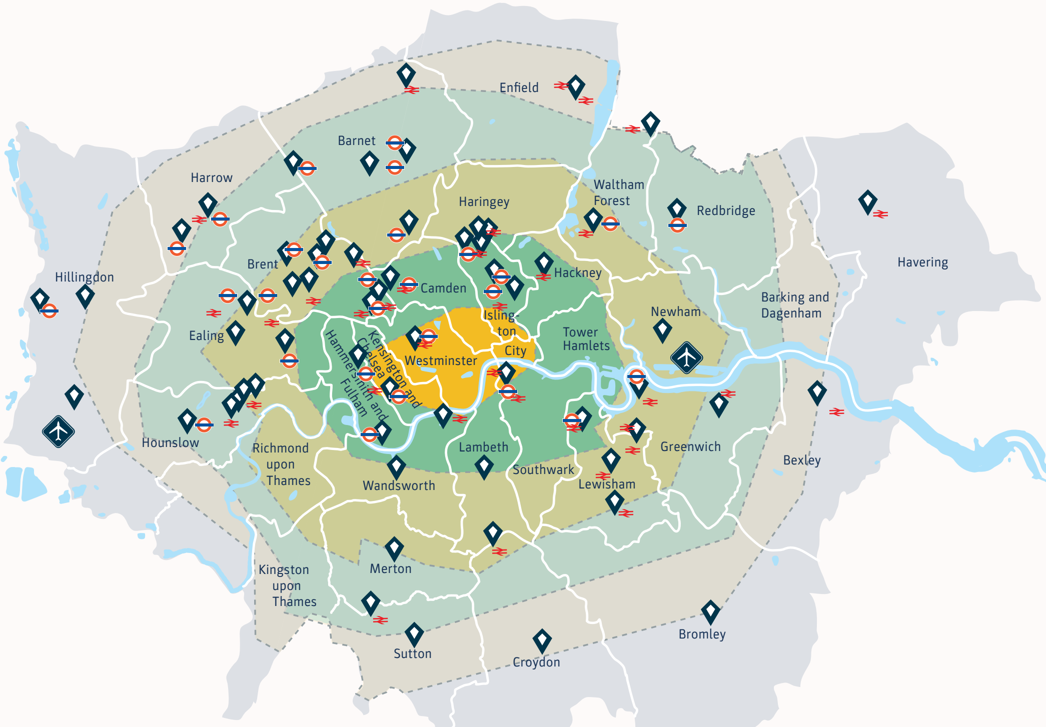
# London Portfolio

Located in strong middle class neighborhoods

The total London portfolio, including high quality assets, social housing as well as pre-marketed units, amounts to approx. 3,600 units and approx. €1.8 billion in value.

Approximately 80% of the portfolio is situated within a short walking distance to an underground/overground station.

The map represents over 90% of the London Portfolio.




Zone 1
Zone 2
Zone 3
Zone 4
Zone 5
Zone 6

asset location
underground station
overground/train station
airport

## KEY DRIVERS DRIVING INCREASED LETTING DEMAND

Large number of higher education universities including some of the oldest and world-famous colleges resulting in access to high quality talent.

Positive demographic fundamentals with a very high population density and a low median age.

Leading fintech hub with strengths in areas for growth potential such as blockchain, digital banking and alternative lending among others.

London's robust job market attracts individuals seeking employment, thereby increasing demand for rental accommodations. The city's economic opportunities continue to draw a diverse workforce, sustaining high rental demand.

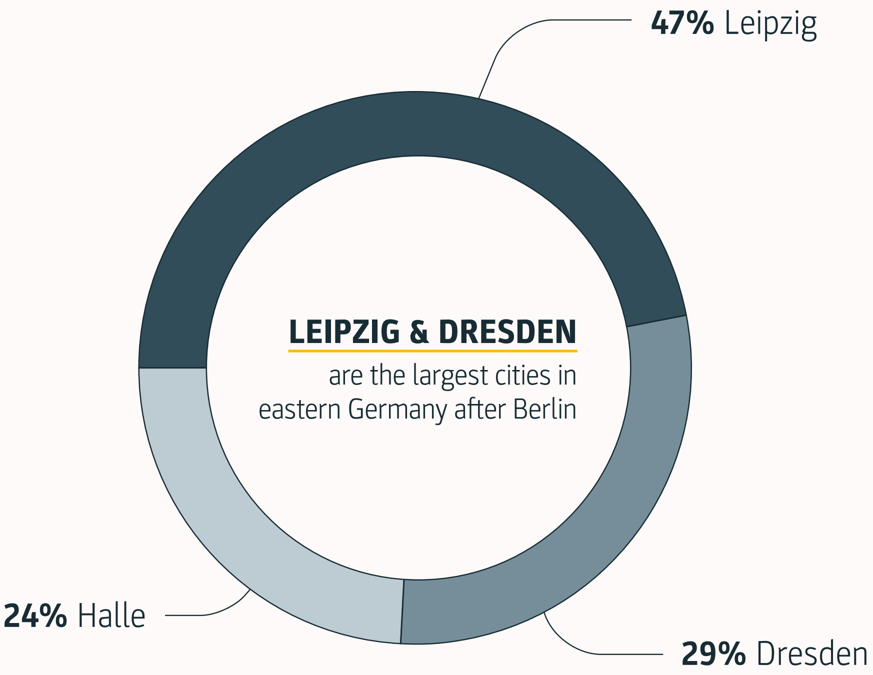
Leaner regulatory environment provides faster repositioning turnaround times and ability to achieve market rent potential.

**20%** of GCP's portfolio

| December 2024 | Value (in €M) | Area (in k sqm) | EPRA vacancy | Annualised net rent (in €M) | In-place rent per sqm (in €) | Number of units | Value per sqm (in €) | Rental yield |
|---|---|---|---|---|---|---|---|---|
| **London** | 1,723 | 181 | 2.8% | 91 | 42.7 | 3,469 | 9,509 | 5.3% |

# Quality East Portfolio

Located in the growing and dynamic cities of Dresden, Leipzig and Halle




## KEY DRIVERS

Dresden is a leading hub for the technology industry in Europe, with a strong presence in semiconductors, communication technology, and software development.

University cities with a wide appeal attracting students from around the world. Leipzig's university, founded in 1409, is one of Europe's oldest.

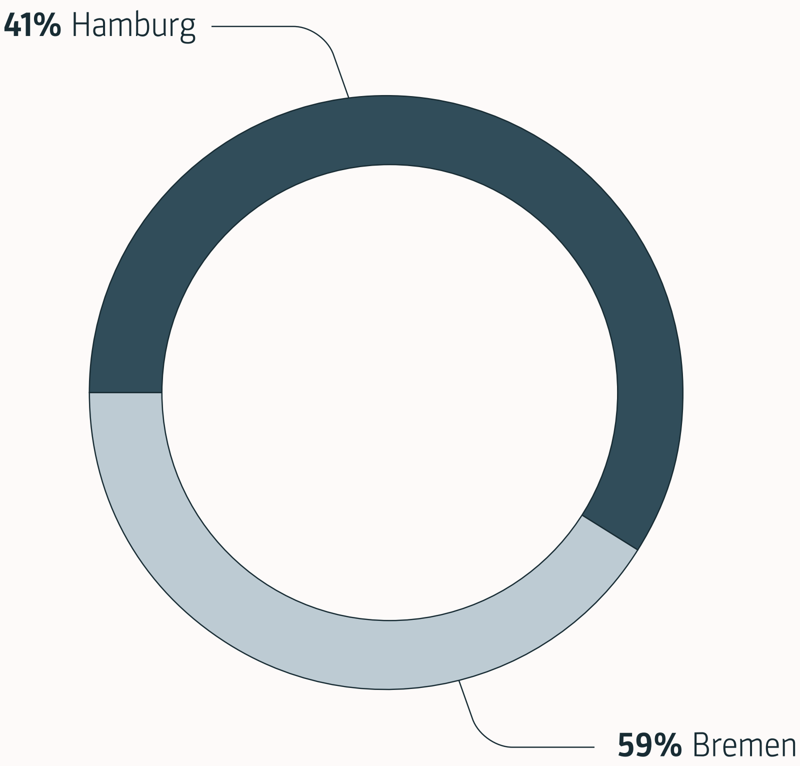
Strong demographic fundamentals, with increasing urbanisation over last decade and young population compared to surrounding regions, with Leipzig expected to be among the cities leading population growth in Germany through 2030.

**14%** of GCP's portfolio

| December 2024 | Value (in €M) | Area (in k sqm) | EPRA vacancy | Annualised net rent (in €M) | In-place rent per sqm (in €) | Number of units | Value per sqm (in €) | Rental yield |
|---|---|---|---|---|---|---|---|---|
| **Dresden/ Leipzig/ Halle** | 1,149 | 788 | 3.0% | 56 | 6.1 | 13,757 | 1,458 | 4.9% |

# Quality North Portfolio

The North portfolio is focused on the major urban centers of Hamburg and Bremen – the largest cities in the north of Germany.




## KEY DRIVERS

Hamburg port is a leading driver of the regional economy.

Hamburg is Germany's 2nd largest city by population.

Bremen's economic development, particularly in sectors like logistics and manufacturing, has created jobs and attracted workers, thereby boosting rental demand.

Bremen's ports are important logistical hubs in Germany and much of Germany's trade is executed through the city's ports.

Bremen is an industrial hub with a strong connection to well-known local research institutes.

**4%** of GCP's portfolio

| December 2024 | Value (in €M) | Area (in k sqm) | EPRA vacancy | Annualised net rent (in €M) | In-place rent per sqm (in €) | Number of units | Value per sqm (in €) | Rental yield |
|---|---|---|---|---|---|---|---|---|
| **Hamburg/ Bremen** | 340 | 227 | 4.6% | 20 | 7.6 | 3,434 | 1,496 | 5.8% |

# Strong Financial Position

## Conservative financial policy

GCP follows a financial policy in order to maintain and improve its strong capital structure:

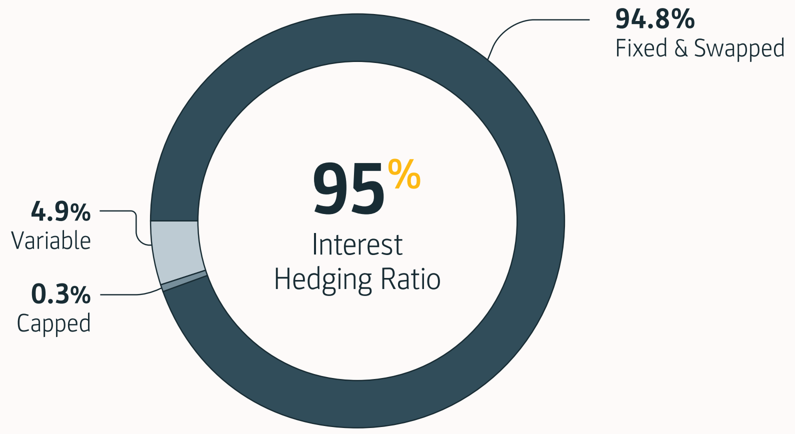
- LTV limit at 45%
- Debt to debt plus equity ratio at 45% (or lower) on a sustainable basis
- Maintaining conservative financial ratios with a strong ICR
- Unencumbered assets above 50% of total assets
- Long debt maturity profile
- Good mix of long-term unsecured bonds and bank loans
- Dividend distribution of 75% of FFO I per share*

The Company has a conservative financial approach, maintaining a strong liquidity position providing for valuable financial flexibility. The strong liquidity position is reflected by €1.5 billion in cash and liquid assets at year-end 2024.

* dividend distributions remain subject to market condition and AGM approval

## Interest hedging structure

*December 2024*




GCP's bank loans are spread across many loans from many different financial institutions.

In accordance with the Company's conservative capital structure, as of December 2024 95% of its interest is hedged.

As part of GCP's conservative financial policy, bonds issued in foreign currencies are hedged to Euro until maturity.

Berlin

## Credit Rating

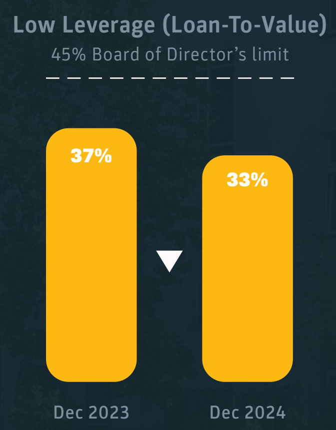
GCP holds an investment-grade credit ratings from both Standard & Poor's (S&P) and Moody's Investors Service (Moody's), with current long-term issuer ratings of BBB+ (Negative) and Baa1 (Negative), respectively. Additionally, S&P assigned GCP a short-term rating of A-2. Since 2021, Moody's maintains its public rating of GCP on an unsolicited basis.

## Loan-To-Value

GCP strategically maintains its strong financial profile characterised by long debt maturities, high proportion of hedged interest rates, excellent financial coverage ratios, and a low LTV. The LTV as of December 31, 2024 is at 33%, well below the management limit of 45%.

## Interest Cover Ratio

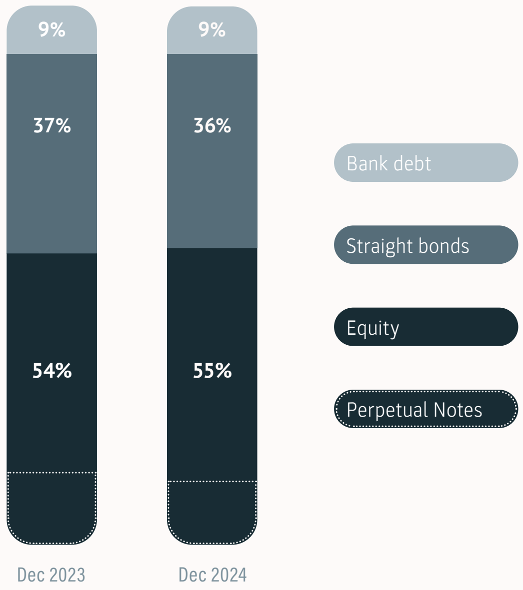
GCP's financial flexibility remains strong over time due to its high profitability, which is reflected in consistently high debt cover ratios. For the year of 2024, the Interest Cover Ratio was 5.7x.




## Financing Sources Mix

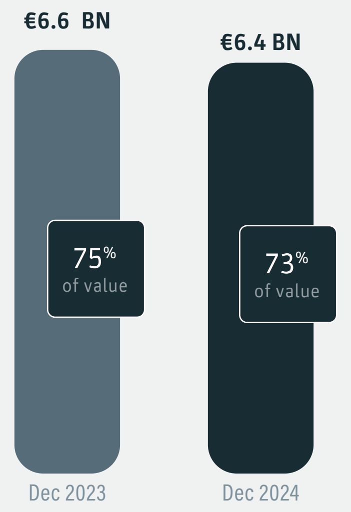
An important component of GCP's financial structure is a strong diversification of funding sources, reducing the reliance on any single source and resulting in a diversified financing mix. This is enabled by the Company's wide reach and proven track record in issuing instruments across various capital markets: straight bonds, convertible bonds, perpetual notes and equity capital. Moreover, GCP'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 are 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 Company maintains lasting relationships with dozens of banks and financial institutions, providing for access to bank financing.




## Unencumbered Assets

The Company maintains as part of its conservative financial policy a high proportion of unencumbered assets to provide additional financial flexibility and contribute to a strong credit profile, with €6.4 billion in unencumbered assets as of December 2024, representing 73% of the total portfolio value.



# Company Strategy and Business Model

The following section contains information that also covers reporting requirements under the ESRS.
Data points: ESRS 2 SBM-1 Paragraph 40 a i, ESRS 2 SBM-1 Paragraph 42.

**TAKE OVER**

**01**
Deal-sourcing network established since 2004.

**02**
Due Diligence & negotiation of best possible deal terms.

**03**
Acquisition.

**04**
Repositioning + Capex
Increase: Rent + occupancy.
Decrease operating costs and non-recoverable costs.
Improve tenant satisfaction.
Centralised IT/software.

**05**
Yield & Value increase.

**06**
*Focus on long term hold*
Capital recycling through disposals and channeling proceeds into quality properties and/or debt repayments.

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

GCP's investment focus is on the German and London residential markets that it perceives to benefit from favourable 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 and London, as well as other major cities and urban centers in Germany. The Company follows a 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

GCP seeks to maximise 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 realised, GCP 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. GCP also applies significant scrutiny to its costs, systematically reviewing ways to increase efficiency and thus increase cash flows.

### Taking into account sustainability matters, understanding the interest of key stakeholders and maximise tenant satisfaction

GCP's strategy and business model take into account the varied interests and viewpoints of its stakeholders, including its valued employees, tenants, local communities and municipalities in which GCP operates, suppliers and business partners, and investors, and constitutes a significant aspect of its approach for achieving sustainable growth. GCP understands that the support of its stakeholders is crucial for executing its strategic goals. Therefore, for understanding and addressing the needs and concerns of these stakeholders, ongoing communication, active engagement, and a commitment to ethical business practices are required. Regular feedback mechanisms, community involvement, and a proactive approach to problem-solving contribute to building trust and long-lasting relationships with all stakeholders. These practices are integrated throughout the business operations to guarantee that the concerns and interests of stakeholders are acknowledged and addressed. GCP's upstream value chain consists of its investors, its construction and development partners, and its suppliers. GCP takes the next position in its value chain, with its employees, tenants and local communities and municipalities making up its downstream value chain. More information on GCP's value chain can be found under SBM 1 - Strategy, Business Model and Value chain section of the consolidated sustainability statement, on page 51-52. GCP's business strategy takes also into account the sustainability matters identified as material during its Double Materiality Assessment. Whether these relate to its own workforce, its supply chain or the energy efficiency of its assets and other environmental matters, GCP adapts its strategy and underlying processes where necessary to reflect the impacts and importance of its material sustainability topics.

Tenant satisfaction is also a key pillar of GCP's strategy and helps explain the Company's success since its foundation. GCP primarily meets customer service requests in two different ways. Firstly, through the GCP service center, customer care agents individualise solutions for each tenant and provide support in several different languages. Tenants are ensured prompt responses to queries and can expect to hear back within a maximum timeframe of 24 hours. Furthermore, urgent requests are taken care of within a time frame of under an hour. The GCP service center has received independent validation for its performance and quality. TÜV Nord recertified the center for 'service quality' in 2024, and TÜV Hessen certified it for ISO 9001:2015, recognizing its quality management system.

Another key point of contact for tenants is the GCP tenant app, developed to streamline and digitalize various processes, contributing to improved tenant satisfaction. The app provides tools for prospective and current tenants, such as apartment searches, and submitting service or maintenance requests. Tenants can also track the status of their requests and receive updates, enhancing process transparency. The app's functionality is continuously improved with features like direct communication for tenant notifications, rent reminders, and consultation scheduling. The number of app downloads in 2024 went up by 21% compared to 2023, and we registered an average of 2000 new registrations every month on the app in 2024. These updates have encouraged more tenants to use digital channels, with the proportion of tenants contacting the Company through the app, chat, or email increasing from 37% in 2023 to 44% in 2024. Additionally, the Company has introduced a tenant loyalty program that allows tenants to earn points for timely rent payments, rental duration, active green electricity contracts, and participation in specific activities and programs. The tenants can redeem their points on their tenant account.

The Company focuses on improving the quality of life and environment for its tenants through various initiatives. GCP aims to foster a sense of community among tenants by installing playgrounds, enhancing property accessibility, organizing family-oriented events, and supporting local associations, among other efforts. Regular tenant events include activities such as Santa Claus celebrations during Christmas and the "GCP

Cinema Summer Festival" held in 2024. Additionally, the Company has taken steps to provide study areas for children, support local organizations that encourage creativity, and arrange youth programs, mother-baby groups, and senior citizen gatherings to create a welcoming and inclusive community environment. Through its foundation, GCP supports social projects across Germany, including providing an ambulance and two cold buses in Berlin during the 2024/2025 winter season to assist homeless and vulnerable individuals. The Company also collaborates with local authorities to identify opportunities for improving community infrastructure, contributing to a better living environment and making neighbourhoods more attractive.

### Operations supported by centralised IT/software

The Group's integrated centralised IT/software plays a significant role in enabling GCP to achieve its efficiency objectives. The key to this system is the detailed information that it provides not only on the portfolio but also on existing and prospective tenants, which staff can access on and off the road. This all-encompassing data processing enables the Group to track and respond to market rent trends, spot opportunities for rent increases, and manage re-letting risks on a daily basis. Implementation of digital processes for letting activities allow for paperless signing of leases, improving the speed and efficiency of the letting process for GCP and tenants while integrated service request through GCP's tenancy app improve the efficiency and transparency of maintenance and service requests for tenants. GCP's IT/software provides management with the detailed information necessary to monitor everything from costs to staff performance.

London

# Capital Markets

## Investor relations activities supporting the strong capital markets position

The Company continues to proactively present its business strategy and thus enhance perception, as well as awareness, of the Company among capital market investors. GCP seizes opportunities to present a platform for open dialogue, meeting hundreds of investors in dozens of conferences around the globe as well as hosting investors at the Company's offices or via video conferences. The improved perception leads to a better understanding of GCP's business model, operating platform and competitive advantage, and leads to strong confidence from investors. GCP's strong position in equity capital markets is reflected through its membership in key stock market indices, including the SDAX of the Deutsche Börse, the FTSE EPRA/NAREIT Global Index series and GPR 250.

| | | |
|---|---|---|
| **Placement** | Frankfurt Stock Exchange | |
| **Market segment** | Prime Standard | |
| **First listing** | Q2 2012 | |
| **Number of shares** (as of 31 December 2024) | 176,187,899 | ordinary shares with a par value of EUR 0.10 per share |
| **Number of shares, excluding suspended voting rights, base for KPI calculations** (as of 31 December 2024) | 176,097,559 | ordinary shares with a par value of EUR 0.10 per share |
| **Shareholder structure** (as of December 2024) | Freefloat<br>Edolaxia Group | 38%<br>62% |
| **Nominal share capital** (as of 31 December 2024) | 17,618,789.90 EUR | |
| **ISIN** | LU0775917882 | |
| **WKN** | A1JXCV | |
| **Symbol** | GYC | |
| **Key index memberships** | SDAX<br>FTSE EPRA/NAREIT Index Series<br>GPR 250 | |
| **Market capitalisation** (as of 14 March 2025) | 1.7 bn EUR | |

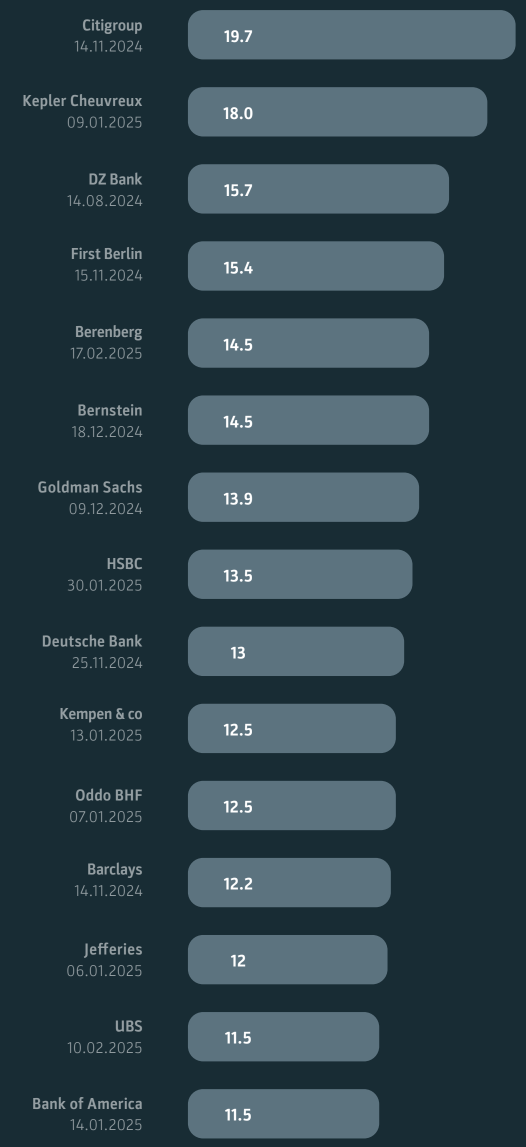
## Vast and proven track record in capital markets

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 investment-grade credit ratings (BBB+ Negative from S&P and Baa1 from Moody's). Since 2012, GCP has issued approx. €10 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.

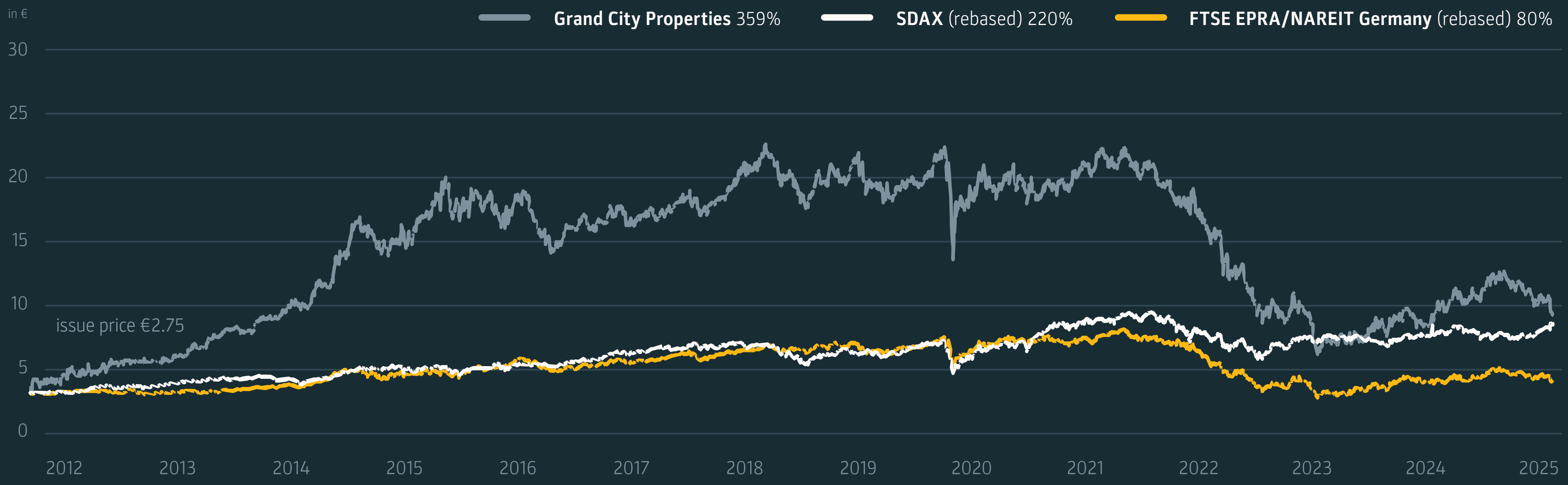
## Analyst coverage

GCP's shares are covered by several different equity research analysts on an ongoing basis, who regularly publish updated equity research reports.

## Analyst recommendations



# Share price performance and total return comparison since first equity placement (19.07.2012)



# Corporate Governance Statement

GCP emphasizes the importance of corporate governance with a high standard of transparency, executed by the Board of Directors, which includes a majority of independent directors, and the Company's management. The Company focuses its efforts in maintaining the trust it receives from its shareholders and bondholders. GCP is proud of the high confidence of its investors, which is reflected in the successful placement of funds by major global investment banks. GCP's shares and bonds are regularly placed with international leading institutional investors, major global investment and sovereign funds.

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

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

The Company has Codes of Conduct, one of which apply to business partnerships and one to its employees. The Code of Conduct for Employees addresses issues related to corruption, bribery, human rights abuse as well as discrimination. The Employee Code of Conduct also sets out a reporting framework for any violations. Additionally, it also provides for investigations and disciplinary measures as may be required in case of violations. The Employee Code of Conduct has been updated with a focus on improved transparency in its reporting lines, which are now supported by the Compliance Department and the whistleblower system. In addition, GCP has a Diversity Policy. GCP's diversity policy promotes a fair and inclusive workplace culture, advancing equal opportunities and eliminating discrimination based on gender, ethnicity, disability, age, or other personal attributes. The Diversity Committee oversees the implementation and integration of diversity initiatives across the organisation. The policy is accessible to all employees via the Company's website and intranet. The 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 diversity training programmes to foster a more inclusive environment. GCP is committed to the representation of women on the board of directors and ensuring a diverse mix of professional backgrounds and expertise. Board members are selected based on multiple 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. In 2024, women held 42.4% of management positions across the Group, compared to 43% in 2023. As of December 31, 2024, women held two of the five positions on the Board of Directors.

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, apart from for 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). The Company has therefore issued a declaration that it does not deviate from the aforementioned recommendations of the German Corporate Governance Code. 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 business.

### Annual General Meeting

The Annual General Meeting of the shareholders of Grand City Properties S.A. ("AGM") was held on June 26, 2024 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, 2023.

The AGM for 2025 is intended to take place on June 24, 2025, in Luxembourg.

### Compliance, Code of Conduct And Data Protection

The Company considers reputational risk as a significant risk and has therefore incorporated a high degree of compliance with statutory laws as well as Company guidelines into the corporate management and culture. 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 acquisitions, 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 person discharging managerial responsibilities of their obligations in the context of managers' transactions. Memorandums, trainings for directors and managers, as well as information are distributed.

One of the Company's important objectives has been to ensure the best possible protection of personal data from manipulation or abuse. In this regard, the company utilizes various modern technologies with high standards of data privacy. At the same time, staff are trained on the topic of data protection through video training modules as well as seminars with legal experts. 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.

## 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 the shareholders as a whole and makes decisions solely in the Company's best interests and independently of any 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. This evaluation is also performed by the Audit Committee and the Risk Committee.

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 after such term. The directors may be dismissed with or without any 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.

For the AGM in 2024, the Board resolved to nominate Mr. Scot Wardlaw and Ms. Monica Porfilio as independent members of the Board of Directors of the Company. These nominations were subsequently approved by the AGM. Their mandates will automatically expire on the date of the AGM of the shareholders of the Company to be held in 2025.

The renewal of the mandate of Mr. Markus Leininger as independent director was approved at the AGM in 2023 until the AGM in 2025.

The renewal of the mandate of Mr. Christian Windfuhr as executive member of the Board of Directors was approved in the AGM in 2023 until the AGM in 2025.

For the AGM in 2024, the Board resolved to nominate Ms. Simone Runge-Brandner as a non-executive member of the Board of Directors of the Company. This nomination was subsequently approved by the AGM. This mandate will automatically expire on the date of the AGM of the shareholders of the Company to be held in 2025.

### 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

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 since October 2020, under the endorsed denomination (Zusatzbezeichnung) Chief Executive Officer (CEO).

## CFO

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

## 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 term 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 but has rules of procedure adopted by the Board of Directors. The Advisory Board and its members are an important source of guidance for the Board of Directors when making strategic decisions.

## Audit Committee

The Board of Directors has established an Audit Committee and decides on the composition, tasks and term of the Audit Committee as well as the appointment and dismissal of its members. The Audit Committee shall be composed of at least two members who shall be independent non-executive 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 provides guidance to the Board of Directors on the auditing 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, the determination of auditing focal points and the fee agreement with the auditor.

## Risk Committee and Chief Risk Officer

The Board of Directors has established a Risk Committee to assist and provide expert advice to the Board of Directors in fulfilling its oversight responsibilities relating to the different types of risks to which the Company is exposed, recommend a risk management structure including its organization and processes, as well as assess and monitor effectiveness of the overall risk management to ensure that main risks are properly identified.

The Risk Committee shall be composed of at least two members of the Board, of which 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 strategy-setting and execution.

The Risk Committee provides advice on actions of compliance, in particular by reviewing the Company's procedures for detecting risk, the effectiveness of the Company's risk management and internal control systems and by assessing the scope and effectiveness of the systems established by the management to identify, assess and monitor risks.

## Remuneration Committee

The Board of Directors has established a Remuneration Committee. The Remuneration Committee shall submit to the Board recommendation regarding the remuneration of executive managers to the Board, ensuring that these proposals are in accordance with the remuneration policy adopted by the Company and the performance of the persons concerned. To that end, the Remuneration Committee shall be informed of the total remuneration paid to each member of the executive management by other companies affiliated with the Group.

## Nomination Committee

The Board of Directors has established a Nomination Committee. For significant positions to be filled, the Nomination Committee will make an evaluation of the existing and required skills, knowledge and experience. Based on this assessment, a description of the role, together with the skills, knowledge and experience required shall be drawn up. As such, the Nomination Committee shall act in the best interests of the Company, and among others, prepare plans for succession of Directors, evaluate existing and required skills, knowledge, and experience, consider proposals from shareholders, the Board and executive management, and recommend 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 closely monitors and manages potential risks and sets appropriate measures in order to mitigate the occurrence of possible failures to a minimum. The risk management is led by the Risk Committee, which constructs the risk management structure, organization and processes. The Risk Committee monitors the effectiveness of risk management functions throughout the organization, ensures that infrastructure, resources and systems are in place for risk management and are adequate to maintain a satisfactory level of risk management discipline. The Company categorizes the risk management systems into two main categories: internal risk mitigation and external risk mitigation.

## Internal Risk Mitigation

Internal controls are constructed from five main elements:

- **Risk assessment** – set by the Risk Committee, supported by the Risk Officer, and guided by an ongoing analysis of the organizational structure and by identifying potential weaknesses.
- **Control discipline** – based on the organizational structure and supported by employee and management commitments. The discipline is erected on the foundations of integrity and ethical values.
- **Control features** – the Company sets physical controls, compliance checks and verifications such as cross departmental checks. Grand City Properties S.A. puts strong emphasis on separation of duties, as approval and payments are done by at least two separate parties. Payment verification is cross checked and confirmed with budget and the contract. Any payment exceeding a certain set threshold amount requires additional approval by the head of the department as a condition for payment.
- **Monitoring procedures** – the Company monitors and tests unusual entries, mainly through a detailed monthly actual vs budget analysis and checks. Strong and sustainable control and organizational systems reduce the probability of errors and mistakes significantly. The management places significant value in constantly improving all measures, adjusting to market changes and organizational dynamics.
- **ESG risk-related expenditures** – the Group has included identification of potential financial liabilities and future expenditures linked to ESG risks in the organizational risk assessment. Future expenditures on ESG matters and opportunities are included in the financial budget.

## External Risk Mitigation

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 risks, liquidity risks, credit risk, 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.

For information regarding the external risks please 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 Grand City Properties S.A. exercise their voting rights at each General Meeting 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. At the AGM of the shareholders the Board of Directors presents, among others, 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 Grand City Properties S.A., the allocation of the statutory financial results, the appointment of the approved independent auditor, and the discharge to 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.

## Compliance To The Transparency Law

The Company is in line with the Transparency Law (as defined below) and in particular in relation to the disclosure requirements i.e. disclosure to the public of regulated information within the meaning of article 1 (10) (the "Regulated Information") of the Transparency Law. The Company provides public equal and timely access to such Regulated Information and fulfils the complex disclosure obligations. The quarterly and annual financial reports and investor presentations, press releases and ad-hoc notifications are available in the English language on the Company´s website. In addition, the Company provides on its website information about the organisation, its management and upcoming and past shareholder meetings, such as its AGMs. The Company´s website further provides a financial calendar announcing the financial reporting dates as well as other important events. The financial calendar is published before the beginning of a calendar year and is regularly updated.

### 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 19 May 2006 transposing Directive 2004/25/EC of the European Parliament and of the Council of 21 April 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 27, in the table below, and note 17 on pages 221-223 of this annual report. In addition, the Company's shareholding structure showing each shareholder owning 5% or more of the Company's share capital is available on page 27 of this annual report, in the table 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 31 December 2024:

| Shareholder name | Amount of Shares [1] | Percentage of voting rights |
|---|---|---|
| Edolaxia Group Ltd [2] | 108,935,040 | 62% |

1) Total number of Grand City Properties S.A. shares as of 31 December 2024: 176,187,899
2) Edolaxia Group Ltd is a wholly owned affiliated of Aroundtown SA

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 on page 223-224, note 18 of this annual report.

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 11 January 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 31 December 2024, 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 AGM 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 rules governing the appointment and replacement of a member of the Board of Directors are set out in Articles of Association of the Company.

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 10 August 1915 on commercial companies, as amended (the **"1915 Law"**).

i) 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, Nomination Committee and an ESG Committee. Further details on the powers of the Board are described on page 31-32 of this annual report.

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 26 June 2024 authorised 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.

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 in notes 17.7 and 19.2 on pages 222-223 and 225-227) 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 derivate 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.

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# CONSOLIDATED SUSTAINABILITY STATEMENT

# General Information

## ESRS 2 General Disclosures

| High-level overview of disclosure | |
|---|---|
| **Standard** | **Indicator** |
| ESRS 2 General Disclosures | BP-1 – General basis for preparation of the sustainability statement |
| | BP-2 – Disclosures in relation to specific circumstances |
| | GOV-1 – The role of the administrative, management and supervisory bodies |
| | GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies |
| | GOV-3 – Integration of sustainability-related performance in incentive schemes |
| | GOV–4 - Statement on due diligence |
| | GOV–5 - Risk management and internal controls over sustainability reporting |
| | SBM-1 – Strategy, business model and value chain |
| | SBM-2 – Interests and views of stakeholders |
| | SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model |
| | IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities |
| | IRO-2 – Disclosure Requirements in ESRS covered by the undertaking's sustainability statement |

Grand City Properties S.A. ("GCP", "the Company", "the Group") has assessed whether the relevant sustainability topics are material. For any material topics identified, GCP provides information on the assessed matters, their integration into the business model and strategy, related policies, actions taken, progress towards targets, and relevant metrics. The Consolidated Sustainability Statements have been prepared in a context of new sustainability reporting standards requiring entity-specific and temporary interpretations and addressing inherent measurement or evaluation uncertainties. GCP has decided to apply the phase-in provisions in accordance with Appendix C of ESRS 1. GCP is committed to a full disclosure of these data points in the coming years, as required. The sustainability information and related disclosures for the year ended 31 December 2023 have not been subject to assurance procedures.

### BP-1 - BASIS FOR PREPARATION THE CONSOLIDATED SUSTAINABILITY STATEMENT

GCP has prepared this Consolidated Sustainability Statement for the reporting year 2024 in compliance with the European Sustainability Reporting Standards ("ESRS"), as mandated by the Corporate Sustainability Reporting Directive ("CSRD"). In alignment with these requirements, the Company adheres to key reporting principles, ensuring that its disclosures are relevant, comparable, verifiable, and understandable, while providing a faithful representation of its sustainability performance.

#### Integration of Data and Governance in Reporting

The preparation of this Consolidated Sustainability Statement integrates both qualitative and quantitative data collected from across GCP's operations as well as upstream and downstream value chain data. The reporting process is closely aligned with financial reporting procedures and governance frameworks, ensuring consistency and accuracy in disclosures. Input is gathered from internal stakeholders, including the ESG Committee and the Sustainability Department, while indirect feedback from external stakeholders, such as investors and business partners, is also considered. The Sustainability Department is responsible for overseeing data collection and verification, while the ESG and Audit committees conduct a high-level review for quality assurance and best practices in ESG reporting and also approve the final report, reinforcing the governance structure supporting the sustainability reporting process.

#### Scope of Consolidation and Reporting Boundaries

The scope of consolidation for this Consolidated Sustainability Statement mirrors that of GCP's consolidated financial statements, in accordance with International Financial Reporting Standards ("IFRS"). However, disclosures under ESRS E1 (Climate Change), specifically regarding Scope 1, 2, and 3 greenhouse gas ("GHG") emissions and energy consumption, follow an operational control approach as defined by the GHG Protocol and as opposed to the ESRS specific requirements for a company to follow when determining its GHG organisational boundary [ESRS E1.46, AR40, ESRS 1.62], discussed in more detail in the second paragraph of subsection E1-6. This means that only assets and operations under GCP's direct operational control are included in these disclosures. For all other sustainability-related data, the scope aligns fully with the financial consolidation framework, ensuring transparency and consistency across reporting structures. For the reporting year 2024, no subsidiaries within GCP's financial consolidation scope have been exempted from individual or consolidated sustainability reporting.

Additionally, the Consolidated Sustainability Statement extends beyond the Company's direct operations—except for GHG emissions and energy consumption data—to reflect material sustainability impacts, risks, and opportunities across its upstream and downstream value chain.

- Upstream activities encompass deal sourcing, due diligence, financing arrangements, procurement of materials and services, property management, asset management, marketing and leasing, ESG compliance and risk management, as well as refurbishment and development.
- Downstream activities encompass consolidated reporting, investor relations, exit strategies, asset sales, and interactions with real estate brokers.

The Company's value chain also incorporates key suppliers, contractors, and service providers, such as construction and maintenance personnel, who are required to comply with GCP's Code of Conduct for Business Partners and undergo periodic risk assessments. Due diligence processes and structured ESG questionnaires help monitor adherence to sustainability standards across the supply chain. Additionally, the impact of tenants is reflected in Scope 3 GHG emissions reporting, ensuring that the Company captures indirect environmental influences.

### Disclosure of Intellectual Property and Developments under Negotiation

GCP has not exercised the option to omit specific information related to intellectual property, know-how, or results of innovation. All relevant disclosures, including those pertaining to technological innovations in energy efficiency and tenant engagement platforms, have been fully incorporated into this statement to maintain transparency. Similarly, the Company has not made use of exemptions under articles 19a(3) and 29a(3) of Directive 2013/34/EU, which allow for the omission of disclosures on impending developments or matters under negotiation. All materially relevant developments, including those associated with technological advancements and sustainability initiatives, have been disclosed in this Consolidated Sustainability Statement, further reinforcing GCP's commitment to transparency in its ESG reporting.

## BP-2 – DISCLOSURES IN RELATION TO SPECIFIC CIRCUMSTANCES

GCP applies the same short, medium, and long-term time horizons as those defined under ESRS 1, article 6.4. This alignment ensures consistency in sustainability reporting, facilitating comparability across disclosures while maintaining transparency in how sustainability risks and opportunities are assessed over time.

In relation to metrics that incorporate value chain data, certain sustainability performance indicators—particularly those related to energy consumption in tenant operations and supplier compliance with ESG standards—are based on estimates derived from indirect sources. These estimates are obtained through supplier reports, industry averages, and benchmarking studies, ensuring a comprehensive representation of sustainability impacts across GCP's upstream and downstream value chain. The methodology used for these estimations is outlined in the relevant sections of this Consolidated Sustainability Statement, ensuring clarity and transparency in reporting.

## Table 1

| Metrics Including Value Chain Data Estimations | Description | Description of Basis for Preparation of Metrics That Include Value Chain Data Estimated Using Indirect Sources | Description of the Level of Accuracy of Estimations and Planned Actions to Improve Accuracy in Future of Metrics That Include Value Chain Data Estimated Using Indirect Sources |
|---|---|---|---|
| E 1-6_AR 46i | Scope 3 Category 13 GHG emissions calculations | Measured landlord-obtained energy consumption data in buildings is allocated to tenants. Additionally, variations in tenant behaviour and energy use in common areas are difficult to account for without accurate data. The Company allocates consumption to tenant areas outlined in the *Landlord and Tenant Boundaries* subsection of section E1-6.<br>There are instances where estimations are required in light of missing Energy Performance Certificates (EPCs) as outlined in the *Estimation of Landlord-Obtained Utility Consumption* subsection of the E1-6 section.<br>Regarding tenant-obtained electricity, legal data protection barriers prevent landlords from accessing information falling under direct contracts between tenants and utilities. As such, the Company can only rely on generalised assumptions used in estimations outlined in the *Landlord and Tenant Boundaries* subsection of section E1-6.<br>Additionally, the slow smart meter installation by grid operators outlined in the *Landlord and Tenant* Boundaries subsection of section E1-6 is another source of uncertainty.<br>In instances where available heating data is not representative for the full reporting year, estimations were calculated as outlined in the *Estimation of Landlord-Obtained Utility Consumption* subsection of section E1-6. | The Company is simultaneously pursuing several actions to improve data collection, with some being intermediary solutions while others are longer-term actions. This involves semi-automated data collection technologies for property managers, non-invasive digital measurement instruments on main and submeters that work in real-time, and working to receive data digitally from larger-scale energy suppliers.<br>The Company is also exploring data-scraping solutions to take data directly from invoices, however the challenges from the billing systems mentioned here have yielded limited success thus far. |
| E1-1 14 Disclosure of Transition Plan for climate change mitigation | Climate factors used to estimate future heating demand | The German National Meteorological Service (DWD) does not publish projected climate factors for future years, since this is a dataset of historical data for specific locations in Germany. To estimate climate factors for the future year 2030, the 2024 climate factor is multiplied by a factor of 1.02 in order to assume a general 2% increase in temperature levels. Assumptions on future temperature increases reflected in the climate factor are based on internal analyses of trends observed in historical data.<br>Due to the two-month lag on publication of climate factor data and accelerated reporting timelines, the full reporting year cannot always be used in each report, as explained in the *Estimation of Landlord-Obtained Utility Consumption* subsection of section E1-6. | The German National Meteorological Service (DWD) does not publish projected climate factors for future years, since this is rather a dataset of historical data for specific locations in Germany. To estimate climate factors for the future year 2030, the 2024 climate factor is multiplied by a factor of 1.02 in order to assume a general 2% increase in temperature levels. Assumption on future temperature increases reflected in the climate factor are based on internal analyses of trends observed in historical data.<br>Due to the two-month lag on publication of climate factor data and accelerated reporting timelines, the full reporting year cannot always be used in each report, as explained in the Estimation of Landlord-Obtained Utility Consumption subsection of section E1-6. |

### Disclosure of Quantitative Metrics and Monetary Amounts Disclosed That Are Subject to High Level of Measurement Uncertainty

Metrics affected by high levels of measurement uncertainty are:

**Table 2**

| Quantitative Metric and Monetary Amount Subject to High-Level of Measurement Uncertainty | Description | Source of Measurement Uncertainty | Assumptions, Approximations, and Judgements Made in Measurement |
|---|---|---|---|
| E1-6 AR 43-45 | Scope 1 and 2 GHG Emissions calculations | GCP primarily tracks floor area of its assets in the form of Net Lettable Area (“NLA”) based on areas demarcated in lease contracts, meaning that common areas in assets are not precisely recorded, as this information has no significant business relevance.<br>In some cases, measured data for the full reporting year were not fully available in time for publication for the same reasons regarding the utility invoicing practices referenced in *Landlord and Tenant Boundaries* subsection of section E1-6.<br>For a small proportion of properties within the operational control portfolio, EPCs are not available, as outlined in the *Estimation of Landlord-Obtained Utility Consumption* subsection of section E1-6. | Assumptions relating to the asset-type-specific ratios used to estimate Gross Floor Area (“GFA”) discussed in *Landlord and Tenant Boundaries* subsection of section E1-6.<br>In instances where available heating data is not representative for the full reporting year, estimations were calculated as described in the *Estimation of Landlord-Obtained Utility Consumption* subsection of *section E1-6*.<br>In the case of missing EPCs, EPC-estimated calculations are conducted as described in the Estimation of *Landlord-Obtained Utility Consumption* subsection of *section E1-6*.<br>The proportions of estimated data are disclosed on Table 18 found in the discussion in E1-5, *Energy Consumption and Mix*. |

### External Validation of Measurement Metrics

GCP received validation by an external body of its Information Security Management System with a ISO 27001 certification, and our Customer Service Centre holds a TÜV certification for both Quality Management and Service Quality.

### Adherence to Additional Sustainability Standards and Reporting Frameworks

In addition to the ESRS, GCP integrates information from other widely recognised sustainability reporting frameworks and industry best practices. This ensures that its Consolidated Sustainability Statement remains comprehensive and aligned with stakeholder expectations. Specifically, GCP's reporting incorporates:

- The Sustainability Best Practices Recommendations ("sBPR") of the European Public Real Estate Association ("EPRA"), which provide sector-specific sustainability metrics relevant to real estate.
- The Task Force on Climate-related Financial Disclosures ("TCFD"), ensuring that climate-related risks and financial impacts are effectively communicated in line with global best practices.

### List of DRs and DPs Incorporated by Reference

GCP's Consolidated Sustainability Statement incorporates the following disclosure requirements and data points from other sections in the Consolidated Annual Report 2024 of Grand City Properties:

**Table 3**

| Disclosure Requirement | Information | Reference |
|---|---|---|
| ESRS 2 GOV-3 Paragraph 29 | The undertaking shall disclose the following information about the incentive schemes and remuneration policies linked to sustainability matters for members of the undertaking's administrative, management and supervisory bodies | The Remuneration Policy can be found on the GCP website under the Corporate Governance section(*) |
| ESRS 2 SBM-1 Paragraph 40 a i | Significant groups of products and/or services offered, including changes in the reporting period (new/removed products and/or services) | Board of Directors' Report<br>Section - Company Strategy and Business model<br>Pages: 24-26 |
| ESRS 2 SBM-1 Paragraph 42 | The undertaking shall disclose a description of its business model and value chain | Board of Directors' Report<br>Section - Company Strategy and Business model<br>Pages: 24-26 |

(*) https://www.grandcityproperties.com/about-us/corporate-governance

## GOV-1 – THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

### Composition of the Board of Directors

GCP is administered by a Board of Directors vested with the broadest powers to perform and manage in the Company's interest. All powers not expressly reserved by the Luxembourg Companies Act or by the articles of association to the general meeting of the shareholders fall within the competence of the Board of Directors. On a regular basis, the Board evaluates the effective fulfilment of their remit and compliance with corporate governance procedures implemented by the Company.

As of 2024, the Board of GCP consists of one executive member, Mr. Christian Windfuhr, who also serves as the Chairperson of the Board. In addition to the executive member, the Board is composed of one non-executive director and three independent directors:

- Ms. Simone Runge-Brandner (Non-Executive Director)
- Mr. Markus Leininger (Independent Director)
- Mr. Scot Wardlaw (Independent Director)
- Ms. Monica Porfilio (Independent Director)

### Employee and Workforce Representation

While GCP does not include direct employee representation within the Board, structured mechanisms are in place to ensure employee engagement and input in governance processes. These mechanisms are: employee feedback channels; compliance ambassadors, HR roundtables, annual town hall meetings. These initiatives facilitate continuous dialogue between management and employees, integrating workforce perspectives into decision-making.

### Board and Management Expertise

GCP executive management ("the Daily Management") consists of two members who are responsible for the daily management of the Company. In general, for a business incorporated as a Luxembourg Société Anonyme, the daily managers are entrusted with decisions and actions related to the day-to-day management of the business, to ensure the company's business performance. This function is a complementary role to the Board of Directors.

The Daily Management team, responsible for GCP's day-to-day operations, consists of:

- Mr. Rafael Zamir ("CEO"): Extensive experience in real estate financial management, particularly in Germany and the UK, GCP's core markets.
- Mr. Idan Hadad ("CFO"): Extensive experience in financial management, including accounting and taxes, compliance and risk management, as well as cash and budget management, payment controls and collection. His geographical expertise is focused on Germany and the UK.

The Board of Directors is composed of five members who collectively oversee the Company's strategic direction:

- Mr. Christian Windfuhr (Executive Director, Chairperson): Real estate expert with extensive experience in the European market, particularly within residential, as well as hotel and hospitality sector and has significant expertise in business management and strategic planning, as well as in crisis and risk management.
- Ms. Simone Runge-Brandner (Non-Executive Director): Strong background in banking and finance with vast expertise in real estate, business management and strategy in Europe.
- Mr. Markus Leininger (Independent Director): Vast experience in finance, banking, and real estate, specializing in governance, risk management, and investment strategy, with expertise in debt products, contributing to ESG strategy, corporate governance and financial oversight. Led large-scale lending operations across Central and Eastern Europe.
- Mr. Scot Wardlaw (Independent Director): Vast experience working in the real estate industry in Europe and other jurisdictions, including real estate finance, business development and strategy and real estate asset management, in addition to expertise in crisis and risk management and information technology.
- Ms. Monica Porfilio (Independent Director): Strong background and expertise in finance, business management and strategy alongside expert knowledge in crisis and risk management within the Europe's market.

As seen in the Board Competencies Matrix below, the outstanding areas of expertise of our Board Members identified through a self-assessment questionnaire, include 'real estate', 'finance, banking or auditing', 'business management and strategic planning', and 'international experience and cultural awareness.' These competences are relevant for their roles and responsibilities, supporting effective governance and strategic decision making in the Company. Further details on Board members' academic and professional backgrounds are available in the Management section of the GCP website.

**Competencies**

| | Real Estate | Finance, Banking or Auditing | Business Management & Strategic Planning | Crisis & Risk Management | IT, Information& Cyber Security | Environment & Sustainability | International Experience & Cultural Awareness | Merger & Acquisition Experience |
|---|---|---|---|---|---|---|---|---|
| **Christian Windfuhr** | ●●● | ●● | ●●● | ●●● | ● | ●● | ●●● | ●●● |
| **Markus Leininger** | ●●● | ●●● | ●● | ●● | ● | ●● | ●●● | ●● |
| **Simone Runge Brander** | ●●● | ●●● | ●●● | ●● | ● | ●● | ●●● | ●● |
| **Scot Wardlaw** | ●●● | ●● | ●●● | ●●● | ●●● | ● | ●●● | ●● |
| **Monica Porfilio** | ●● | ●●● | ●●● | ●●● | ● | ●● | ●● | ●●● |

● Basic ●● Proficient ●●● Expert

In addition, the Board of Directors 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 term 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 but applies rules adopted by the Board of Directors. The Advisory Board is an important source of guidance for the Board of Directors when making strategic decisions.

### Board/Management Breakdown per Gender, Geographic Diversity and Expertise

The following breakdown shows the percentage of members of the Board of Directors and the Daily Management with regards to:

- **Gender Diversity:** The composition of the Board and Daily Management together include 71% male (5 members) and 29% female (2 members). The Board itself consists of five members, of whom three are male (60%) and two are female (40%).
- **Geographic Diversity:** Members bring perspectives from, Germany, Luxembourg, the United States, Italy and other international real estate markets.
- **Expertise Diversity:** The Board collectively has experience in real estate operations, ESG governance, accounting, legal compliance, and financial risk management.
- **Percentage Independent Members:** The percentage of independent members on the Board is 60%, with three out of five members being independent and one a non-executive director.

### Oversight of Sustainability Risks, Impacts, and Opportunities

The Board, supported by its committees, is responsible for overseeing sustainability-related risks, impacts, and opportunities. Following the most recent Annual General Meeting (AGM) prior to the publication of this report, the composition of the Board's committees was updated to include the following board members:

- Audit Committee: Chair: Markus Leininger | Members: Simone Runge-Brandner, Monica Porfilio
- ESG Committee: Chair: Markus Leininger | Members: Christian Windfuhr, Monica Porfilio
- Risk Committee: Chair: Markus Leininger | Members: Simone Runge-Brandner, Scot Wardlaw
- Nomination Committee: Chair: Markus Leininger | Members: Monica Porfilio, Scot Wardlaw
- Remuneration Committee: Members: Markus Leininger, Simone Runge-Brandner, Scot Wardlaw

Each Board committee's responsibilities for sustainability oversight are defined in their Rules of Procedure.

- Audit Committee: Ensures financial integrity, risk management, and internal control systems.
- ESG Committee: Supervises ESG strategy, regulatory compliance, and sustainability risk mitigation.
- Risk Committee: Oversees the Company's risk management framework, including financial, operational, legal, and reputational risks.
- Nomination Committee: Evaluates Board composition and succession planning.
- Remuneration Committee: Aligns executive compensation with financial performance and sustainability targets.

The Daily Management team, comprising the CEO and CFO, is tasked with implementing Board-approved strategies and ensuring compliance with sustainability objectives. Whereas the CEO oversees the alignment of operations with sustainability goals, the CFO oversees impacts, risks and opportunities from a financial perspective. In addition, senior management(*) in operational roles support the Daily Management in the implementation of governance processes to manage and oversee impacts, risks and opportunities.

The Board delegates responsibilities to its committees, which report back to the Board on their activities. Each Committee meets as outlined in the relevant rules of procedure, with meeting frequencies varying depending on the committee. The CEO and CFO report directly to the Board. The Head of Sustainability reports to the CEO and CFO but also updates and informs the ESG Committee. The Chief Risk Officer reports to the Risk Committee.

In addition, controls and procedures are integrated to the management of impacts, risks and opportunities through firstly, compliance and legal monitoring (dedicated controls and procedures): GCP's Compliance Department oversees adherence to the Company's governance policies, mindful of European regulations and national laws. In the event of specific questions, these are addressed to the Legal Department. Secondly, cross-functional collaboration (integration with other internal functions): GCP's Sustainability, Energy, Operations, Construction, Compliance, Legal and Risk Departments coordinate to address shared impacts and Energy, Operations and Sustainability departments in particular collaborate closely regarding control of energy and GHG emissions data, but also waste and water consumption from GCP's assets and joint procedures regarding energy efficiency projects and retrofit planning.

(*) senior management refers to senior managers, such as heads of departments, that are not the Daily Management

### Setting Sustainability Targets

The heads of departments are responsible for setting their own specific targets, as well as monitoring the progress towards achieving them. The CEO and CFO are informed about these targets and their implementation regularly within a year during management meetings. In addition, the ESG Committee oversees the sustainability targets setting and the progress towards achieving them, ensuring alignment with material impacts, risks and opportunities. The ESG Committee and the Board oversee strategic guidance on ESG topics and is responsible for reviewing and assessing GCPs responsible business strategy, policies and practices with respect to ESG topics. Progress is monitored through reports which are presented to the Board at least twice a year.

### Sustainability Expertise and Its Role in Governance

In general, GCP's Daily Management places significant emphasis on ensuring that employees and senior positions possess the relevant skills and expertise in sustainability matters, taking into account the Company's needs and existing knowledge in the departments. The Nomination Committee assesses existing and required competencies for directorships, as well as certain management positions and reviews whether the candidate possesses the necessary skills, knowledge, and experience to fill the relevant role. It ensures alignment with the Company's interests and their recommendation vis-à-vis candidates is then shared with the Board. If necessary, tailored training programmes – whether online or in-person formats – are implemented to further develop and maintain up-to-date knowledge amongst Board Members, as well as senior management and senior employees who deal with sustainability topics. In 2024, the Board received company-initiated training in the areas of Information Security and Capital Markets (in particular, the EU Market Abuse Regulation).

The Board of Directors possesses expertise in risk management, ESG governance in real estate, and stakeholder engagement strategies, ensuring sustainability considerations are embedded in the Company's decision-making processes. In addition to the Board, the ESG Committee is a key body that provides dedicated sustainability expertise within GCP's governance structure. Next to the Board Members, the ESG Committee also includes the Head of Sustainability, Head of Energy, Chief Operations Officer of the German operations and the Group Head of Human Resources, all experienced leaders and subject experts in their field.

These leaders play an essential role in guiding GCP's ESG strategy, compliance, and risk management. Their expertise ensures that sustainability-related risks, impacts, and opportunities are identified, managed, and integrated into corporate governance and operations.

The Board and ESG Committee leverage sustainability expertise across the organisation to enhance ethical risk management and drive GCP's long-term ESG objectives. Through collaboration with department heads, the Board and ESG Committee are responsible for identifying and addressing material impacts, risks, and opportunities (IROs), including:

- Climate change mitigation strategies, such as GHG emissions reduction, renewable energy adoption, and energy efficiency improvements across GCP's assets.
- Corporate governance practices that uphold transparency, compliance, and ethical conduct, thereby preventing risks related to mismanagement, bribery, corruption, and ESG non-compliance.
- Investor confidence and capital access, by ensuring that ESG performance aligns with stakeholder expectations and regulatory frameworks.
- Supplier relationship management, ensuring ESG due diligence is integrated into procurement processes and business partner engagements.
- Workforce engagement and inclusion, promoting equal opportunities, ethical business conduct, and safe working conditions.

By leveraging sustainability-related expertise, the Board and ESG Committee play a critical role in ensuring that GCP's governance framework supports both financial and ESG performance, fostering long-term operational resilience and stakeholder trust.

# ESG Governance Structure

### Board of Directors

**Christian Windfuhr**
Executive Director, Chairman

**Simone Runge-Brandner**
Non-Executive Director

**Markus Leininger**
Independent Director

**Scot Wardlaw**
Independent Director

**Monica Porfilio**
Independent Director

- The ESG strategy is managed by the Board of Directors, which holds the responsibility for overall ESG performance

### ESG Committee

**Board Members:** Markus Leininger (Chair), Christian Windfuhr, Monica Porfilio

**Advisory Members:** Head of Sustainability, Head of Energy, Chief Operations Officer, Group Head of HR

- Meets at least twice a year
- Strategic guidance on ESG
- Responsible for reviewing ESG strategy

### Daily Management

- Meets at least once a year on ESG topics
- Supervises the implementation of sustainability programs

### Sustainability Department

- Cross-departmental interface
- Reviews and communicates sustainability programs
- Responsibility for sustainability reporting

### HR Department

- Responsible for employee journey, incl. well-being, growth and professional development.
- Implements diversity and inclusion initiatives

### Compliance Department

- Responsible for strict adherence to compliance standards
- Maintains level of fair business relationships with suppliers

### Operations & Construction Department

- Responsible for energy efficiency improvements
- Implements climate adaptation solutions
- Ensures health and safety standards follow national laws

### Energy Department

- Develops energy and carbon reduction strategy
- Implements and tracks energy projects and progress

**Responsible for defining, implementing and tracking departments' ESG targets**

## GOV 2 – INFORMATION PROVIDED TO AND SUSTAINABILITY MATTERS ADDRESSED BY THE UNDERTAKINGS ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

The Board of Directors receives regular and structured updates on operational and management matters, including sustainability-related impacts, risks, and opportunities. These updates are provided by the CEO, who communicates the status and progress of key initiatives. Additionally, the Board is kept informed about the activities of its committees, including the content and frequency of their meetings.

The reporting frequency of Board committees varies depending on their specific duties and Rules of Procedure. Some committees convene as needed, while others meet annually or multiple times per year. The topics covered in these meetings include merging risks, such as climate transition risks, sustainability-driven investment opportunities and review and approval of policies, actions, metrics, and targets, including compliance and sustainability-related initiatives.

At the operational level, Daily Management receives quarterly updates from department heads, including: the Head of Sustainability, Head of Human Resources, Head of Energy, Head of Compliance. In addition to scheduled updates, the Daily Management is also informed on an ad-hoc basis regarding pressing issues, ensuring real-time responsiveness to sustainability-related challenges.

### Integration of Sustainability Considerations in Decision-Making

Impacts, risks and opportunities are taken into consideration during in-depth analysis of sustainability-linked topics, stakeholders engagement processes and subsequent discussions by the Daily Management and Board of Directors, based on reports from Board Committees and senior management. Where necessary, strategy, operations and risk management processes are adapted to address identified impacts, risk and opportunities.

The Company adopts a similar approach to ESG-related impacts, risks and opportunities related, such as analysis of employee satisfaction and needs, and tenant satisfaction. Furthermore, technical due diligences, with an increasing focus on sustainability-linked topics, are carefully evaluated by senior management prior to major asset transactions. No trade-offs associated with those impacts, risks and opportunities were considered.

### Key Material Impacts, Risks, and Opportunities Addressed in 2024

In 2024, the Board of Directors and its committees addressed several material topics, starting with a review of the Double Materiality Assessment results and in-depth discussions on impacts, risks and opportunities:

Material Impacts:

- Climate Mitigation and Energy Efficiency: internal processes for managing the EPC (Energy Performance Certificate) Database. The aim was to optimise the process of identifying and prioritising energy-inefficient assets for improvement programmes.
- Value chain impacts, particularly, the approval of an updated Human Rights Policy to ensure compliance with labour standards in the Code of Conduct for Business Partners.

Material Risks:

- Regulatory risk: Updates on the EU Energy Performance of Buildings Directive (EPBD) and its potential impact on high-priority assets (EPC F, G, H-rated properties).
- Transition risk: Strategies for energy improvement across high-priority assets, including progress on ongoing energy audits and their alignment with GCP's Transition Plan.
- Climate risk: Ongoing physical and transition climate risk assessments affecting property portfolios in Germany and the UK.

Material Opportunities:

- Competitive Advantage in Energy Performance Improvements: Due to GCP's scale, expertise, and network, the Company is well-positioned compared to the overall market in adapting to the requirements of the EPBD. This positioning provides a competitive advantage and potential growth opportunities, as energy efficiency regulations become more stringent.
- Employee engagement initiatives: Launch of the "Activate the Base" Program, which enables employees to develop and implement their own ESG projects.
- Innovation and technology investment: GCP's parent company, Aroundtown, has launched the Accelerator Program, ATechX, from which GCP may profit. Developed alongside venture capitals, ATechX recognise, deploys and invests in cutting-edge early-stage technologies that are shaping products and business models within the real estate sector. Currently ATechX has onboarded six start-ups focusing on different areas of the real estate business, including monitoring, controlling

and valves and BMS AI. Together with these companies, GCP is running pilots for energy optimization and savings potential.

- Employer branding and talent attraction: GCP aims to strengthen its position as a top employer in the residential real estate sector and has made significant progress towards this goal in 2024.
- Tenant management improvements: Updates on tenant engagement strategies and actions taken to enhance resident satisfaction.

## GOV 3 – INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES

GCP integrates sustainability-related performance metrics into its Remuneration Policy. For details on GCP's Remuneration Policy, please refer to the Remuneration Policy section on our Corporate Governance page. The incentive schemes at GCP are designed with the following characteristics:

- Performance-Based Metrics: The variable components of remuneration are directly linked to the achievement of sustainability-related targets. Further details of these targets are provided below.
- Scope of Inclusion: The Remuneration Policy applies to directors and Daily Management as defined in the below.

The Remuneration Policy includes two specific sustainability-related performance targets as part of the incentive structure:

1. Maintenance or improvement of ESG ratings(*): GCP aims to maintain or improve its score in at least key scoring criteria areas across its prioritised ESG ratings compared to the previous financial year.
2. Enhancement of the portfolio's energy efficiency: The Company seeks to improve the energy rating profile of its real estate portfolio, measured against the baseline at the end of the previous financial year.

The Remuneration Policy, which outlines these sustainability-linked criteria, is formally approved by the Board of Directors and subject to regular review.

Following the conclusion of each fiscal year, the Company prepares a detailed Remuneration Report as part of the materials distributed before the next Annual General Meeting. These materials are prepared in accordance with Article 7 of the Luxembourg law of 24 May 2011 (the "2011 Law"), implementing the Shareholder Rights Directive II (EU) 2017/828. These reports designate the specific percentages of variable remuneration based on either financial or sustainability performance targets. The materials are published annually on the General Meeting pages found under the Investor Relations web page in the Company's website.

(*) ESG ratings are third-party, independent assessments of a Company's ESG performance and GCP participates in several such ratings

The terms of GCP's incentive schemes are approved and updated at the Board of Directors' level, based on recommendations from the Remuneration Committee. This process ensures: alignment with GCP's strategic sustainability goals and adherence to corporate governance best practices. The current Remuneration Policy underwent review and approval by the Remuneration Committee, the Board of Directors and presentation to shareholders at the 2024 Annual General Meeting (AGM) for a non-binding advisory vote, where it received approval. As per section 7.2 of the Remuneration Policy, the policy will be submitted to the AGM every four years, or earlier in the event of a material change to the remuneration structure.

## GOV 4 – STATEMENT ON DUE DILIGENCE

In the below table, we map core elements of our due diligence processes across multiple sections of our Consolidated Sustainability Statement.

**Table 4**

| Core elements of due diligence | Paragraphs in the Consolidated Sustainability Statement |
|---|---|
| a. Embedding due diligence in governance, strategy and business model | ESRS 2 GOV-5, ESRS 2 SBM-1, ESRS 2 SBM-2 |
| b. Engaging with affected stakeholders in all key steps of the due diligence | ESRS 2 SBM-1, ESRS 2 SBM-2, S2.SBM-3 S2-4, G1-2 |
| c. Identifying and assessing adverse impacts | S2.SBM-3, S2-1, S2-4, G1-2 |
| d. Taking actions to address those adverse impacts | S2.SBM-3, S2-1, S2-4, G1-2 |
| e. Tracking the effectiveness of these efforts and communicating | S2-4, S2-5, G1-2 |

## GOV 5 – RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING

### Risk Management and Internal Controls Over Sustainability Reporting

Effective risk management and internal controls are integral to ensuring the accuracy, transparency, and compliance of GCP's sustainability reporting. The Company has established a structured framework that integrates sustainability-related risks within its broader enterprise risk management system. This approach ensures that material sustainability impacts, risks, and opportunities are identified, assessed, and effectively mitigated, reinforcing the credibility and reliability of GCP's disclosures.

### Framework for Risk Management and Internal Controls

GCP has implemented a comprehensive internal control process to prevent risks associated with sustainability reporting. This includes a multi-step review and approval process to ensure data accuracy, proper oversight, and compliance with reporting standards. Any information related to sustainability is first reviewed by the head of the relevant department, followed by verification by the Sustainability Department, which ensures that the content accurately reflects actual circumstances and prevents misleading information. The Daily Management conducts an additional review before the Audit Committee assesses the report and provides a recommendation to the Board of Directors for final approval.

Beyond these procedural safeguards, GCP's risk management and internal control framework encompasses:

- Integration with Enterprise Risk Management: Sustainability risks are embedded in the Company's broader risk management framework, ensuring that sustainability considerations are treated with the same level of oversight as financial and operational risks.
- Governance Structure: Each department has designated individuals responsible for their specific area, such as HR, Energy, and Compliance, ensuring clear accountability in sustainability reporting.
- Regulatory Monitoring and Compliance: The Sustainability Department and Compliance Department continuously monitor regulatory updates through industry groups, webinars, and external legal assessments to ensure that sustainability reporting remains compliant with evolving standards.
- Digital Tools and Technology: GCP is currently reviewing software solutions to enhance the tracking, documentation, and reporting of both qualitative and quantitative sustainability data.

By embedding sustainability risks within its enterprise-wide governance and internal control systems, GCP enhances the reliability of its sustainability disclosures and ensures alignment with CSRD and ESRS requirements.

### Risk Assessment Approach

To effectively manage sustainability risks, GCP employs a structured risk assessment process that includes both qualitative and quantitative methodologies. The Company-wide risk assessment classifies risks into strategic, operational, compliance, and reporting categories, with prioritisation based on likelihood of occurrence and potential impact. This approach allows GCP to determine which risks require immediate action, ensuring that sustainability concerns are addressed in a timely and structured manner. In addition, GCP conducts a Double Materiality Assessment ("DMA") in accordance with ESRS requirements. This ensures that sustainability risks are assessed not only in terms of their financial impact on the Company but also in terms of their broader societal and environmental implications. The DMA is updated when material changes occur in the business context, and it incorporates stakeholder input and industry benchmarking to maintain relevance. To complement this, GCP conducts qualitative and quantitative assessments, such as scenario analysis and data modelling which are used to evaluate potential financial and operational implications of sustainability risks. By applying these tools, GCP strengthens its ability to anticipate and mitigate risks related to climate change, regulatory compliance, and corporate reputation.

### Key Risks and Mitigation Strategies

Through its 2024 risk assessment, GCP identified several key sustainability reporting risks, each addressed with targeted mitigation strategies:

1. Data Accuracy and Completeness: Risk of inaccurate and incomplete sustainability data collection and reporting.

    - Mitigation: Internal controls are implemented by the Company Sustainability Department. Any information published on specific topics is first reviewed by the head of the relevant department and then approved. Following this, the Sustainability Department conducts its own checks and controls to verify that the content accurately reflects actual circumstances and ensures no misleading information is included. Subsequently, the sustainability report is submitted for approval by the ESG and Audit committees.

      Quantitative data collection is monitored throughout the year with internal controls, including reviews by data owners, department heads, and the Sustainability department to ensure accuracy and identify errors early.

2. Regulatory and Compliance: Risk of non-compliance with evolving sustainability regulations.

   - Mitigation: Continuous monitoring of sustainability regulations across several departments. Regular updates to internal policies, engagement with legal experts, and proactive monitoring of regulatory changes through GCP's compliance and sustainability departments as part of the departments' ongoing responsibilities. The Company also works with external advisors to ensure alignment with increasing reporting requirements and sustainability regulations.

3. Stakeholder Trust: Risk of diminished trust due to incomplete or unclear reporting.

   - Mitigation: Enhanced stakeholder communication channels are reinforced through targeted publications, such as sustainability reports and press releases, ensuring accessible and consistent information flow. Additionally, independent third-party limited assurance is implemented to verify the accuracy and reliability of reports, enhancing credibility and compliance with reporting standards.

4. Value Chain Transparency: Limited visibility over ESG performance of suppliers and contractors.

   - Mitigation: Business partner due diligence is conducted to determine negative or risk-related information about suppliers and assess their mandatory adherence to the Code of Conduct for Business Partners. This includes regular assessments, controls, and reviews to ensure compliance with the law.

These mitigation strategies ensure that GCP's sustainability reporting remains accurate, transparent, and aligned with stakeholders' expectations.

### Integration of Risk Findings into Business Operations

The findings from risk assessments and internal controls are systematically integrated into GCP's internal processes, ensuring continuous improvement in sustainability reporting and risk management.

- Policy Adjustments: Findings inform strategic updates to sustainability-linked and Human Rights-related policies, reinforcing their relevance and effectiveness in alignment with our corporate values.
- Operational Enhancements: Cross-functional collaboration between Energy, Operations, and Compliance departments ensures the implementation of targeted mitigation strategies.
- Training Programs: Employee training curricula are regularly updated to address identified knowledge gaps related to sustainability compliance.
- Strategic Alignment: Sustainability risk assessments directly influence GCP's ESG strategy and annual sustainability objectives, reinforcing a proactive approach to risk management.
- Periodic Reporting and Board Oversight

To maintain accountability, GCP ensures that sustainability risk management findings are regularly reported to its governing bodies. The Chief Risk Officer presents sustainability risk findings to the risk assessment findings at least once per year, or as needed. Furthermore, any risks identified by individual departments (e.g., Energy, Operations, Compliance) are escalated to the relevant Board Committees, ensuring targeted oversight. The frequency of risk reporting aligns with each committee's Rules of Procedure, ensuring a structured review process. The Chief Risk Officer also informs the Daily Management in regular but ad-hoc management meetings.

## SBM-1 - STRATEGY, BUSINESS MODEL AND VALUE CHAIN

### Business Model and Strategy in Relation to Sustainability

GCP is a leading residential real estate firm specialising in properties in densely populated urban areas with strong and sustainable economic conditions and sustainable demographic growth. GCP creates value by reducing vacancies, adjusting rents to market levels, improving operational cost efficiency, increasing market visibility, and identifying high-return CapEx investments. Additionally, the Company is leveraging its scale for greater efficiencies. By implementing strategic energy-efficient measures, GCP strengthens the long-term sustainability and resilience of its portfolio while enhancing operational performance thus contributing to the reduction of $CO_2$ emissions and resource consumption.

### Overview of Products and Services

GCP specialises in residential real estate, offering a well-balanced mix of affordable housing with value-add opportunities in densely populated areas in Germany as well as in the United Kingdom. Its portfolio is located mainly in Berlin, North Rhine-Westphalia, Dresden, Leipzig, and Halle as well as in the United Kingdom.

The Company's tenant services include affordable housing solutions with community-focused amenities, as well as tenant digital services via the GCP app (for lease management, service requests, and energy monitoring). Finally, GCP also focuses on asset management, which includes among other targeted level of Capex investments focused on the upgrading of its buildings including for energy efficiency and modern living, thereby improving tenant living standards while enhancing energy performance. Please see the Company Strategy and Business model section, in the Board of Directors

Report for further details. In 2024, no additional products and services were added nor were products and services removed.

Operating primarily in Germany and complemented by its portfolio in London, UK, GCP caters to diverse customer groups: private tenants, such as individuals seeking affordable urban housing, families, and professionals; public sector & social housing. A portion of GCP's portfolio includes social and subsidized housing in both Germany and the UK. As mentioned above, GCP's affordable housing model and its tenant-first approach are directly related to sustainability matters and the Company's business model and strategy.

### Workforce Overview

The Daily Management and GCP's workforce is primarily based in Germany and London, with an additional management team in Luxembourg.

As of 31 December 2024, GCP employed 836 employees across its operational locations. This figure includes:

- Permanent Employees: 614 (73% of the total workforce).
- Temporary Employees: 222 (27% of the total workforce).
- Full-Time Employees: 744 (89% of the total workforce).
- Part-Time Employees: 89 (11% of the total workforce).
- Non-Guaranteed Hours Employees: 3 (0.4 % of the total workforce).

This headcount excludes external contractors and temporary workers engaged through third-party agreements. Further details on employee demographics can be found in section S1-6.

### Sustainability-Related Goals and Performance Assessment

GCP's sustainability-related goals in terms of products and services focus on enhancing environmental performance and addressing social priorities within its real estate portfolio and company operations. More concretely this refers to switching to green energy supply as well as the targeted upgrading of GCP's assets to higher energy efficiency to reduce GHG emissions, as well as other environmental goals such as the reduction of waste and water consumption linked to our buildings. GCP generally sets targets on a Company-level. However, there may be some geographical differences regarding energy efficiency goals for example due to national laws in the Germany and the UK setting higher standards for energy performance certificates than Germany.

The Company is also committed to providing affordable, appropriate-quality housing in metropolitan areas, addressing critical social needs while maintaining strong tenant satisfaction. Additionally, GCP prioritises strengthening relationships with tenants and local communities by implementing enhanced engagement mechanisms and targeted support programmes. These initiatives foster trust and collaboration, ensuring stakeholder expectations are met while advancing GCP's sustainability objectives.

Regarding the assessment of current significant products, services, markets and customer groups for GCP and their relation to sustainability-related goals, it is clear that GCP's commitment to affordable, energy-efficient housing aligns with global sustainability targets. Through technological innovation, green building upgrades, and tenant-focused services, GCP ensures long-term environmental and social impact while maintaining business profitability.

In the field of residential rental housing, GCP provides affordable housing solutions, ensuring long-term tenant stability. Furthermore, and on a targeted basis, it upgrades older buildings with energy-efficient renovations (e.g. insulation, heating system modernization and heat pumps) and focuses on social and community well-being through tenant engagement programs and donations by its Foundation. In the area of tenant services & digitalization, GCP's App & Tenant Portal enables paperless lease agreements, online service requests, and energy monitoring. On a regular basis, GCP fosters sustainable living awareness by educating tenants on energy conservation and incentivises lower carbon footprint behaviours. The Company's loyalty program & community engagement promotes tenant well-being, reducing turnover rates and is strengthening communities. GCP's Asset Management integrates energy efficiency consideration into its operations. The Company's main impact on GHG emissions reduction stems from the transition to green energy sources and efforts to optimise energy consumption. These actions align with the Company's sustainability goals: Climate Action ($CO_2$ Emissions Reduction Goal – 40% by 2030 vs. 2019 levels); Continue to offer affordable housing, ensuring inclusivity and long-term social stability; Increased Energy Efficiency & Renewable Energy Use in property management. For more information on this topic, please see: BP-2.

GCP integrates sustainability considerations into its core strategy, ensuring that its real estate operations, investments, and tenant engagement align with ESG goals. Hence, there are a number of elements of the strategy that relate to or impact sustainability matters and are taken into consideration.

A key pillar of GCP's sustainability approach is its commitment to energy-efficient real estate. Furthermore, we have started investing in renewable energy solutions, such as solar panel installations, to support its long-term decarbonisation strategy. Beyond operational energy management, GCP integrates sustainability principles into its construction and renovation practices. Where needed, the Company is retrofitting older properties with enhanced insulation, energy-efficient windows, and modern heating systems to ensure compliance with evolving energy regulations and tenant expectations.

However, this transition presents notable challenges. High initial investment costs remain a significant barrier, particularly when implementing large-scale efficiency upgrades. Additionally, stricter EU regulations, such as the EU Taxonomy for sustainable activities, require ongoing compliance efforts and enhanced reporting. Another major challenge is the decarbonization of an aging real estate portfolio, especially in historic city centres where modern energy solutions are more difficult to implement.

To address these challenges, GCP is also increasing its reliance on electrification and renewable energy sources, gradually reducing dependence on fossil fuels through investments in solar energy and heat pumps. Circular economy principles are becoming more integrated into asset management, with a growing focus on reducing construction waste and promoting material reuse in property renovations.

### Business Model and Value Chain

GCP's business model involves acquiring, modernising, and managing residential properties to enhance tenant experiences while meeting sustainability targets. Its value chain includes partnerships with construction firms, energy suppliers, and IT providers to enhance property standards and operational efficiency. For details on the business model, please refer to the section "Company Strategy and Business" in the Board of Directors' report.

GCP's inputs include capital investment in property acquisition and renovation, energy-efficient materials, and tenant feedback. These inputs are sourced through rigorous due diligence process, such as supplier alignment with its Code of Conduct for Business Partners, and thorough legal and KYC processes for sourcing of capital and acquisition opportunities. Outputs include availability of housing units, including upgraded and energy-efficient housing units, enhanced tenant services through digital platforms, and improved stakeholder trust through transparent ESG reporting. Those outcomes benefit tenants by providing improved living conditions, investors with stable returns, and communities through sustainable urban development.

GCP's value chain encompasses the wide range of activities that are integral to the Company's business model. It considers the Company's strategy, the external environment in which it operates, and all corresponding stakeholders. At a glance, GCP's value chain is made up of the following:

### Upstream

#### *1. Asset Acquisition*

- **Deal Sourcing:** Evaluating and selecting assets on criteria such as location, market trends, condition, and value-add, yield potential and alignment with investment strategy.
- **Due Diligence:** Conducting legal, financial, operational and ESG assessments of assets to ensure they meet investment goals and align with overall strategy, ESG strategy and risk management.
- **Financing Arrangements:** Securing appropriate financing to purchase or manage assets.

#### *2. Procurement of materials and services*

- **1st tier:** Procurement of services, including but not limited to architectural planning, engineering, energy auditing and general contracting.
- **2nd - 3rd tier:** Mainly material sourcing and construction material production.

### Own operations

#### *3. Property Management*

- **Operational Management:** Day-to-day management of assets, including overseeing building systems, repairs, and tenant services.
- **Tenant Relations:** Managing lease agreements, handling tenant inquiries, and ensuring occupancy rates remain high.
- **Facility Management:** Ensuring that facilities are well-maintained, energy-efficient, and compliant with regulations.
- **Service Contracts:** Outsourcing specific maintenance tasks (e.g., cleaning, landscaping) to third-party service providers.

#### *4. Asset Management*

- **Performance Monitoring:** Tracking the financial performance of properties, including rent collections, operating costs, and profitability.
- **Value Enhancement:** Identifying opportunities to enhance property values, such as upgrading amenities, retrofit projects, and improve energy efficiency.
- **Cost Optimisation:** Reducing operational expenses while upholding property standards, using strategic measures such as energy audits and purchasing agreements.

*5. Marketing and Leasing*

- **Asset Marketing:** Developing marketing strategies to attract and retain tenants.
- **Tenant Retention Programs:** Implementing programs to enhance tenant satisfaction, such as community-engagement initiatives.

*6. ESG, Compliance and Risk Management*

- **Legal Compliance:** Ensuring adherence to safety regulations, residential tenancy law, property taxes, and other legal obligations.
- **Health & Safety Management:** Implementing safety standards for tenants and visitors, including fire safety, emergency planning, and regular inspections.
- **ESG Initiatives:** Increasing focus on initiatives such as energy efficiency and green building certifications, as well as other measures that improve the sustainability performance of the assets.

*7. Refurbishment*

- **Refurbishment and asset improvements:** Upgrading, renovating, or modernising existing properties to enhance their operational, financial and/or sustainability performance. This includes refurbishments and other maintenance measures aimed at maintaining asset quality and enhancing energy efficiency.

### Downstream

*8. Consolidated Reporting and Investor Relations*

- **Financial and ESG Reporting:** Regularly providing financial and non-financial statement to relevant stakeholders and the public, as well as analysing key performance indicators (KPIs) that are relevant to operational, financial and sustainability performance of the Company.
- **Investor Relations:** Managing relationships with investors, conveying the Company's strategy and performance, maintaining an open channel for communications.

*9. Exit Strategies*

- **Selling assets:** Capital recycling through the sales of assets.
- **Real estate brokers:** Maintaining relationship with local and nationwide brokers that facilitate property sales.

## SBM-2- INTERESTS AND VIEW OF STAKEHOLDERS

### Stakeholder Engagement and Integration into Business Strategy

GCP recognises that stakeholder engagement is fundamental to achieving its sustainability and business objectives. By fostering transparency, inclusivity, and responsiveness, the Company ensures that stakeholder insights inform its strategic direction, sustainability initiatives, and operational improvements.

### Stakeholder Engagement Approach

GCP's stakeholder engagement process involves diverse mechanisms: surveys, roundtables, direct consultations, a customer service centre and digital platforms, including the GCP Tenant App to facilitate continuous interaction with stakeholders. Overall, stakeholder engagement is integrated into operational processes and decision-making to align with GCP's sustainability objectives.

### Key Stakeholders and Their Roles

GCP identifies its key stakeholder groups, reflecting their varying interests and interactions with the Company. The listed below represent those groups identified in the DMA process:

- Tenants: Tenants engaging with GCP properties and services, comprising primarily residential households.
- Employees: Employed staff of the Company.
- Investors: Institutional investors, such as pension funds, asset managers and sovereign funds, lending partners such as banks, and private persons, such as retail shareholders, with financial stakes in GCP.
- Local Communities: Neighbourhoods impacted by GCP's property operations.
- Suppliers and Contractors: Business partners providing materials, construction, and maintenance services.

GCP categorises key stakeholders based on their roles within its value chain as internal stakeholders: employees, and external stakeholders: tenants, workers in the value chain, local communities, suppliers, investors, and financial institutions.

### Organisation of Stakeholder Engagement

Whereas the engagement coordination and oversight lie with the Sustainability Department, individual GCP departments, such as Operations, Customer Service and Communications, are involved in the actual organisation of stakeholder engagement initiatives and mechanisms:

- Feedback provided by tenants throughout the year via GCP's Customer Service Centre and engagement between the Company's other service agents and tenants directly.
- Tenant and community events organized several times a year at our assets and within the surrounding neighbourhoods.
- Annual employee satisfaction surveys, as well as regular HR Roundtables.
- Quarterly investor meetings, investor conferences and roadshows, annual general meeting of shareholders, and financial disclosures.
- Supplier evaluations and adherence to the Code of Conduct for Business Partners through our Business Partner and Know-Your-Customer teams.

This structured approach ensures that stakeholder concerns are systematically gathered and addressed, and aligned to the DMA process.

### Purpose and Impact of Stakeholder Engagement

The purpose of stakeholder engagement at GCP is to identify and address material sustainability impacts, risks, and opportunities. Engagement efforts aim to foster trust and collaboration with tenants, employees, and external partners while ensuring business practices align with stakeholder expectations and regulatory requirements. By incorporating stakeholder insights, GCP enhances its sustainability goals through informed and effective strategies.

Stakeholder engagement outcomes are continuously analysed and integrated into GCP's operations and strategic planning:

- Tenant feedback provided to GCP's Customer Service informs property upgrades and service improvements, as well as tenant and community engagement.
- Investor feedback shapes (ESG) disclosures and reporting practices.
- Supplier assessments lead to enhanced due diligence and contract requirements.

While stakeholder feedback plays a crucial role in refining GCP's practices, it has not led to major amendments to the Company's overall strategy or business model in recent years.

### Stakeholder Views in Strategy and Business Model

GCP considers the interests and views of its key stakeholders in shaping its strategy and business model. Tenants prioritise affordable housing, reliable services, and energy-efficient properties, while employees seek career development, fair treatment, and workplace safety. Investors focus on transparent ESG reporting, compliance, appropriate risk management, and stable returns. Local communities emphasise social responsibility, environmental stewardship, and local development. Suppliers emphasise working conditions and reliable payments as their main interest. This stakeholder understanding is integrated into GCP's materiality assessments, guiding strategic decision-making and sustainability initiatives.

### Governance and Stakeholder Insights in Sustainability Decision-Making

The Board of Directors and the Daily Management are informed about the views and interests of affected stakeholders with regard to the Company's sustainability-related impacts by the ESG Committee and the heads of department regarding specific topics in their area of responsibility. Such information is included in meeting presentations to the Board and the Daily Management. For example, the Sustainability Department presents the outcome of the DMA, which is the assessment of the Company's affected stakeholders' views, and the Human Resources Department presents results from employee satisfaction surveys. The Board evaluates the information and findings presented to them during quarterly governance meetings to refine sustainability strategies.

## SBM-3 - MATERIAL IMPACTS RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

As part of our structured methodology to identify impacts, risks, and opportunities (IROs) and to integrate these ESG considerations into our risk management framework, GCP utilises the DMA process in alignment with the ESRS 1 section 3.

In 2024, GCP conducted its most recent comprehensive DMA which identified the following material positive and negative impacts on people and the environment, risks and opportunities, the business operations and/or value chain that they relate to as well as the relevant time horizons of material impacts, categorised as:

- Short-term time horizon (12 months)
- Medium-term time horizon (1–5 years)
- Long-term (>5 years)

Of the 40 topics assessed, four of them were found to be of either environmental, social or governance impact, nine were found to be also financially material to the business, framed under the following ESRS topics:

## E1 Climate Change

Real estate is a major contributor to climate change, accounting for nearly 40% of global carbon emissions through construction, energy use, and building materials(*). This area was also identified as having the most material impact on the environment and people and as having the greatest potential for positive impact through strategic investment in energy efficient building operations and renewable energy generation. Both energy efficiency and low carbon energy supply are also identified as posing material risks to the business model as well as providing opportunities.

The following material impacts, risks and opportunities related to climate change were identified for GCP:

(*) for further details, see: United Nations Environment Programme Finance Initiative (UNEP FI), 40% of Emissions Come from Real Estate – Here's How the Sector Can Decarbonize, 2022

**Table 5**

| ESRS Sub-topic | Sub-sub-topic | IRO Category | Description | Value Chain | Time Horizon |
|---|---|---|---|---|---|
| Climate Change Mitigation | Greenhouse gas (GHG) emissions | Negative impact | GHG emissions from building construction and operations (direct landlord-GHG-emissions and indirect tenant GHG emissions) | Own operations and Value chain (downstream) | Long-term |
| | Renewable energy | Positive impact | Decreased GHG emissions from increasing renewable energy production and/or procurement | Own operations | Long-term |
| | | Risk | Staying behind in transition towards green economy (e.g., lower EU Taxonomy-alignment, less interest from sustainability-oriented investors) | | Medium-term |
| | | Opportunity | Decentral production of renewable energy; more dynamic integration into energy network and demand response technologies requirements; renewable energy procurement | | |
| | Financing green investment | Positive impact | Increase of capital available for green investments | Own operations | Medium-term |
| | Energy efficiency | Positive impact | Improvements of energy efficiency in building operations and introduction of energy-efficient building technologies | Own operations and Value chain (downstream) | Long-term |
| | Low carbon transport | Positive impact | Availability of EV charging stations | Own operations | Short-term / Long-term |
| | Transition legislation | Risk | Introduction of new taxes and laws; particularly material for potentially locked-in GHG emissions | Own operations | Medium-term |
| | Transition to low-carbon economy (incl. Net Zero Carbon) | Risk | Investment requirements and technical challenges associated with decarbonisation and transition legislation | Own operations | Medium-term |
| | | Opportunity | Financing opportunities (e.g., subsidies) for transition plans | | |
| | | Opportunity | Better alignment with increased sustainability-related market expectations, attracting sustainability-oriented tenants | | |
| Energy | Energy consumption and intensity | Positive or Negative impact | Impact on energy consumption of building operations from decisions on implemented building technology | Own operations and Value chain (downstream) | Long-term |
| | | Risk | Increased pressure to lower energy consumption and intensity resulting in costs of improvements and technological challenges | | |
| | | Opportunity | Decreased energy costs from energy efficiency upgrades | | |

## E2 Pollution

Linked to the before-mentioned significant energy consumption of GCP's building portfolio and the fact that a large proportion of it is generated from fossil fuels, air pollution linked to fossil fuel combustion was also identified as having a potential material negative impact on GCP's business operations and the environment:

**Table 6**

| ESRS Sub-topic | Sub-sub-topic | IRO Category | Description | Value Chain | Time Horizon |
|---|---|---|---|---|---|
| Air pollution | | Negative impact | Emissions from fossil fuel-based heating and energy consumption | Own operations and Value chain (downstream) | Long-term |

## S1 Own Workforce

The DMA identified that GCP as a large employer is able to create significant positive impact on staff social and financial wellbeing through its various employment policies. At the same time, risks and opportunities linked to attracting and nurturing talent in a competitive labour market were identified as material to GCP's business success. Material impacts, risks and opportunities related to GCP's own workforce were identified as:

**Table 7**

| ESRS Sub-topic | Sub-sub-topic | IRO Category | Description | Value Chain | Time Horizon |
|---|---|---|---|---|---|
| Working conditions | Working time | Positive impact | Compliance with at least relevant legislation | Own operations | Short-term / Long-term |
| | | Risk | Availability and cost of adequate workforce | | Medium-term |
| | | Opportunity | Employer attractiveness to adequate workforce in relation to provision of adequate working time | | Medium-term |
| | Adequate wages(*) | Positive impact | Policies on adequate wages and compliance with at least relevant legislation | Own operations | Short-term / Long-term |
| | | Risk | Availability and cost of adequate workforce | | Medium-term |
| | | Opportunity | Employer attractiveness to adequate workforce in relation to provision of adequate wages | | Medium-term |
| | Work-life balance | Positive impact | Existence of flexible working (or similar) policies and procedures | Own operations | Short-term / Long-term |
| | | Risk | Availability and cost of adequate workforce | | |
| | | Opportunity | Employer attractiveness to adequate workforce in relation to provision of work-life balance | | |
| | Health and safety | Positive impact | Policies and procedures regarding safeguarding of health and safety of own workforce and compliance with at least relevant legislation | Own operations | Short-term / Long-term |
| | | Risk | Availability and cost of adequate workforce | | |
| | | Opportunity | Employer attractiveness to adequate workforce in relation to provision of health and safety | | |
| | Secure employment | Positive impact | Policies regarding secure employment | Own operations | Short-term / Long-term |
| | | Risk | Availability and cost of adequate workforce | | Short-term / Long-term |
| | | Opportunity | Employer attractiveness to adequate workforce in relation to provision of secure employment | | Medium-term |
| | Social dialogue | Positive impact | Policies and procedures regarding social dialogue between employers and own workforce | Own operations | Short-term / Long-term |
| | Freedom of association, the existence of works councils and the information, consultation and participation rights of workers | Positive impact | Policies and procedures regarding freedom of association | Own operations | Short-term / Long-term |
| Equal treatment and opportunities for all | Gender equality and equal pay for work of equal value | Positive impact | Policies and procedures regarding gender equality and equal pay for work of equal value | Own operations | Short-term / Long-term |
| | Training and skills development | Positive impact | Provision of training and skills development | Own operations | Short-term / Long-term |
| | Employment and inclusion of persons with disabilities | Positive impact | Policies and practices regarding employment of persons with disabilities | Own operations | Short-term / Long-term |
| | Measures against violence and harassment in the workplace | Positive impact | Existence of measures against violence and harassment in the workplace | Own operations | Short-term / Long-term |
| | Diversity | Positive impact | Policies and procedures to promote diversity and inclusion in the workplace | Own operations | Short-term / Long-term |
| Other work-related rights | Privacy | Positive impact | Policies and procedures regarding privacy of workers and employees | Own operations | Short-term / Long-term |

(*) adequate wages is defined by ESRS as following minimum wage requirements in the national member states

## S2 Workers in the Value Chain

Workers in GCP's value chain includes contracting companies, suppliers and business partners and their staff, which are impacted in similar ways to GCP's own workforce. Those workers identified to have a higher negative impact were external construction workers. Material GCP impacts to workers in GCP's value chain were identified as:

**Table 8**

| ESRS Sub-topic | Sub-sub-topic | IRO Category | Description | Value Chain | Time Horizon |
|---|---|---|---|---|---|
| Working conditions | Secure employment | Positive impact | Employment contracts meet at least the minimum local standards, other than for contractors. E.g. pension and health insurance contributions, guaranteed hours, at or above minimum wage | Value chain (upstream) | Short-term / Long-term |
| | Working time | Positive impact | Policies regarding working time and compliance with at least relevant legislation | Value chain (upstream) | Short-term / Long-term |
| | Adequate wages | Positive impact | Policies on adequate wages and compliance with at least relevant legislation | Value chain (upstream) | Short-term / Long-term |
| | Health and safety | Positive impact | Existence of Health and safety policies | Value chain (upstream) | Short-term / Long-term |

## S3 Affected Communities

Access to affordable and high-quality housing continues to be a challenge particularly in large cities like Berlin. Investing in this area is one the cornerstones of GCP's business strategy. In the current reporting year material GCP impacts, risks and opportunities related to communities and its people in which GCP own and operate buildings were hence identified as:

**Table 9**

| ESRS Sub-topic | Sub-sub-topic | IRO Category | Description | Value Chain | Time Horizon |
|---|---|---|---|---|---|
| Communities' economic, social and cultural rights | Adequate housing | Positive Impact | Adequate housing for communities affected by firm's assets and activities | Own operations and Value chain (downstream) | Short-term / Long-term |
| | | Opportunity | Providing access to adequate housing to communities within scope of residential portfolio | | |

## S4 Consumers & End Users

In the current reporting year transparent and secure information flow was identified as material to GCP's tenants and thus also to GCP's business operations. Impacts, risks and opportunities linked to our consumers and end users, that is our tenants, were identified as:

**Table 10**

| ESRS Sub-topic | Sub-sub-topic | IRO Category | Description | Value Chain | Time Horizon |
|---|---|---|---|---|---|
| Information-related impacts for consumers/or end-user | Access to (quality) information | Positive Impact | Transparent communication on building-related questions | Own operations and Value chain (downstream) | Short-term / Long-term |
| | | Risk | Reputational or legal risk from not giving sufficient access to quality information to consumers and end-users | | Long-term |
| | Privacy | Positive Impact | Policies regarding privacy, e.g. with regards to grievances, personal data, consumption data | | Short-term / Long-term |
| | | Risk | Reputational or legal risk from not respecting privacy of consumers and end-users | | Long-term |

## G1 Business Conduct

Material impacts, risks and opportunities linked to GCP's business conduct, both upstream and downstream, were identified for this reporting year. They are:

**Table 11**

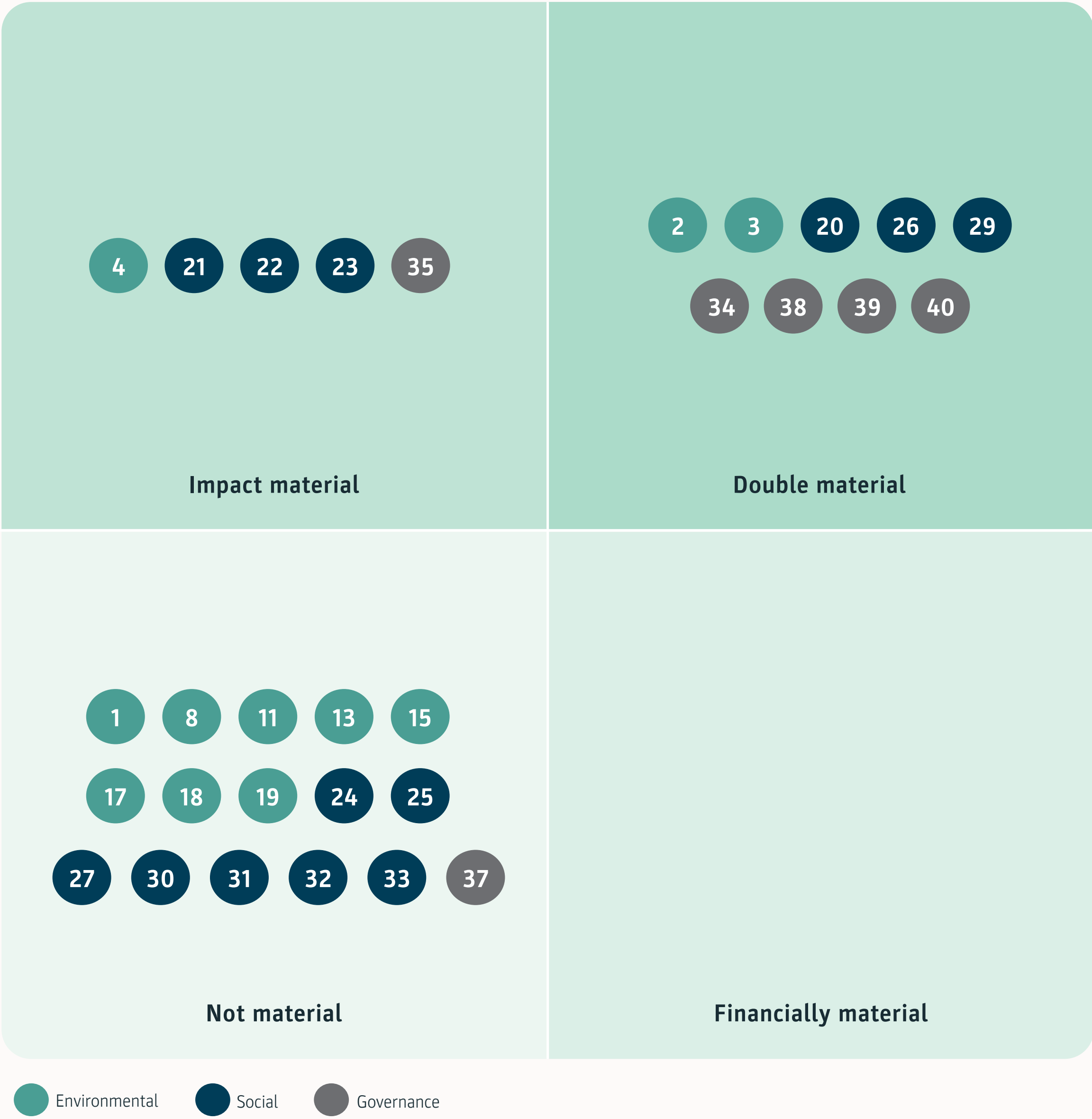
| ESRS Sub-topic | Sub-sub-topic | IRO Category | Description | Value Chain | Time Horizon |
|---|---|---|---|---|---|
| Corporate culture | | Positive impact | Definition of corporate and company culture including mission and vision | Own operations | Short-term / Long-term |
| | | Risk | Reputational risk from not adhering to best business practice standards in relation to corporate culture | | |
| | | Opportunity | Employer attractiveness to adequate workforce by adhering to best business practice standards in relation to corporate culture | | |
| Protection of Whistleblowers | | Positive impact | Existence of protection of whistle-blowers | Own operations | Short-term / Long-term |
| Management of relationships with suppliers including payment practices | | Positive impact | Policies, procedures and practices regarding management of relationships with suppliers | Value chain (upstream) | Short-term / Long-term |
| | | Risk | Reputational and legal risk from not adhering to best business practices regarding management relationships with suppliers | | |
| Corruption and bribery | Incidents | Positive impact | Existence of incidents log | Own operations | Short-term / Long-term |
| | | Risk | Reputational and legal risk from not adhering to best business practices, anticorruption and anti-bribery rules and practices | | |
| | Prevention and detection including training | Positive impact | Existence of prevention and detection mechanisms, including training for exposed staff members | Own operations | Short-term / Long-term |
| | | Risk | Reputational and legal risk from not adhering to best business practices, anticorruption and anti-bribery rules and practices | | |
| Investor relations(*) | Access to capital | Positive and negative impact | Investors sustainability awareness | Own operations and Value chain (upstream) | Short-term / Long-term |
| | | Risk | ESG and climate risk requirements impact access to capital from lenders and institutional investors (e.g., increasing ESG-related expectations | | |
| | | Opportunity | ESG performance could attract new investors and enable access to capital | | |
| | Reputation | Positive and negative impact | Increasingly investors prefer to deploy capital with firms which have a positive reputation for management of ESG issues | Own operations and Value chain (upstream) | Short-term / Long-term |

(*) entity-specific sub-topic

Detailed information regarding specific material impacts, risks, and opportunities is provided in the sections addressing each relevant topical ESRS.

For each of the material IROs, detailed information is provided in the sections below referring to each appropriate topical ESRS, including how material negative and positive impacts affect (or are likely to affect) people or the environment, and how they connect to strategy and business model of the relevant undertaking.

# Materiality Matrix at Sub-Topic Level




## Environmental

**E1 Climate change**

1. Climate Change Adaptation
2. Climate Change Mitigation
3. Energy

**E2 Pollution**

4. Pollution of air
8. Substances of concern

**E3 Water & marine resources**

11. Water

**E4 Biodiversity & ecosystems**

13. Direct impact drivers of biodiversity loss
15. Impacts on the extent and condition of ecosystems

**E5 Resource use and circular economy**

17. Resources inflows, including resource use
18. Resource outflows related to products and services
19. Waste

## Social

**S1 Own workforce**

20. Working conditions
21. Equal treatment and opportunities for all
22. Other work-related rights

**S2 Workers in the value chain**

23. Working conditions
24. Equal treatment and opportunities for all
25. Other work-related rights

**S3 Affected communities**

26. Communities' economic, social and cultural rights
27. Communities' civil and political rights

**S4 Consumers and end-users**

29. Information-related impacts for consumers and/or end-users
30. Personal safety of consumers and/or end-users
31. Social inclusion of consumers and/or end-users
32. Tenant engagement
33. Health and wellbeing of tenants/occupants

## Governance

**G1 Business conduct**

34. Corporate culture
35. Protection of whistle-blowers
37. Political engagement and lobbying activities
38. Management of relationships with suppliers including payment practices
39. Corruption and bribery
40. Investor relations(*)

(*) sub-topic added as sector/entity specific

### Financial Effects of the Material Risks and Opportunities

GCP assesses the financial implications of material risks and opportunities by analysing their impacts on the Company's financial position, performance, and cash flows. Climate-related risks directly influence the Company's financial position, particularly in property valuations and insurance premiums, reflecting market and regulatory shifts in response to evolving environmental considerations. From a financial performance perspective, investments in energy retrofitting projects, while requiring significant upfront costs, offer long-term cost savings by reducing utility expenses and enhancing energy efficiency. These initiatives align with GCP sustainability objectives and improve the operational efficiency across the portfolio. In terms of access to capital, sustainable property upgrades serve as a significant driver in attracting ESG-focused investors. This focus ensures consistent access to capital, strengthens financial stability, and supports the Company's ongoing efforts to align with sustainability goals.

### Resilience of the Business Model and Strategy

GCP's strategy demonstrates resilience by embedding sustainability considerations into its governance framework and operations. Risk assessments and adaptive policies ensure preparedness to address emerging ESG challenges. For each of the material IROs, detailed information is provided in the sections below referring to each appropriate topical ESRS.

### Further Disclosures

Besides the topics defined by the ESRS, GCP identified the following entity-specific topics, which were also determined to be material as part of the DMA process:
G1 Business conduct: Investor relations – access to capital and – reputation.

## IRO- 1 – DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

GCP employs a structured and data-driven approach to identifying, assessing, and managing sustainability-related impacts, risks, and opportunities (IROs). This methodology integrates ESG considerations into the Company's risk management framework, ensuring a comprehensive and proactive response to evolving sustainability challenges and opportunities.

### Methodology for Identifying Impacts, Risks, and Opportunities

GCP conducts a Double Materiality Assessment (DMA), which evaluates sustainability impacts, risks and opportunities across all business activities and the value chain, in alignment with the ESRS 1 section 3. In 2024, GCP conducted a comprehensive DMA which will be reviewed annually and updated if material changes in the business context are identified.

The methodology begins with documenting the business model and mapping the value chain, followed by a relevance workshop to refine a list of IROs. These are scored on dimensions such as likelihood, scale, scope, and irremediability. Surveys targeting both internal and external stakeholders assess the impact and financial materiality of each IRO, with weighted inputs based on stakeholder priority. Any complex topics or gaps identified are resolved through stakeholder interviews and leadership decisions. This systematic approach integrates qualitative and quantitative analyses to ensure comprehensive and CSRD-compliant reporting.

Given the complexity of the DMA, several assumptions were made to streamline the process. The likelihood, scale, scope, and irremediability of each IRO were assessed using a standardized 1–5 scale. This implies that subjective judgments across different stakeholder groups will align sufficiently to ensure consistent results. A threshold of ≥2.5 was set for materiality, despite varying sensitivities across different industries or stakeholder groups. Furthermore, due to lack of accessibility of some stakeholders, internal employees with relevant expertise and regular exposure to these groups represented these external stakeholders. This applies particularly to less accessible groups like communities. Lastly, when stakeholders responded "I don't know" to survey questions, with a threshold of >30% "I don't know" indicated the need for expert intervention and leadership decision-making, to adequately address knowledge gaps.

## Assessment, Prioritisation, and Monitoring of Impacts

GCP's process for identifying, assessing, prioritizing, and monitoring potential and actual impacts on people and the environment is divided into three key stages: understanding the business and its context, identifying and evaluating IROs through surveys and interviews with stakeholders, and determining material sustainability matters. The process begins with a thorough understanding of the company's business model and value chain, where GCP maps its upstream and downstream activities, identifying areas where IROs may occur.

Next, stakeholders are carefully identified and prioritized, including tenants, employees, suppliers, investors and local communities. Each stakeholder group is evaluated based on their influence, immediacy, and impact, ensuring their perspectives are reflected appropriately. A comprehensive list of potential IROs is compiled, informed by sector-specific ESRS topics and internal considerations. This list is further reviewed and refined through collaboration with key departments, such as ESG and Risk.

Once the IROs are identified, they are assessed using a defined scoring framework. Impact materiality is evaluated based on factors like likelihood, scale, scope, and irreversibility, while financial materiality is assessed using monetary thresholds and time horizons. Surveys are distributed to gather stakeholder input on these dimensions, with additional input from the Sustainability Department for more complex evaluations.

The results of these assessments are used to prioritize impacts based on their significance. Topics deemed material are subjected to further analysis and validation through workshops and interviews with senior management, ensuring alignment with stakeholder feedback.

The entire process is underpinned by GCP's set of corporate policies, including its Human Rights Policy, Codes of Conduct for Employees and Code of Conduct for Business Partners, as well as adherence to international standards, including the guidance on the Double Materiality Assessment provided by EFRAG IG 1: Materiality Assessment Implementation Guidance. This guarantees that the assessment is both ethical and comprehensive, addressing the Company's commitment to people and the environment. GCP ensures that the outcomes of this process are accessible, and capable of driving continuous improvement in sustainability practices.

GCP's process is designed to address areas with heightened risk of adverse impacts, focusing on specific activities, business relationships, and geographies. In the supply chain, particular attention is paid to construction and maintenance contractors operating in regions where labour laws are less stringent, ensuring they comply with ethical and sustainability standards.

Within operations, tenant data management processes are monitored for potential GDPR non-compliance, while tenant energy consumption and related GHG emissions are identified as key adverse impacts. Additionally, risks associated with non-compliance with minimum energy standards for rental spaces are carefully managed.

Geographically, the process prioritises properties located in regions vulnerable to physical climate risks, such as flooding. Business relationships are evaluated through supplier questionnaires and periodic audits, with an emphasis on ensuring adherence to human rights and safety standards.

## Managing Direct and Indirect Impacts

GCP distinguishes between direct impacts (own operations) and indirect impacts (business relationships):

- Direct impacts: Arising from tenant interactions, such as housing adequacy and data privacy risks. Managed through tenant service protocols and privacy compliance measures.
- Indirect impacts: Associated to supply chain labour conditions and contractor environmental performance. Addressed through contractual obligations, as well as the Business Partner Code of Conduct.

## Prioritisation of Impacts, Risks, and Opportunities

The DMA follows a structured approach, starting with business model and value chain mapping and a relevance workshop to identify and categorise potential IROs as not relevant, moderately relevant, or highly relevant. Highly relevant topics proceed automatically, while others are further assessed or excluded. Actual negative impacts are assessed based on their severity, while potential negative impacts are evaluated considering both severity and likelihood. The analysis focuses on short-, medium- or long-term. In the case of a potential negative human rights impact, severity takes precedence over likelihood. Stakeholder engagement through surveys, interviews, and workshops ensures a well-rounded validation, with priority given to high-impact stakeholders.

Finally, the results are consolidated and validated through further discussions with key decision-makers. Any topics close to the materiality threshold or flagged as uncertain by stakeholders are reviewed in detail by senior management and the Sustainability Department. Topics with financial materiality undergo an additional review by senior management to ensure they accurately reflect Company risks and opportunities. As a conclusion of these discussions, including also the advice from external consultants, the material information was determined, based on the ESRS structure, in relation to the material impacts, risks and opportunities.

GCP is currently reviewing its process for identifying, assessing, prioritising, and monitoring risks and opportunities with potential financial effects. While still in development, this process involves regular climate risk assessments, the use of Energy Performance Certificates (EPC) to help identify vulnerabilities, and a structured approach to prioritising risks based on urgency and potential financial impact. Monitoring is conducted through KPIs. A more detailed update on the process will be provided in next year's reporting.

GCP considers impacts and dependencies across its value chain and integrates these considerations into its risk and opportunity assessments. Impacts on people, such as tenant satisfaction or health and safety, are closely linked to the Company's reputational and financial performance. Satisfied tenants foster long-term occupancy and trust, reducing turnover costs and enhancing overall portfolio stability.

Environmental dependencies, including energy use and associated GHG emissions, directly influence regulatory compliance and operational costs. Efficient energy management not only mitigates regulatory risks but also reduces expenses, creating opportunities for cost savings and improved sustainability outcomes. By understanding these connections, GCP ensures its strategies are responsive to risks and aligned with long-term value creation.

### Decision-Making and Integration with Risk Management

Each risk and opportunity is evaluated based on:

- Likelihood (historical data and future projections).
- Magnitude (financial, reputational, and operational impact).
- Nature (short-term vs. long-term, direct vs. indirect).

Sustainability-related risks are integrated into GCP's enterprise risk management system, ranking them alongside regulatory and operational risks.

- Oversight by the Risk Committee, Sustainability Department, and Chief Risk Officer.
- Combination of qualitative and quantitative risk assessments, with targeted financial analysis for high-priority IROs.
- Sustainability risks are incorporated into enterprise risk assessments.
- Opportunities (e.g., renewable energy projects) are integrated into strategic planning.
- Stakeholder feedback, market research, and industry tools.

Since last year, we have made two improvements to the way we conduct engagement. These improvements are:

- New digital tools for tenant feedback tracking.
- Expanded stakeholder consultations and climate risk evaluations.

## IRO-2 – DISCLOSURE REQUIREMENTS IN ESRS COVERED BY THE UNDERTAKING'S CONSOLIDATED SUSTAINABILITY STATEMENT

### ESRS Disclosure Requirements Complied with in Preparing Consolidated Sustainability Statement following Outcome of Materiality Assessment

**ESRS 2 General Disclosures**

| Reference | Title | Page Number |
|---|---|---|
| BP-1 | General basis for preparation of the sustainability statement | 37-38 |
| BP-2 | Disclosures in relation to specific circumstances | 38-41 |
| GOV-1 | The role of the administrative, management and supervisory bodies | 41-45 |
| GOV-2 | Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies | 46-47 |
| GOV-3 | Integration of sustainability-related performance in incentive schemes | 47 |
| GOV-4 | Statement on due diligence | 47 |
| GOV-5 | Risk management and internal controls over sustainability reporting | 48-49 |
| SBM-1 | Strategy, business model and value chain | 49-52 |
| SBM-2 | Interests and views of stakeholders | 52-53 |
| SBM-3 | Material impacts, risks and opportunities and their interaction with strategy and business model | 53-59 |
| IRO-1 | Description of the process to identify and assess material impacts, risks and opportunities | 59-61 |
| IRO-2 | Disclosure Requirements in ESRS covered by the undertaking's sustainability statement | 62-64 |
| | List of data points that derive from other EU legislation and information on their location in sustainability statement | 143-145 |

**E1 Climate Change**

| Reference | Title | Page Number |
|---|---|---|
| E.1GOV-3 | Integration of sustainability-related performance in incentive schemes | 66 |
| E1-1 | Transition plan for climate change mitigation | 66-69 |
| EU Taxonomy Disclosures | EU Taxonomy Disclosures | 70-75 |
| E1. SBM-3 | Material impacts, risks and opportunities and their interaction with strategy and business model | 75-80 |
| E1. IRO-1 | Description of the processes to identify and assess material climate-related impacts, risks and opportunities | 75-80 |
| E1-2 | Policies related to climate change mitigation and adaptation | 81 |
| E1-3 | Actions and resources in relation to climate change policies | 81-83 |
| E1-4 | Targets related to climate change mitigation and adaptation | 83-85 |
| E1-5 | Energy consumption and mix | 85-88 |
| E1-6 | Gross Scopes 1, 2, 3 and Total GHG emissions | 88-94 |
| E1-7 | GHG removals and GHG mitigation projects financed through carbon credits | 94 |
| E1-8 | Internal carbon pricing | 94 |

**E2 Pollution**

| Reference | Title | Page Number |
|---|---|---|
| E2. IRO-1 | Description of the processes to identify and assess material pollution-related impacts, risks and opportunities | 96 |
| E2-1 | Policies related to pollution | 96-97 |
| E2-2 | Actions and resources related to pollution | 97 |
| E2-3 | Targets related to pollution | 97 |
| E2-4 | Pollution of air, water and soil | 97 |

| S1 Own Workforce | | |
|---|---|---|
| **Reference** | **Title** | **Page Number** |
| **S1. SBM-2** | Interests and views of stakeholders | 100 |
| **S1. SBM-3** | Material impacts, risks and opportunities and their interaction with strategy and business model | 100-101 |
| **S1-1** | Policies related to own workforce | 102-103 |
| **S1-2** | Processes for engaging with own workforce and workers' representatives about impacts | 103 |
| **S1-3** | Processes to remediate negative impacts and channels for own workforce to raise concerns | 104 |
| **S1-4** | Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions | 104-106 |
| **S1-5** | Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities | 106-107 |
| **S1-6** | Characteristics of the undertaking's employees | 107-109 |
| **S1-9** | Diversity metrics | 109 |
| **S1-10** | Adequate wages | 110 |
| **S-11** | Social protection | 110 |
| **S1-12** | Persons with disabilities | 109 |
| **S1-13** | Training and skills development metrics | 110 |
| **S1-14** | Health and safety metrics | 111 |
| **S1-15** | Work-life balance metrics | 111 |
| **S1-16** | Remuneration metrics (pay gap and total remuneration) | 112 |
| **S1-17** | Incidents, complaints and severe human rights impacts | 112 |

| S2 Workers in the Value Chain | | |
|---|---|---|
| **Reference** | **Title** | **Page Number** |
| **S2. SBM-2** | Interests and views of stakeholders | 113 |
| **S2. SBM-3** | Material impacts, risks and opportunities and their interaction with strategy and business model | 114-115 |
| **S2-1** | Policies related to value chain workers | 115-117 |
| **S2-4** | Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action | 117-118 |
| **S2-5** | Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities | 118-119 |

| S3 Affected Communities | | |
|---|---|---|
| **Reference** | **Title** | **Page Number** |
| **S3. SBM-2** | Interests and views of stakeholders | 120 |
| **S3. SBM-3** | Material impacts, risks and opportunities and their interaction with strategy and business model | 120-122 |
| **S3-1** | Policies Governing Affected Communities | 123 |
| **S3-2** | Processes for engaging with affected communities about impacts | 123-124 |
| **S3-4** | Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions | 124-125 |
| **S3-5** | Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities | 125 |

| S4 Consumers and End-users | | |
|---|---|---|
| **Reference** | **Title** | **Page Number** |
| **S4. SBM-2** | Interests and views of stakeholders | 127 |
| **S4. SBM-3** | Material impacts, risks and opportunities and their interaction with strategy and business model | 127-128 |
| **S4-1** | Policies related to consumers and end-users | 128-129 |
| **S4-2** | Processes for engaging with consumers and end-users about impacts | 129-130 |
| **S4-3** | Processes to remediate negative impacts and channels for consumers and end-users to raise concerns | 130 |
| **S4-4** | Taking action on material impacts on consumers and end- users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions | 131-133 |
| **S4-5** | Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities | 133-134 |

| G1 Business Conduct | | |
|---|---|---|
| **Reference** | **Title** | **Page Number** |
| **G1. GOV-1** | The role of the administrative, management and supervisory bodies | 136 |
| **G1-1** | Business conduct policies and corporate culture | 137-139 |
| **G1-2** | Management of relationships with suppliers | 139-140 |
| **G1-3** | Prevention and detection of corruption and bribery | 140-142 |
| **G1-4** | Incidents of corruption or bribery | 142 |
| **G1-6** | Payment practices | 142 |

# Environmental Information

## ESRS E1 – Climate Change

### INTRODUCTION

Over recent years, the global community, consisting of scientific researchers, governments, multilateral organisations, communities, and the private sector, has increasingly recognised the crucial responsibility to mitigate the negative effects of climate change. The Intergovernmental Panel on Climate Change (IPCC) has made it clear that the international community must limit global warming to +1.5°C in comparison to pre-industrial times, requiring significant reductions in greenhouse gas (GHG) emissions worldwide. Through the Double Materiality Assessment (DMA), key areas have been identified where GCP's business has a significant impact or faces and/or opportunities. With buildings and construction accounting for around 40% of global annual GHG emissions(*), climate change mitigation remains a key material topic for the Company and, in our view, the real estate sector as a whole.

As part of our assessment, we have identified various climate change mitigation topics, along with energy consumption, as material sustainability matters. While climate change adaptation and related physical climate risks are relevant, they have not been classified as material sustainability matters in this year's DMA. However, recognising the importance of that topic, GCP will continue to closely monitor future developments and take necessary actions as appropriate.

(*) for further details, see: United Nations Environment Programme Finance Initiative (UNEP FI), 40% of Emissions Come from Real Estate – Here's How the Sector Can Decarbonize, 2022

| High-level overview of disclosure | |
|---|---|
| **Standard** | **Indicator** |
| **ESRS E1 Climate Change** | E1. GOV-3 Integration of sustainability-related performance in incentive schemes |
| | E1-1 – Transition Plan for climate change mitigation |
| | E1. SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model |
| | E1. IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities |
| | E1-2 – Policies related to climate change mitigation and adaptation |
| | E1-3 – Actions and resources in relation to climate change policies |
| | E1-4 – Targets related to climate change mitigation and adaptation |
| | E1-5 – Energy consumption and mix |
| | E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions |
| | E1-7 - GHG removals and GHG mitigation projects financed through carbon credits |
| | E1-8 - Internal carbon pricing |

IROs or datapoints that were identified as immaterial to GCP are not covered in this report. In some cases, GCP makes use of the phase-in provisions (in accordance with Appendix C of ESRS 1) and is committed to disclosing these datapoints in the coming years.

### Table 12

| Material sustainability matters covered in ESRS E1 | | | | | |
|---|---|---|---|---|---|
| **Sub-topic** | **Sub-sub-topic** | **Material Impact** | **Categorisation IRO** | **Localisation of IRO** | **Time horizon of IRO** |
| Climate change mitigation | Greenhouse gas (GHG) emissions | Impact | Negative Impact | Own operations and Value chain (downstream) | Long-term |
| | Transition to low-carbon economy (incl. Net Zero Carbon) | Financial | Risk/ Opportunity | Own operations | Medium-term |
| | Transition legislation | Financial | Risk | Own operations | Medium-term |
| | Renewable energy | Double | Positive Impact<br>Risk / Opportunity | Own operations | Medium-term / Long-term |
| | Financing green investment | Impact | Positive Impact | Own operations | Medium-term |
| | Energy efficiency | Impact | Positive Impact | Own operations and Value chain (downstream) | Long-term |
| | Low carbon transport | Impact | Positive Impact | Own operations | Short-term/ Long-term |
| Energy | Energy consumption and intensity | Double | Positive Impact or Negative impact<br>Risk/ Opportunity | Own operations and Value chain (downstream) | Long-term |

## E1.GOV 3 – INTEGRATION OF CLIMATE-RELATED PERFORMANCE IN INCENTIVE SCHEMES

The Company integrates climate-related considerations into its renumeration practices by incorporating a climate-related topic into the Remuneration Policy for executive individuals described. This is outlined in the subsection related to disclosure requirement Gov-3 *Integration of Sustainability-Related Performance in Incentive Scheme*s, found in the ESRS 2 Disclosures.

Following the conclusion of each fiscal year, the Company prepares a detailed Remuneration Report as part of the materials distributed before the next Annual General Meeting, published on the Company's website in May or June. These materials are prepared in accordance with Article 7 of the Luxembourg law of 24 May 2011 (the "2011 Law"), implementing the Shareholder Rights Directive II (EU) 2017/828. The materials are published annually on the General Meeting pages found under the Investor Relations web page in the Company's website.

The Remuneration Report will highlight which targets applied to the remuneration for the reporting year and its relation to the Remuneration Policy targets.

## E1-1 CLIMATE TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION

### Development of the Climate Transition Plan

Over the course of 2024, the Company has significantly revised its Climate Transition Plan (previously referred to as the $CO_2$ Reduction Pathway), which outlines the strategy for achieving our published target of 40% reduction in $CO_2$ emissions intensity by 2030 compared against the 2019 baseline.

The Climate Transition Plan prioritises the Company's least energy-efficient assets for initiatives aimed at improving energy performance. The assets are identified based on their exposure to emerging regulation focused on building energy efficiency, GHG emissions reduction and decarbonisation, namely the EU Energy Performance of Buildings Directive (EPBD), which sets efficiency requirements that buildings must meet over the next 10 years. The need for intervention is determined by the building's energy rating, which indicates the asset's current energy performance and whether it complies with regulatory requirements.

In the updated approach of the Climate Transition Plan, property-level data is collected through energy audits to better understand the current situation and consider key decarbonisation levers that can be implemented for each property. Specifically, energy savings and cost data are gathered through these audits to assess the impact of distinct investment packages and their economic feasibility, considering the unique local market dynamics for each property. The sample of data collected from energy audits is used to calculate energy savings and cost parameters for the relevant asset types, which are then extrapolated across the portfolio. Energy audits are still being conducted on an ongoing basis, and as the sample size increases, the Company's plan is continuously updated to improve its accuracy. Additionally, the Company plans to use implementation data from current pilot projects to validate cost assumptions embedded in the plan.

The targets for which the Climate Transition Plan is designed to address are currently not compatible with the limiting of global warming to 1.5°C in line with the Paris Agreement. Please refer to subsection E1.SBM-3 and E1.IRO-1 on *the identification and analysis of material climate-related impacts, risks, and opportunities* for details on how CRREM's target pathways were used to develop the scenario informing consideration of whether the Company's target's compatibility with the limiting of global warming to 1.5°C in line with the Paris Agreement, which the Company applied in its assessment.

### Decarbonisation Levers

The energy audits discussed above provide valuable insights into the energy impact and cost implications of key decarbonisation levers. These insights are consolidated into key investment packages that combine energy efficiency measures and renewable energy systems. These packages prioritise mitigating exposure to emerging energy efficiency regulations as a primary focus. Decarbonisation levers identified within our own operations and downstream in the value chain (i.e. in tenant spaces), with the only upstream measures being energy procurement, include the following:

- Installing solar PV systems
- Pipe insulation, hydraulic balancing, and heating automation measures
- Digitalisation, optimisation, and replacement of heating systems
- Installation of air-source heat pumps and hybrid heat pump systems
- Renewable energy procurement and grid decarbonisation
- Connect to district heating and the planned decarbonisation of heating grids
- Building envelope improvements (insulation, windows)

Key actions planned at this stage involve investments in PV systems and renewable energy procurement, while pilot projects have been launched to begin digitalisation, optimisation of heating systems, implementation of heating automation measures as well as installation of air-source heat pumps and hybrid systems to understand their feasibility on a larger scale. When implementing these heating system-related measures, the possibility for hydraulic balancing to further improve energy efficiency is also considered. Pipe insulation, transition to district heating, and building envelope improvements are only considered when building-specific energy audits have suggested their feasibility since these measures are sensitive to the situation at each property, with the decision on whether to invest depending on financial feasibility.

### Locked in GHG Emissions and Exposure to Fossil Fuel Activity

The heating systems in our properties typically have an operational lifespan of up to 30 years. Hence, investment decisions taken today influence locked-in GHG emissions during this time period. Recognising this impact, we carefully consider these factors when planning renovation measures and replacement of heating systems. Wherever economically and operationally feasible, we prioritise the deployment of low-carbon solutions (e.g. hybrid-heating) or fully electric heating systems (e.g. heat pumps). However, barriers to their implementation, such as local grid capacity and technical feasibility of specific properties, persist. It is also important to note that our business has not invested CapEx related to coal, oil, and gas-related economic activities as defined under ESRS E1 paragraph 16f. We do not consider our business excluded from EU Paris-aligned benchmarks, as outlined in ESRS E1 paragraph 16g, as GCP is a real estate management company and does not materially engage in fossil fuel or energy sector activities[*].

### CapEx Planning and Integration into the Business Strategy

We are currently developing detailed CapEx plans, which will be integrated into our overall business planning. These plans are in their initial stages following the reformulation of the Climate Transition Plan's methodology and energy audit process. Based on the current findings of the Transition Plan, the Company has estimates of the CapEx required to meet the target but has not yet formally allocated the CapEx over the medium-term.

(*) for specific list of exclusion criteria, please refer to Articles 12.1 (d) to (g) and 12.2 of the Climate Benchmark Standards Regulation

The primary reason for this is to allow for real project data to be collected from pilots currently under implementation to ensure accuracy of the data before formal CapEx allocation. Further details on these plans will be provided in future reports. The Climate Transition Plan solely focuses on CapEx measures as these are the primary measures through which building energy consumption and GHG emissions can be reduced, thus OpEx plans are not involved in the strategy at this time.

The EU Taxonomy offers several options for aligning OpEx, CapEx and asset alignment with its criteria. Over the past few years, we have undergone extensive EU Taxonomy alignment exercises and provided a detailed description of our applied methodology for calculations, which can be found in the EU Taxonomy Disclosures section along with applicable definitions and key terms relevant to the EU Taxonomy Framework mentioned here. The Climate Transition Plan outlined in this section, in particular its decarbonisation levers, key actions, and CapEx plans, will increase taxonomy-aligned CapEx shares regarding individual measures (Activities 7.3 through 7.6) as these are eligible activities likely to meet the technical screening criteria. However, aligned CapEx is also subject to Do No Significant Harm ("DNSH") checks where data limitations may cause eligible CapEx to not be designated as Taxonomy-aligned. Regarding activity 7.2, the extent to which these measures will achieve the 30% reduction in primary energy demand, required to meet the screening criteria, is still under assessment, as are whether the measures will increase shares of Taxonomy-aligned OpEx and Turnover. A more precise mapping between decarbonisation levers and applicable EU Taxonomy activities can be found in Table 15 in the E1-3 Actions subsection.

As part of the redevelopment of the Climate Transition Plan, properties facing significant exposure to current and emerging regulations were identified and the investment packages outlined in the energy audit process were presented to the Operations Department. In order to ensure the Climate Transition Plan is integrated in the business strategy, operations provided key feedback on the business plans for these assets as well as the local market dynamics that influence return on investment. The process was also designed for embedding in the Company financial planning through holistic consideration of costs and returns, exploring the possibility of passing portions of the CapEx costs on to the tenants who enjoy reduced operational costs from energy savings were also explored. Available public funding programs for energy-efficiency saving measures were also reviewed. Such factors were considered holistically in order to determine the economic feasibility of proposed interventions in order to develop a plan that can be integrated into the business strategy and financial planning of the Company. The outline provided by the Climate Transition Plan and outputs of property-specific energy audits are to be handed over to the Operations and Construction departments for development of asset-level plans and execution.

After working with Operations to better understand the economic feasibility of the current Transition Plan, which primarily focuses on mitigating exposure to current and emerging regulation while achieving the current GHG emission reduction target, the Climate Transition Plan was presented to the Daily Management. While no CapEx amounts have been approved and allocated over the medium-term, specific budgets were allocated to pilot projects for the considered decarbonisation technologies, which are currently under implementation.

# Transition Plan Implementation

## Improved energy efficiency of the portfolio through:

**Refurbishments of building evelopes**

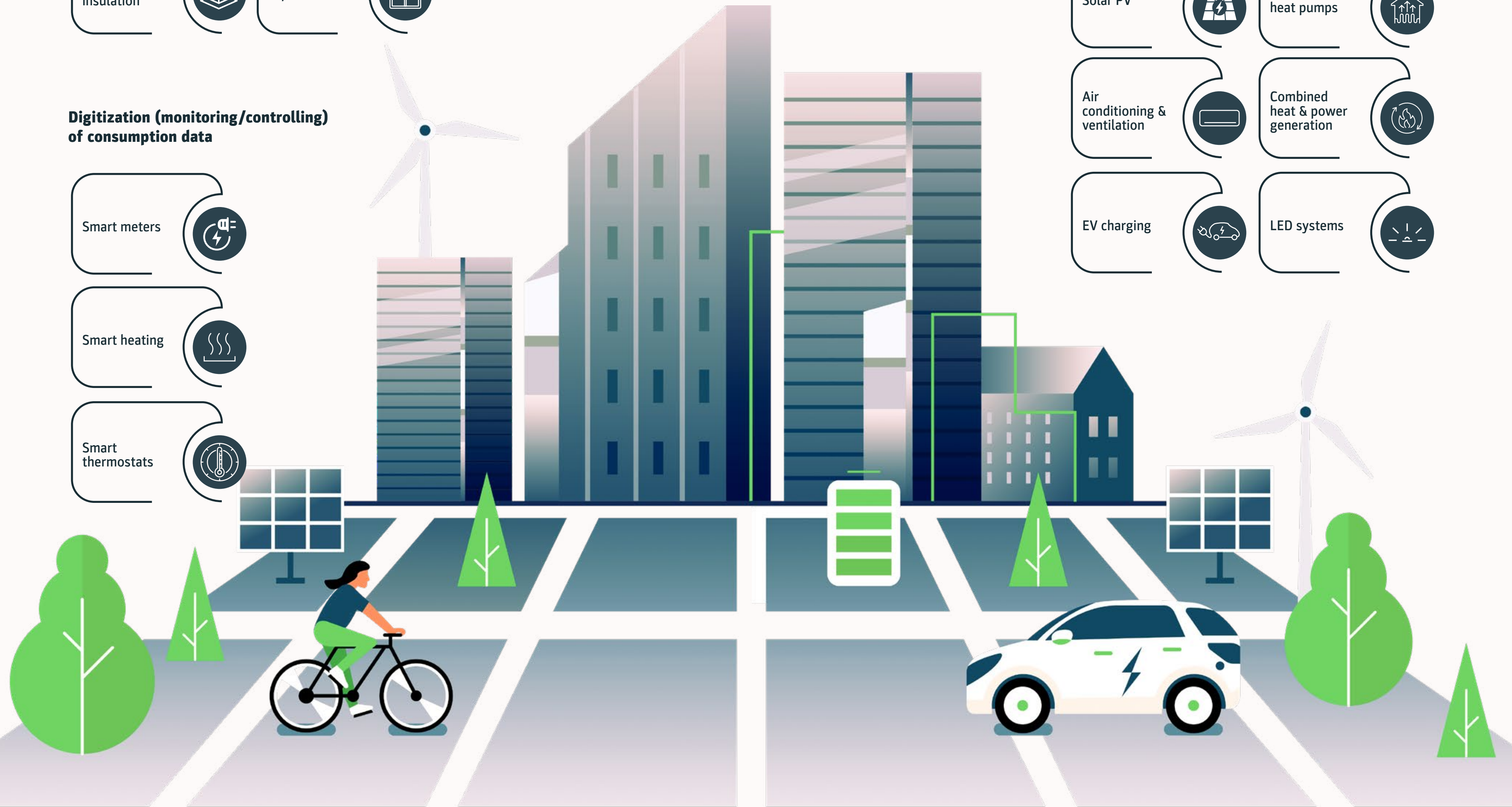
- Roof, façade, & basement insulation
- Window replacements

**Digitization (monitoring/controlling) of consumption data**

- Smart meters
- Smart heating
- Smart thermostats

**Energy-improvement investments**

- Solar PV
- Air source heat pumps
- Air conditioning & ventilation
- Combined heat & power generation
- EV charging
- LED systems



# EU Taxonomy Disclosures

During the past three years, GCP has made significant progress in implementing and adapting processes to gather critical data for EU Taxonomy reporting in line with the environmental objective, Climate Change Mitigation. The below section provides an overview of GCP's Taxonomy disclosures, its data gathering processes as well as alignment checks conducted to determine and calculate EU-Taxonomy aligned turnover, CapEx and OpEx.

Since 2023, a mid-year EU Taxonomy alignment exercise is performed, covering eligible CapEx under the environmental objective Climate Change Mitigation. This allows an earlier assessment of the status quo and provides an opportunity to enhance process-optimisation for the final EU Taxonomy alignment assessment. This exercise is performed by the Sustainability Department together with the Construction and Operation Departments, as well as the Business and Group Controlling teams.

Furthermore, one of our objectives for aligning activities with the EU Taxonomy is to ensure all relevant departments, including Construction, Operations, and International Offices have a thorough understanding of the reporting requirements. To achieve this, we conducted several ad-hoc training sessions in 2024, to address knowledge gaps and provide refreshers for previous trainings. Furthermore, to ensure the accessibility of information necessary for aligning with EU Taxonomy criteria, a construction contract template was created this year, with provisions obliging contractors to provide data relevant to EU Taxonomy reporting. The updated construction contract template now includes a pollution prevention questionnaire (to be signed by contractors), addressing the Do No Significant Harm ("DNSH") criteria on Pollution Prevention and Control. Additionally, the revised contract integrates explicit provisions on waste disposal and recycling data, which supports alignment with the Circular Economy requirements under the DNSH criteria for Climate Change Mitigation, with provisions obliging contractors to provide data relevant to EU Taxonomy reporting.

With the view to long-term alignment, GCP is working towards optimising its Enterprise Resource Planning ("ERP") system for the comprehensive collection of EU Taxonomy data.

Following strategies are in place to continuously improve the alignment with the EU Taxonomy:

- Considering the substantial contribution to, and compliance with the DNSH criteria of the EU Taxonomy when making decisions about renovations and new development projects.
- Focusing on achieving EU Taxonomy alignment for larger CapEx related to construction of new buildings' (Category 7.1 under the EU Taxonomy Regulation) and renovation of existing buildings (Category 7.2 under the EU Taxonomy Regulation), as these projects hold greater material significance in terms of their environmental impact compared to smaller ones.
- Data collection improvements through better utilisation of our ERP System and closer collaboration with our suppliers.

***Assessment of Aligned Activities***

For an economic activity to be aligned with the EU Taxonomy, three requirements need to be fulfilled:

1. It must make a substantial contribution to the achievement of one or more EU environmental objectives ("substantial contribution").
2. It does not significantly harm any other EU environmental objective (DNSH).
3. It complies with minimum social standards on topics such as Human Rights, Labor Standards and Anti-Corruption ("minimum social safeguards").

Based on these requirements, checks for EU Taxonomy alignment relate to different business levels at GCP. Whereas substantial contribution to Climate Change Mitigation is assessed at the individual asset or project level, the DNSH criteria apply rather to the economic activity itself. The DNSH criteria for Climate Change Adaptation and Circular Economy are assessed for GCP as a whole. Compliance with minimum social safeguards was also evaluated for GCP at a company level.

***Substantial Contribution Assessments***

GCP assesses its substantial contribution to Climate Change Mitigation by evaluating its acquisition, ownership, renovation, and new construction activities against EU Taxonomy criteria. For acquisition and ownership of buildings (7.7), turnover and OpEx are aligned only if properties meet strict energy efficiency standards—either class A or top 15% of the market for primary energy demand. GCP applies a 15% benchmark approach for Germany, endorsed by the German Sustainable Building Council (DGNB), while in London, EPC ratings (A and above) are used. New constructions (7.1) must have at least 10% lower primary energy demand than national nearly zero-energy building standards, and larger buildings require airtightness, thermal integrity, and lifecycle Global Warming Potential tests—though GCP's development activity remains limited. Renovations (7.2) must achieve at least a 30% energy reduction within three years or qualify as major renovations (touching 25% of the building envelope and meeting Germany's GEG energy law). If projects fall short, they are assessed under 7.3 (energy-efficient equipment installation). Meanwhile, CapEx for energy performance systems (7.5) and renewable energy installations (7.6) was allocated in 2024, but no investment was made in EV charging stations (7.4). This methodology ensures GCP's activities align with climate mitigation goals, reinforcing sustainable property investments under EU Taxonomy guidelines.

***Do No Significant Harm Assessments***

GCP's DNSH assessments ensure that its activities contribute to Climate Change Mitigation without negatively affecting other environmental objectives under the EU Taxonomy. DNSH checks were conducted only for activities that met the substantial contribution criteria, excluding new construction (7.1) due to a lack of available data. For renovations (7.2), compliance was evaluated against four DNSH criteria: Climate Change Adaptation, requiring a climate risk and vulnerability assessment; Protection of Water & Marine Resources, which was deemed not applicable since GCP only renovates existing residential buildings; Transition to a Circular Economy, ensuring that at least 70% of construction and demolition waste is reused or recycled in line with Germany's Circular Economy Act (KrWG); and Pollution Prevention & Control, which mandates that restricted toxic chemicals listed in the EU Taxonomy are not used in materials, with compliance confirmed through supplier questionnaires. Other activities (7.3, 7.5, 7.6, and 7.7) were assessed primarily for Climate Change Adaptation, while 7.4 (EV charging stations) was not reported due to the absence of CapEx in 2024. These assessments help GCP ensure that its real estate activities are aligned with EU sustainability requirements, reinforcing environmental responsibility and regulatory compliance.

***Social Minimum Safeguards***

The processes of the social minimum safeguards are outlined through descriptions of the Company's Human Rights Due Diligence process in section S2-1 and as well as disclosures on the applicable policy framework in section G1-2.

***Climate Risk and Vulnerability Assessment***

Whereas in previous years, GCP referred to a city-level physical risk assessment conducted through S&P Global Sustainable 1 for each of our strategic locations, in 2024, this analysis was extended to an asset-level analysis. As a first step of this updated climate risk and vulnerability assessment, a physical risk exposure screening was conducted through a physical risk assessment tool, which is designed to assess and quantify location-based physical risks.

The physical risk assessment tool is based on the CMIP6 generation of climate models by the Intergovernmental Panel on Climate Change ("IPCC") and it enables organisations to evaluate potential hazards that could impact physical assets or operations in specific locations. The screening of the GCP portfolio, involved checking the asset's exposure to River Flood, Storm Surge, Heat Stress, Precipitation, Fire Weather, Drought, Cold Stress and Tropical Cyclone.

The assessment focuses on two climate scenarios for the years 2030 and 2050: SSP2-4.5 and SSP5-8.5. Each scenario is based on the Shared Socioeconomic Pathways ("SSPs"), each assuming varying forms of climate policy and socioeconomic development, for which expected greenhouse gas levels in the Earth's atmosphere are used to model Representative Concentration Pathways producing quantitative outputs including temperature and precipitation levels, as well as the likelihood of physical climate-related risk events.

As a second step and ongoing analysis, those assets flagged at moderate to high-risk within the physical risk assessment tool will be assessed further in early 2025 regarding their specific sensitivity and adaptive capacity. Only then a conclusive decision on the necessity of adaptation solution implementation at an asset level can be taken. Due to the size of the GCP portfolio, this process is ongoing and may only be completed in the following year.

***Presentation of the Performance Indicators Relating to EU Taxonomy-Aligned and EU Taxonomy-Eligible Economic Activities***

In line with the regulatory requirements for EU Taxonomy reporting in 2024, GCP is disclosing the performance indicators in the table template provided by the European Commission.

## METRICS: EU TAXONOMY

Proportion of **CapEx** from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

| Financial year 2024 | Year | | | Substantial contribution criteria | | | | | | DNSH criteria ("Does Not Significantly Harm") | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Economic activities | Code (s) | Absolute CapEx | Proportion of CapEx 2024 | Climate Change Mitigation | Climate Change Adaptation | Water and marine resources | Circular economy | Pollution | Biodiversity and ecosystems | Climate change migration | Climate change adaption | Water and marine resources | Circular economy | Pollution | Biodiversity and ecosystems | Minimum safeguards | Proportion of Taxonomy-aligned (A.1) or eligible (A.2) CapEx, 2023 | Category enabling activity | Category transitional activity |
| | | EUR | % | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | % | E | T |
| **A. TAXONOMY-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **A.1. Environmentally sustainable activities (Taxonomy-aligned)** | | | | | | | | | | | | | | | | | | | |
| Renovation of existing buildings | CCM 7.2 | 778,946.53 | 0.48% | Y | N | N/EL | N | N/EL | N/EL | N/EL | Y | Y | Y | Y | N/EL | Y | 2.42% | | T |
| Installation, maintenance and repair of energy efficiency equipment | CCM 7.3 | 3,729,898.72 | 2.32% | Y | N | N/EL | N | N/EL | N/EL | N/EL | Y | N/EL | N/EL | Y | N/EL | Y | 1.16% | E | |
| Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings | CCM 7.5 | 1,275,011.01 | 0.79% | Y | N | N/EL | N | N/EL | N/EL | N/EL | Y | N/EL | N/EL | N/EL | N/EL | Y | 0.26% | E | |
| Installation, maintenance and repair of renewable energy technologies | CCM 7.6 | 34,843.37 | 0.02% | Y | N | N/EL | N | N/EL | N/EL | N/EL | Y | N/EL | N/EL | N/EL | N/EL | Y | 0.02% | E | |
| **CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)** | | 5,818,699.62 | 3.62% | 3.62% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | | | | | | | | 3.86% | | |
| **Of which enabling** | | 5,039,753.10 | 3.13% | 3.13% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | N/EL | Y | N/EL | N/EL | N/EL | N/EL | Y | 1.45% | E | |
| **Of which transitional** | | 778,946.53 | 0.48% | 0.48% | | | | | | N/EL | Y | Y | Y | Y | N/EL | Y | 2.42% | | T |
| **A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)** | | | | | | | | | | | | | | | | | | | |
| | | | | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | | | | | | | | | | |
| Construction of new buildings | CCM 7.1 | - | | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 0.16% | | |
| Renovation of existing buildings | CCM 7.2 | - | | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 0.02% | | |
| Installation, maintenance and repair of energy efficiency equipment | CCM 7.3 | 6,281,745.03 | 3.90% | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 3.29% | | |
| Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings | CCM 7.5 | 8,435.24 | 0.01% | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 0.01% | | |
| Installation, maintenance and repair of renewable energy technologies | CCM 7.6 | 2,931.56 | 0.00% | | | | | | | | | | | | | | 0.00% | | |
| Acquisition and ownership of buildings | CCM 7.7 | 143,875,013.58 | 89.43% | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 90.48% | | |
| **CapEx of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)** | | 150,168,125.41 | 93.34% | 93.34% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | | | | | | | | 93.96% | | |
| **A. CapEx of Taxonomy-eligible activities (A.1+A.2)** | | 155,986,825.03 | 96.96% | 96.96% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | | | | | | | | 97.82% | | |
| **B. TAXONOMY-NON-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **CapEx of Taxonomy- non-eligible activities** | | 4,894,000 | 3.04% | | | | | | | | | | | | | | | | |
| **Total (A + B)** | | 160,880,825 | 100.0% | | | | | | | | | | | | | | | | |

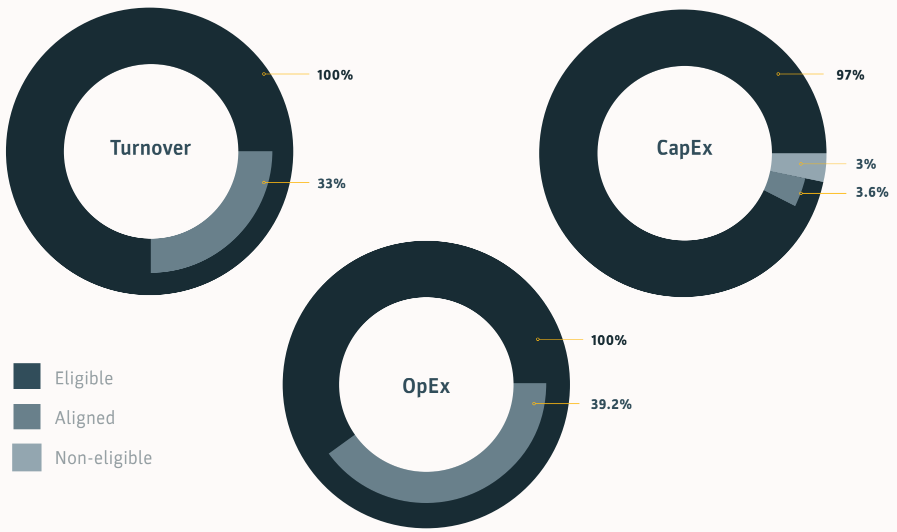
## Proportion of **OpEx** from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2024

| Financial year 2024 | Year | | | Substantial contribution criteria | | | | | | DNSH criteria ("Does Not Significantly Harm") | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Economic activities | Code (s) | Absolute OpEx | Proportion of OpEx 2024 | Climate Change Mitigation | Climate Change Adaptation | Water and marine resources | Circular economy | Pollution | Biodiversity and ecosystems | Climate change migration | Climate change adaption | Water and marine resources | Circular economy | Pollution | Biodiversity and ecosystems | Minimum safeguards | Proportion of Taxonomy-aligned (A.1) or eligible (A.2) OpEx, 2023 | Category enabling activity | Category transitional activity |
| | | EUR | % | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | % | E | T |
| **A. TAXONOMY-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **A.1. Environmentally sustainable activities (Taxonomy-aligned)** | | | | | | | | | | | | | | | | | | | |
| Acquisition and ownership of buildings | CCM 7.7 | 90,545,900 | 39.2% | Y | N | N/EL | N/EL | N/EL | N/EL | Y | Y | N/EL | N/EL | N/EL | N/EL | Y | 30.2% | | |
| **OpEx of environmentally sustainableactivities (Taxonomy-aligned) (A.1)** | | 90,545,900 | 39.2% | 39.2% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | | | | | | | | 30.2% | | |
| **Of which enabling** | | - | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | N | N | N | N | N | N | N | 0.0% | E | |
| **Of which transitional** | | - | 0.0% | 0.0% | | | | | | N | N | N | N | N | N | N | 0.0% | | T |
| **A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)** | | | | | | | | | | | | | | | | | | | |
| | | | | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | | | | | | | | | | |
| Acquisition and ownership of buildings | CCM 7.7 | 140,574,044 | 60.8% | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 69.8% | | |
| **OpEx of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities (A.2)** | | 140,574,044 | 60.8% | 60.8% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | | | | | | | | 69.8% | | |
| **A. OpEx of Taxonomy-eligible activities (A.1+A.2)** | | 231,119,944 | 100% | 100% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | | | | | | | | 100.0% | | |
| **B. TAXONOMY-NON-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **OpEx of Taxonomy- non-eligible activities** | | - | 0.0% | | | | | | | | | | | | | | | | |
| **Total** | | 231,119,944 | 100.0% | | | | | | | | | | | | | | | | |

## Proportion of **Turnover** from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2024

| Financial year 2024 | | Year | | Substantial contribution criteria | | | | | | DNSH criteria ("Does Not Significantly Harm") | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Economic activities | Code (s) | Absolute turnover | Proportion of Turnover 2024 | Climate Change Mitigation | Climate Change Adaptation | Water and marine resources | Circular economy | Pollution | Biodiversity and ecosystems | Climate change migration | Climate change adaption | Water and marine resources | Circular economy | Pollution | Biodiversity and ecosystems | Minimum safeguards | Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) turnover, 2023 | Category enabling activity | Category transitional activity |
| | | EUR | % | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y; N; N/EL | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | % | E | T |
| **A. TAXONOMY-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **A.1. Environmentally sustainable activities (Taxonomy-aligned)** | | | | | | | | | | | | | | | | | | | |
| Acquisition and ownership of buildings | CCM 7.7 | 197,142,738 | 33.0% | Y | N | N/EL | N/EL | N/EL | N/EL | Y | Y | N/EL | N/EL | N/EL | N/EL | Y | 27.3% | | |
| **Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)** | | 197,142,738 | 33.0% | 33.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | | | | | | | | 27.3% | | |
| **Of which enabling** | | - | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | N | N | N | N | N | N | N | 0.0% | E | |
| **Of which transitional** | | - | 0.0% | 0.0% | | | | | | N | N | N | N | N | N | N | 0.0% | | T |
| **A.2.Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)** | | | | | | | | | | | | | | | | | | | |
| | | | | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | | | | | | | | | | |
| Acquisition and ownership of buildings | CCM 7.7 | 399,875,047 | 67.0% | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 72.7% | | |
| **Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities (A.2)** | | 399,875,047 | 67.0% | 67.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | | | | | | | | 72.7% | | |
| **A. Turnover of Taxonomy-eligible activities (A.1+A.2)** | | 597,017,785 | 100.0% | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | | | | | | | | 100.0% | | |
| **B. TAXONOMY-NON-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **Turnover of Taxonomy- non-eligible activities** | | - | **0.0%** | | | | | | | | | | | | | | | | |
| **TOTAL (A + B)** | | **597,017,785** | **100.0%** | | | | | | | | | | | | | | | | |

### Taxonomy-aligned, eligible and non-eligible percentages of GCP's KPIs




## E1.SBM-3 AND E1.IRO-1 IDENTIFICATION AND ANALYSIS OF MATERIAL CLIMATE-RELATED IMPACTS, RISKS, AND OPPORTUNITIES AND THEIR INTERACTION WITH THE STRATEGY AND BUSINESS MODEL

### Material Climate Related Risks

GCP employs a structured methodology to identify impacts, risks, and opportunities (IRO) by integrating ESG considerations into its risk management framework. Please refer to sections IRO-1 and SBM-3 of this report for more details.

As a result of our DMA, the following transitional climate-related risks were identified:

- **Transition to low carbon economy (incl. Net Zero Carbon):** Potential financial and operational risks arising from stricter GHG emissions regulations and increasing carbon reduction requirements.
- **Transition legislation:** Evolving climate-related regulations may impose additional costs or operational adjustments.
- **Renewable energy deployment:** Risks associated with the availability, cost, and integration of renewable energy sources into existing operations.

If not effectively managed, these risks have the potential to pose a financial risk for our Company. These risks are heavily influenced by political and regulatory developments anticipated during the transformation process in the coming decades. We closely monitor these developments to adapt our operations and strategic decisions, safeguarding the business from financial risks while maintaining the necessary pace of transformation.

### Climate-Related Risk Assessment

The Sustainability Department, in close collaboration with the Chief Risk Officer, conducts an annual resilience analysis of identified climate-related transitional risk factors. The findings are presented to the Risk Committee for review and adjustments, which are ultimately used to inform the Risk Committee and the Board of Directors on whether adjustments in the business strategy are warranted. In alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)[1], GCP also describes the potential opportunities which the Company has identified in each of these factors. During the climate-related risk assessment the Company qualitatively considered the scenarios laid out by IPCC's shared Socioeconomic Pathways[2] as well as the International Energy Agency (IEA)'s transition scenarios, specifically the Stated Policies Scenario (STEPS) which was also rooted in current policy observations as well as the Net Zero GHG Emissions by 2050 scenario[3]. The time horizons defined short-, medium- and long-term in the assessment are aligned with ESRS 1 6.4. The short- and medium-term time horizons are linked to the capital allocation planning and the strategic planning cycles of the Company, depending on the nature of the plans in place, while the long-term time horizon is primarily used to consider the expected lifetime of assets.

The qualitative resilience analysis is conducted annually, with the most recent exercise being in 2024, using the previous year's analysis as a baseline and then incorporating observed developments in risk factors in GCP's countries of operation over the elapsed year, as well as any material changes in the scenarios used. No changes to scenarios were identified in 2024. The analysis was conducted at the corporate level, i.e. aligned with the financial consolidation scope, considering the long-term outlook provided by the scenarios stated above, while also factoring current observations in the Company's countries of operation and the context of its business model and activities.

Table 13 below summarises the identified risks and impacts while outlining the mitigation strategies employed to manage these risks within our organisation.

1. Recommendations of the Task-Force on Climate-related Financial Disclosures
2. the SSPs used in the IPCC AR6 report were published in the journal *Global Environmental Change under the title The Shared Socio-economic Pahtways: Trajectories for human development and global environmental change*
3. Current formulations of the scenarios are outlined in the IEA World Energy Outlook 2024 report

**Table 13 - Climate-related risk, impact, and opportunity assessment aligned with the TCFD Framework**

| Risk Category | Description | Impacts and Timeframe<br>(S = short-term, M = medium-term, L = long-term) | Mitigation Strategy | Opportunity |
|---|---|---|---|---|
| **Policy** | Climate-related regulations and laws are changing rapidly, placing stricter requirements on energy and GHG emissions performance while raising questions on whether assets may become "stranded" by regulation. Carbon pricing schemes have taken a relatively clear shape in Germany, the Company's primary country of operation. The EU recast its Energy Performance of Buildings Directive (EPBD) in 2024, introducing national energy-reduction targets for residential buildings through 2035, and then leaving it to member states to implement pathways to a zero-GHG emission building stock by 2050. These targets require some of the reductions to be achieved through renovation of existing building, although the text is written in a way that gives members states discretion in implementation. Member states now must implement the EPBD into national law by Spring 2026, although this implementation has become highly uncertain due to the rightward shift in the EU Parliament which is looking to roll back elements of EU Green Deal combined with political upheavals in Germany. The gap between the medium-term targets for residential buildings outlined in the 2024 EPBD and its final goal of a net-zero building stock by 2050 are significant, raising many important questions on the specific pathways that EU member states must clarify. | Carbon pricing and enhanced GHG emissions-reporting obligations are poised to cause higher operating and compliance costs. The energy reduction targets of the EPBD and other energy-related requirements are poised to require significant CapEx to maintain building compliance, although the precise levels cannot yet be determined due to political uncertainty surrounding national implementation of the EPBD.<br><br>(S, M, L) | In 2024, the Company launched an extensive review of its Climate Transition Plan underlying its climate ambitions, integrating data from its updated energy audit process to consider efficiency-improving measures while also leveraging CRREM pathways to consider the level of action needed to achieve reductions consistent with a 1.5-degree scenario. Potential updates to the Company's stated target are still under review, awaiting completion of further energy audits to increase the sample size while awaiting implementation data from pilot projects to validate key assumptions. Nonetheless, the Climate Transition Plan targets the most inefficient assets for intervention to ensure the current carbon reduction target will be met while also mitigating exposure to the medium-term energy reduction targets for EU member states in the EPBD recast in an economical manner. The Company anticipates that increased climate ambition will be needed but is also confident that the Climate Transition Plan now effectively considers emerging policies against potentially more aggressive policy scenarios to effectively plan its business activities in a way that manages transitional risks in the face of current political uncertainty in the EU. | The Company expects opportunities in the policy-driven transition to more efficient buildings in the form of lower operating costs, reduced stranding risks and decreased exposure to variations in the cost and availability of natural resources. It is widely viewed that more efficient buildings may also attract higher valuations through improved energy performance and become more attractive to investors, tenants and financial institutions, although this has not yet been observed. The Company also sees a general opportunity to ensure long-term value from its operations through active monitoring of policy developments as they occur and planning interventions in a pragmatic and economical manner. |
| **Legal** | Emerging climate-related policies and regulations increasingly contain specific legal requirements placed on economic actors. Companies may become subject to lawsuits alleging failure to take sufficient actions to reduce greenhouse gas emissions or to account for or disclose known climate-related risks. Climate-related litigation may also arise from inaccurate non-financial reporting or misleading sustainability claims such as „greenwashing". In the EU, such misleading or false environmental claims could face fines, as the European Parliament and EU Council adopted their positions on the Green Claims Directive in 2024, with negotiations ongoing. | With stricter EU regulation, including the EU Taxonomy, CSRD, and SFDR, the real estate sector has already felt the pressure of environmental legislation. The significant gaps between current regulations and the carbon budgets of the Paris Agreement make further regulatory tightening over the long-term likely. It is also possible that the scope of these regulations expands to take in more segments of the Company's value chain, increasing potential exposure and compliance costs. While climate-related litigation has primarily targeted governments and fossil fuel companies to date, it is possible that other sectors such as real estate may be targeted over the medium-to-long term.<br><br>(L) | Our dedicated Sustainability Department works to ensure accurate and high-quality non-financial reporting, while constantly monitoring changes in regulations to identify gaps and facilitate compliance. This involves not only monitoring current legislative initiatives but also assessing the gaps between current policy and science-based climate targets to anticipate future changes. | |

| Risk Category | Description | Impacts and Timeframe<br>(S = short-term, M = medium-term, L = long-term) | Mitigation Strategy | Opportunity |
|---|---|---|---|---|
| **Market** | Tenant preferences for low or zero-carbon properties are likely to reduce demand for inefficient properties. Likewise, evolving investor preferences for sustainable and resilient assets could drive higher valuations for green buildings.<br>Financial institutions in the EU are increasingly incorporating climate-related criteria in their financing and investing practices.<br>Market conditions may shift from „green premiums" for low- or zero-carbon assets to „brown discounts" in rent or valuation for assets with high energy or carbon intensities. | The age of German building stock, where the Company primarily operates, combined with our business model of acquiring and managing existing buildings, poses significant challenges in offering low or zero-carbon properties through the level of investment that is required. Inability to meet tenant preferences may increase vacancies and reduce revenues while inability to meet market expectations may reduce access to capital. However, during the ongoing housing shortages in major European cities, tenants have not shown a preference for climate-friendly buildings over less efficient buildings.<br>The current focus among most financiers lies on ensuring regulatory compliance over a typical loan term (up to 10 years), which is unlikely to change despite the rightward shift in EU politics. A niche subset calls for Paris-alignment, although they are not yet large enough in number to shift market conditions, although this may change over the long term.<br>Shifting market demand may put downward pressure on the value of "brown" assets which are not in line with market expectations, thereby reducing the availability of capital and increasing the cost of debt. Increasing sustainable finance regulation is forcing tenants and investors to report on their sustainable actions, which in turn increases these demands on the Company. The existing market structure leaves landlords responsible for capital expenditures needed to improve energy efficiency of existing assets with limited ability to recover reduced utility expenses enjoyed by the tenant.<br>(L) | The Company is working with tenants to reduce energy and utility consumption as part of tenant awareness campaigns.<br>Given the legal limits placed on modernisation rent increases along with GCP's internal consideration whether further limits are warranted to ensure tenants are financially able to meet increased rents, the Company is developing renovation planning processes that enable full realisation of available grants from the German government to mitigate any risks posed by the potentially high levels of CapEx needed to improve highly inefficient existing buildings to the greatest extent possible.<br>The Climate Transition Plan prioritises the most inefficient assets in the portfolio for assessment of possible interventions to determine economic feasibility of investments that will protect or improve their value. This Climate Transition Plan will be subject to ongoing development to ensure alignment to market standards. Developments made to the Climate Transition Plan over 2024 have focused on ensuring current and emerging regulatory requirements will be met (primarily those of the EU EPBD), leaving the Company in a strong position to meet the expectations of investors and financiers over the short-to-medium term. The Climate Transition Plan also considers a Paris-aligned scenario through use of the CRREM pathways, leaving the Company prepared to handle shifts toward more aggressive climate-related requirements should they materialise. | GCP's scale provides economic benefits which result in competitive advantages in repositioning assets with development potential in terms of energy efficiency or climate resilience. This could create growth opportunities through the acquisition of such assets from owners without capability to make the required upgrades.<br>Low and zero-carbon buildings will be better positioned to reflect shifting tenant preferences, as well as investor demands over the medium-to-long term, positively impacting rents and access to capital. Green assets may strengthen business resilience by increasing revenue through new products and services that meet market demands and may improve access to capital and debt. Green bond issuance, sustainability-linked loans or energy efficiency-related subsidies for buildings can be used to improve the financial feasibility of making the needed investments, although not all green financiers offer incentives adequately adjusted to the expected level of CapEx placed on the Company. |
| **Energy** | Energy markets are more prone to price fluctuations driven by supply crunches or swings in energy demand. This leads to risks associated with high energy and utility consumption and over-reliance on fossil-fuel derived energy supplies. | Energy-market risks associated with reliance on fossil fuels, have become a pressing issue following the Russian war in Ukraine and the sharp rise in energy prices. This situation has prompted many sectors, including the real estate sector, to call for accelerating the transition to a low-carbon economy. Nonetheless, the current energy mix of most grids remain primarily dependent on fossil fuels, as renewable energy generation and storage capacities are still insufficient to meet the decarbonisation goals necessary for a fully decarbonised energy system.<br><br>(S, M, L) | The Company aims to reduce reliance on fossil fuels through its target to procure 100% of landlord-obtained electricity through power purchase agreements (PPAs), as well as through installation of onsite renewable energy systems. Investments in energy efficiency will also reduce energy costs, mitigating exposure to variations in price. | Increasing procurement of energy from renewable sources and a shift to decentralised energy generation can reduce operational and compliance costs, as well as exposure to volatile fossil fuel markets. Green bond issuance or sustainability-linked loans can be used to improve the financial feasibility of making the needed investments if meaningful incentives are offered by financiers. |

| Risk Category | Description | Impacts and Timeframe<br>(S = short-term, M = medium-term, L = long-term) | Mitigation Strategy | Opportunity |
|---|---|---|---|---|
| **Technology** | GCP recognises that current technologies are insufficient to achieve the grid decarbonisation needed to address climate change, and this is expected to increase the pace of technological development. Additionally, policies have emerged in the EU and UK requiring a phase-out of fossil fuel boilers, with some technical exceptions. | Insufficient monitoring of technological developments or regulatory requirements may result in investment in technologies that become obsolete before their operational lifespan ends. Buildings with outdated technology systems may experience reduced demand and require higher maintenance costs/CapEx requirements to meet minimum efficiency standards and current work, leisure and residential trends. Exposure is low since all phase-out regulations allow heating systems to reach the end of their use life.<br><br>(M, L) | The Energy and Operation Departments monitor regulatory developments and emerging technologies on the market and evaluating their costs and potential to enhance energy efficiency and carbon profiles of buildings. The energy-related procedures outlined in the new Environmental Policy emphasise prioritisation of investment towards proven and cost-effective technologies. | The Company sees significant opportunity to engage with and invest in prop-tech companies to ensure modern, forward-thinking, and appropriate technological outfits of the Company's properties. |
| **Reputation** | Companies seen as taking insufficient climate action or delaying climate action face increasing scrutiny and criticism from tenants, investors, the media, and society at large. Additionally, current and future generations of employees hold greater expectations for companies to act to address climate change. | Any shortcomings in the climate strategy of the Company could invite criticism from societal actors, damaging the Company's reputation. Errors in non-financial reporting might be perceived as fraudulent or „greenwashing". Furthermore, reputational damage from inaction on climate change could hinder the ability to recruit and retain talent in the medium- to long-term.<br><br>(S, M, L) | The Sustainability Department monitors best practices and societal trends to identify and address gaps in the Company's climate strategy, bringing these issues to the attention of relevant internal stakeholders. The department works to ensure high-quality sustainability disclosures. Clear communication on the Company's sustainability efforts, climate risk actions and carbon reduction targets will reassure employees, potential candidates, and investors of the Company's continued efforts regarding climate change mitigation and adaptation. | Through meeting or exceeding requirements, expectations, or best practices, the Company may be able to positively improve its reputation. This can also improve the Company's ability to attract and retain critical talent. |

Quantitative scenario analysis of climate-related risks faces challenges due to missing data, as climate scenarios often extend far beyond time horizons conventionally applied in strategic business planning. Despite this, the Company was also able to conduct a targeted, quantitative scenario analysis on the impact of emerging energy efficiency regulation, namely the EU EPBD, using available data of its direct operations in Germany. This analysis was used to inform the redevelopment of the Climate Transition Plan, described in further detail below. During the redevelopment of the Climate Transition Plan in 2024, discussed in subsection E1-1, the explicit requirements of the current regulatory outlook over the next 10 years were considered as a "current policy" scenario, while the 1.5-degree pathways provided by CRREM, which follows the Sector Decarbonisation Approach to translate science-based pathways to asset-type-specific pathways(*). The projected CRREM pathways over the next 10 years were used to assess the requirements of a possible Paris-Aligned transition scenario, compared against the current policy scenario stated above. Distinct investment packages considered during development of the Climate Transition Plan represent a modular approach tailored to the policy requirements of the scenarios.

The costs and impacts of measures related to heating, renewable energy, and technical systems form one set of investment packages, while measures relating to thermal efficiency and the building shell constitute another set of packages. While the Climate Transition Plan currently prioritises measures needed to meet explicit policy requirements and the Company's GHG emission reduction target, the scenario analysis conducted lays the groundwork for adapting to a potential increase in policy ambitions.

This analysis involved a more targeted scope, specifically the operational control portfolio used in the Company's annual GHG emission reporting outlined in the *Coverage* portion of subsection E1-6 limited to assets in Germany, with plans to expand this scope over time. This scope was also applied in the Climate Transition Plan discussed in subsection E1-1. As with our annual energy consumption and GHG emissions reporting in subsections E1-5 and E1-6, this includes the downstream value chain segment of tenant-controlled spaces, representing GHG emissions falling under Scope 3 Category 13.

(*) See CRREM's report *From Global Emission Budgets to Decarbonization Pathways at Property Level*

## Implications for the Business Strategy

Based on the results of the qualitative and quantitative elements of our resilience analysis outlined above, our business model of providing affordable residential spaces in urban areas will remain relevant throughout every possible transformation scenario. However, we expect to respond dynamically to political developments and capital market trends, ensuring the economic resilience of our business in any transformation scenario. While the degree of severity of transition events can vary significantly due to the gap between current policies and the Paris-Aligned scenario, the most recent resilience analysis leaves the Company confident in its ability to adjust its strategy and business model to climate change should an increase in applicable policy ambitions occur.

## Integration into Enterprise Risk Management Framework

Climate-related topics are treated as a corporate governance topic, with GCP's Board of Directors and the Daily Management sharing overall responsibility for identifying, assessing and managing climate-related risks, impacts and opportunities.

GCP's Daily Management and the Building Resilience Taskforce are co-responsible for identifying, assessing and managing climate-related risks, impacts and opportunities. A distinction is made between climate risks affecting the Company at the corporate level, for which the Board of Directors and the Risk Committee are the risk owner, and climate risks which impact our properties, which are owned by GCP's Operations Department. In addition, the Taskforce on Building Resilience works across departments to address climate risks, incorporating the perspectives of various internal stakeholders. This collaborative effort focuses on developing action plans and implementing adaptation solutions as needed.

To effectively manage climate-related risks, we first conduct risk assessments to understand their potential financial, operational, and environmental impacts. The Risk Committee oversees the Company's risk management process, which includes assessing the potential impacts of climate change. The Chief Risk Officer and the Sustainability Department collaborate closely in conducting assessments of physical and transitional climate risks. These assessments are presented to the Risk Committee at least annually and on an ad hoc basis as needed throughout the year. Based on these assessments, we identify relevant and practicable measures to mitigate risks, manage impacts and maximise potential opportunities. Please see below GCP's Governance Structure on Climate Risks:

# Governance Structure on Climate Risks

### Building Resilience Taskforce

***Inter-departmental platform for the discussion and collaboration on climate risks***

Develop KPI's for climate risk & action plans and adaptation solutions

### Risk Committee

Oversees risk management, incl. climate risks

### Management

Assessment and management of climate-related risks at corporate level

### Sustainability Department & Risk Officer

Assessment of physical and transitional climate risks

### Operational Department

Assessment and management of climate-related risks on a property level

## E1-2 – POLICIES RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

At GCP we have defined a concise yet comprehensive policy outlining our activities to mitigate and adapt to climate change. Our Environmental and Energy Policy addresses the need to reduce our operational GHG emissions and includes within our scope the reduction of energy and water consumption, as well as generation of waste and air pollution. The respective targets on these topics set in this policy are quoted in the corresponding sections of this report.

The Daily Management are also responsible for reviewing and updating our Environmental and Energy Policy, which was most recently updated in 2024. The policy aims to manage the material impacts, risks and opportunities related to climate change mitigation and adaptation, as well as other environmental topics, including air pollution and water management. The policy does not involve third-party standards or initiatives in its implementation, as it primarily focuses on improving environmental impacts through implementing decarbonisation levers mentioned in subsection E1-1. For this, the policy delineates responsibilities at the asset and company-level between operations and Daily Management.

The policy responds to all material impacts, risks, and opportunities outlined in our DMA, as presented in section SBM-3 and IRO-1, specifically climate change mitigation, and energy efficiency, as well as air pollution as discussed in section E2, while also covering the non-material topics of water, pollution, and waste. The scope of the policy applies globally to Grand City Properties S.A., specifically to its direct operations. The most senior level of the Company responsible for its implementation is the Daily Management. The policy is publicly available to all stakeholders through the Sustainability Governance web page on the Company website.

## E1-3 – ACTIONS AND RESOURCES IN RELATION TO CLIMATE CHANGE POLICIES

In our business model, the primary decarbonisation levers are to enable our tenants to consume less energy (e.g. by improving the energy efficiency of our buildings) and by transitioning the heating systems from fossil fuel-based systems to electric or carbon neutral ones. Many of those investments are highly capital-intensive and require careful coordination to minimise negative impacts on our tenants. Decarbonisation levers are discussed in more detail in subsection E1-1.

In the year 2024, the Company achieved an GHG emission reduction of 27% compared to its 2019 baseline, while the Company expects further GHG emission reductions in the amount of 13% to achieve its 2030 target, in other words covering the short- and medium-term horizons discussed in subsection E1-1. For more information on how the Company evaluates progress against its GHG emission reduction target, refer to subsection E1-4.

Table 14 below presents the proportion each value chain stage and the associated decarbonisation measures driving GHG emission reductions needed to achieve the 40% reduction target as outlined in the Climate Transition Plan discussed in subsection E1-1. Out of the 13% remaining GHG emission reductions, the percentages in the table below indicate the expected proportion among each scope.

**Table 14 – Total GHG emission reductions of the 40% target in context of the Climate Transition Plan**

| Value Chain Stage(s) | Decarbonisation Lever | Proportion of GHG Emission Reductions |
|---|---|---|
| Upstream | Renewable energy procurement and grid decarbonisation | 23.3% |
| | Connect to district heating the planned decarbonisation of heating grids | |
| Own Operations (Landlord-controlled spaces) | Installing Solar PV Systems | 7.5% |
| Own Operations (landlord-controlled spaced) & Downstream (Tenant-controlled spaces) | Pipe insulation, hydraulic balancing, and heating automation measures | 9.2% |
| | Digitalisation and optimisation of heating systems | |
| | Installation of air-source heat pumps and hybrid heat pump systems. | |
| | Building envelope improvements (insulation, windows) | |

As outlined in subsection E1-1, achieved and expected GHG emission reductions in the Company's pathway towards the 40% GHG emission reduction target are based on the Company's Climate Transition Plan, with the applicable scope of the target and Climate Transition Plan being the same. While investment in on-site PV has been ongoing for several years, the Company has only just begun implementation of key actions in the framework of the Climate Transition Plan such as heat pump and digitalisation measures which are currently in pilot phases. The Company has invested in several decarbonisation levers discussed above in past years, as shown in its current and past EU Taxonomy Disclosures, however these actions were implemented without the required reporting lines in place to collect data at the granularity required to accurately attribute the proportions of achieved GHG emission reductions to each individual decarbonisation lever. Thus, this disaggregation cannot be provided at this time, with communication on achieved GHG emission reductions remaining at the portfolio level. For more information on the current and future financial resources allocated to the Climate Transition Plan, refer to subsections E1-1 and the EU Taxonomy Disclosures, although as discussed in the former the Company is awaiting a larger sample size of energy audits and actual data from pilot project implementation before providing more granular disclosures on the time horizons applicable for future financial commitments.

Actions undertaken in the reporting year regarding the decarbonisation levers are mostly covered by the EU Taxonomy Disclosures, with some found in other relevant disclosures. The table below maps decarbonisation levers to relevant EU Taxonomy activities or other disclosures, provided to support readers in understanding how disclosures in other segments of this report relate to the decarbonisation levers of the Climate Transition Plan. It is important to note that the EU Taxonomy disclosure exercise has been an extremely complex project improved gradually over several of the past reporting years-although significant data limitations remain that limit the ability to report all taxonomy-eligible activities as aligned. These same data limitations prevent precise disaggregation and remapping of reported EU Taxonomy figures across the decarbonisation levers at this time.

**Table 15 – Mapping Decarbonisation levers to applicable EU Taxonomy Activities or other relevant disclosures**

| Decarbonisation lever | Applicable EU Taxonomy Activities or other relevant disclosures |
|---|---|
| Installing Solar PV systems | Installation, maintenance, and repair of renewable energy technologies (7.6), and on-site renewable energy generation disclosures can be found in Table 18 in subsection E1-5. |
| Pipe insulation, hydraulic balancing, and heating automation measures | Installation, maintenance, and repair of energy efficient equipment (7.3)<br>Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings (7.5) |
| Digitalisation, optimisation, and replacement of heating systems | Installation, maintenance, and repair of energy efficient equipment (7.3) |
| Installation of air-source heat pumps and hybrid heat pump systems | Installation, maintenance, and repair of renewable energy technologies (7.6) |
| Renewable energy procurement and grid decarbonisation | N/A, although disclosures on renewable energy procurement can be found in Table 18 in subsection E1-5. |
| Connect to district heating and the planned decarbonisation of heating grids | Installation, maintenance, and repair of energy efficient equipment (7.3), and the reported consumption of assets connected to district heating can be found in Table 18 in subsection E1-5. |
| Building envelope improvements (insulation, windows) | Renovation of existing buildings (7.2), pending that projects reach the scale needed to meet the technical screening criteria related to the building shell.<br>If the above-stated requirements are not met this falls under Installation, maintenance, and repair of energy efficient equipment (7.3) |

Please refer to the EU Taxonomy Disclosures and Table 15 above and the surrounding discussion to understand the relationship between the decarbonisation levers and the reported figures aligned to the EU Taxonomy. The Climate Transition Plan regards the measures needed to achieve the Company's GHG emission reduction target for the year 2030, and thus the applicable time horizons are the short- and medium term as defined by ESRS 1 6.4.

As identified through the redevelopment of the Climate Transition Plan discussed in subsection E1-1 and the scenario analyses our entire asset base will require substantial investments over the course of the coming decades. Access to capital from various sources (e.g. green bonds, bank loans, public funding) will be critical to manage this transition in the most cost-effective way. We will closely monitor and manage developments to ensure we always have access to the capital required to drive forward the transformation.

## E1-4 – TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

Our fundamental commitment to climate change mitigation is evidenced by our target of a 40% reduction in $CO_2$ emissions intensity by 2030, against our 2019 baseline. Please note that the sustainability information and related disclosures for the year ended 31 December 2019 and included in this section have not been subject to assurance procedures. To achieve this goal, we developed our Company-wide Environmental and Energy Policy, which outlines how efficiency and renewable energy projects will be targeted, identified, implemented and monitored.

Our efforts towards this target are guided by GCP's Climate Transition Plan, which monitors our progress and forecasts the necessary rate of $CO_2$ emissions reductions to achieve the 40% reduction target. We combine data on current energy performance and EPC ratings with metrics on potential improvement measures to develop a model of the entire portfolio. The suite of measures is derived from onsite audits, desk-based energy simulations and EPC recommendations. We then evaluate various combinations of energy efficiency measures and renewable energy systems to assess - we can mitigate transition risks at each property. These insights are considered alongside broader market and regulatory factors, to develop an investment action plan aligned with the required carbon reduction targets.

In the context of the results of our DMA, as presented in sections SBM-3 and IRO-1 under the ESRS 2 Disclosures, the following targets below address the material impacts, risks, and opportunities relating to Climate Change Mitigation and Energy:

- Achieve a 40% reduction in $CO_2$ intensity by 2030 against the 2019 baseline, measured in $CO_2$-equivalent emissions intensity ($kgCO_2e/m^2$)
- Achieve a 20% reduction in energy intensity by 2030 against the 2019 baseline, measured in $kWh/m^2$
- Switch electricity to Power Purchasing Agreements (PPAs) certified renewable electricity from wind, hydro-electric and solar PV sources by 2027

### GHG Emissions Reduction Target

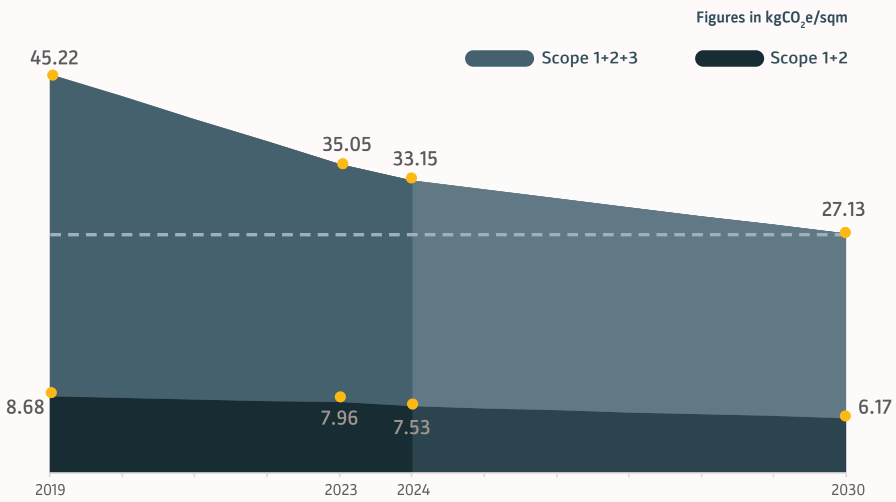
Table 16 below outlines the key details of the baseline, current, and target values for the GHG emission reduction target. For an understanding of the identified decarbonisation levers and their quantitative contribution to achieve the GHG reduction target, refer to the Decarbonisation levers portion of subsection E1-1 and subsection E1-3.

**Table 16 – Summary of the GHG Emissions Baseline, Current, and Target Values**

| Category Type | 2019 | 2023 | 2024 | 2030 | % Reduction 2030 v 2019 |
|---|---|---|---|---|---|
| Scope 1 [$kgCO_2e$/sqm*year] | 2.72 | 2.18 | 2.12 | 1.78 | -2.07% |
| Scope 2 [$kgCO_2e$/sqm*year] | 5.96 | 5.78 | 5.41 | 4.38 | -3.49% |
| Scope 3 Category 13 GHG Emissions from Fossil Fuels [$kgCO_2e$/sqm*year] | 8.18 | 7.47 | 7.27 | 6.19 | -4.38% |
| Scope 3 Category 13 GHG Emissions from Grid Energy [$kgCO_2e$/sqm*year] | 28.36 | 19.62 | 18.35 | 14.77 | -30.05% |
| Total carbon intensity [$kgCO_2e$/sqm*year] | 45.22 | 35.05 | 33.15 | 27.13 | -40.00% |
| GFA (sqm) | 3,367,344 (*) | 3,853,395 | 3,853,395 | 3,853,395 | N/A |

(*) since 2019, GCP has seen significant disposals and structural changes to its portfolio. When redeveloping the Climate Transition Plan, only assets in the 2024 data set were included in the baseline figures presented here

### 40% Reduction in $CO_2$ Emissions until 2030



## Energy Consumption Reduction Target

Table 17 below provides key details on the Company's energy reduction target of 20% against the 2019 baseline, which has already been achieved.

**Table 17 – Summary of the Baseline, Current, and Target Values of the Energy Reduction Target**

| Category Type | 2019 | 2023 | 2024 | 2030 | % Reduction 2030 v 2019 |
|---|---|---|---|---|---|
| Total energy intensity [kWh/sqm*year] | 160.36 | 125.18 | 122.06 | 128.29 | -20% |
| GFA (sqm) | 3,367,344 | 3,853,395 | 3,853,395 | 3,853,395 | N/A |

## Methodological Notes on the Development and Monitoring of Energy Consumption and GHG Emission Reduction Targets

The GHG emission and energy consumption reduction targets, as well as the renewable energy target, are integral to the GHG emission - and energy-related aspects of the Environmental and Energy Policy. It should be noted that these targets are directly linked to one another due to the relationship between energy consumption and GHG emission levels.

Development of the energy consumption and GHG emission reduction targets, and development of the underlying Climate Transition Plan, required a methodology allowing for measurement current performance in a way that is consistent with their baselines while also allowing for projection into the future. This, combined with the need to consider asset-specific characteristics regarding their thermal efficiency and installed energy systems to plan specific CapEx measures, led to the decision to base the baseline-to-target pathways on the energy rating (or EPC). This also involves application of the DWD climate factor, as well as multiplying by the asset floor area for conversion to absolute values, as explained in section BP-2, subsection E1-1, and the methodological notes in subsection E1-6.

Absolute GHG emissions and energy consumption target disclosures are not presented in this report, asnormalisation by floor area is considered best practice in the real estate sector to account for changes in portfolio size. Intensity values per square meter are not only the key summary metric applied in EU EPCs but are also in-line with the Sector Decarbonisation Approach ("SDA") adopted by sector-specific guidance by standard-setting agencies such as CRREM and the Science-Based Targets Initiative (SBTi)[*].

Approximate absolute values can be obtained by readers through multiplying intensity values by the Gross Floor Area ("GFA") provided in the relevant tables, while reduction values can be obtained through determining the difference of the 2030 and 2019 GHG emission values. Current and past progress towards these targets is calculated through the percentage change against the baseline of the 2024 and 2023 column values, respectively. These targets could only be formulated using the location-based approach, as market-based target setting requires an understanding of future GHG emission factors of grid energy which are not made available by utility service providers. The methodological approach and boundaries applied in the baseline, target-setting, and annual GHG emissions reports for the energy consumption and GHG emission reduction targets are those described in the Coverage portion in subsection E1-6, although the Climate Transition Plan outlined in subsection E1-1 differs slightly in that it

(*) From Global Emission Budgets to Decarbonization Pathways, CRREM only focuses on the direct operational control portfolio in Germany.  For the years 2023 and 2024, this involves the like-for-like portfolio, which consists of the same set of assets for both years, for the applied scope, assuming a constant portfolio in the year 2030.

For an understanding of whether the energy and GHG emission reduction targets are science-based and compatible with 1.5 degrees of global warming as well as the climate scenarios considered in the development of the Climate Transition Plan's and the identified decarbonisation levers, please refer to the discussion in subsection E1.SBM-3 and E1.IRO-1.

The targets were originally set by Daily Management, although during the redevelopment of the underlying Climate Transition Plan the energy audits and planned measures were presented to operations in order to gain a better understanding of their operational and financial feasibility, as outlined in subsection E1-1. This approach is relevant to the Company given that its business model focuses on the acquisition and management of existing properties, with relatively limited construction and renovation activity conducted in a targeted manner. The energy consumption and GHG emission reduction targets do not have milestones or interim targets, although the company evaluates its progress against each target each year.

### Renewable Electricity Procurement Target

The renewable electricity procurement is measurable, although its formulation does not require a baseline value, as the objective is to achieve 100% of landlord-obtained electricity from renewable sources covered by PPAs by 2027. Since the announcement of this target, the Company has been progressively transitioning its electricity utility contracts to a large-scale supplier, in order to achieve a scale needed to begin needed for PPA investments. Progress during this enabling stage has been slower than anticipated due the terms of pre-existing contracts and in some cases tenant preferences towards other utility providers. In 2024, the Company signed a PPA contract to take effect in 2025, with a volume expected to make up for the lack of progress in previous years to remain on course to meet the target. It should be noted that the Company still procured a significant share in 2024 of renewable electricity through Guarantee of Origin contracts, as shown in the proportion of landlord-obtained electricity generated offsite from renewable sources figures from Table 18 in subsection E1-5. This target's primary intention is for the Company to fully take advantage of low hanging fruits in its operational energy procurement, and in the Company's view did not require science-based consideration and scenario analysis in its target-setting as it was seen as a common-sense decision.

The scope encompasses the operational control in the German portfolio, as outlined in the methodological notes on the energy consumption and GHG emission reduction above. The methodology involves comparing the total contractual MWh values of PPA contracts in place for the reporting year against the total landlord-obtained electricity consumption outlined in Table 18 in subsection E1-5, specifically considering the German portfolio, following the associated methodological notes in subsection E1-6. This target does not include interim milestones, however, progress is evaluated annually. The target was originally set by Daily Management, supported and overseen by the dedicated Energy Department responsible for energy procurement.

## E1-5 – ENERGY CONSUMPTION AND MIX

In order to assess and monitor our progress towards our climate change-related goals and commitments, we regularly collect data on utility consumption from our assets, as shown in Table 18. However, due to tenant data sharing restrictions, we cannot monitor tenant-obtained energy consumption related to fuels or district heating. GCP understands the term "energy generation from non-renewable sources" as electricity generated from combined heat and power ("CHP") systems, for which no data was available for assets under our operational control. The Company does not directly consume coal or fossil sources other than those presented in Table 18 below in its portfolio operations. Proportions can be calculated through dividing the applicable metric over the total energy consumption. For an understanding of the underlying methodology of data collection and calculation of figures in this table, please refer to the methodological notes portion of subsection E1-6.

The absolute energy intensity in Table 18 below increased slightly in 2024 compared to 2023, although it should be noted that data coverage increased significantly, with more energy intensive assets added to the reported share of buildings. Observing the like-for-like energy intensities, which concerns the same set of buildings reported in both years, shows a slight decrease in energy intensity.

| Table 18 - Absolute and like-for-like energy for managed assets | | | | | |
|---|---|---|---|---|---|
| **Energy reported in kWh** | | **Absolute** | | **Like-for-Like** | |
| **EPRA Code** | **Metric** | **2023** | **2024** | **2023** | **2024** |
| Elec-Abs<br>Elec-LfL | Electricity consumed for landlord shared services | 16,603 MWh | 22,621 MWh | 16,268 MWh | 19,734 MWh |
| | Total landlord-obtained electricity consumed | 16,603 MWh | 22,621 MWh | 16,268 MWh | 19,734 MWh |
| | Proportion of landlord-obtained electricity generated offsite from renewable sources | 87.35% | 88.82% | 87.64% | 85.04% |
| | Total landlord-obtained electricity generated and consumed onsite from renewable sources (*) | 0 MWh | 0 MWh | 0 MWh | 0 MWh |
| | Total landlord-obtained electricity generated onsite from renewable sources and exported | 369 MWh | 322 MWh | 369 MWh | 322 MWh |
| | Total tenant-obtained electricity consumed | 75,230 MWh | 80,026 MWh | 75,230 MWh | 75,230 MWh |
| | Total electricity consumed | 91,833 MWh | 102,647 MWh | 91,498 MWh | 94,964 MWh |
| | Total electricity consumption data coverage, by area (sqm) | 3,679,520 $m^2$ | 3,895,773 $m^2$ | 3,679,520 $m^2$ | 3,679,520 $m^2$ |
| | Proportion of landlord-obtained electricity consumption and associated GHG emissions that is estimated | 24.43% | 42.68% | 24.94% | 45.66% |
| | Proportion of tenant-obtained electricity consumption and associated GHG emissions that is estimated | 100.00% | 100.00% | 100.00% | 100.00% |
| | Proportion of total electricity consumption and associated GHG emissions that is estimated | 93.79% | 93.79% | 95.09% | 95.09% |
| Fuels-Abs<br>Fuels LfL | Fuels (natural gas) consumed for landlord shared services | 39,269 MWh | 40,166 MWh | 35,008 MWh | 35,606 MWh |
| | Fuels (oil) consumed for landlord shared services | 2,407 MWh | 3,799 MWh | 1,649 MWh | 1,548 MWh |
| | Fuels (natural gas) allocated for tenant consumption | 131,027 MWh | 137,685 MWh | 115,807 MWh | 119,260 MWh |
| | Fuels (oil) allocated for tenant consumption | 8,034 MWh | 13,680 MWh | 5,667 MWh | 5,288 MWh |
| | Total landlord shared services fuels consumed | 41,675 MWh | 43,965 MWh | 36,657 MWh | 37,153 MWh |
| | Total (landlord-obtained) fuels allocated for tenant consumption | 139,060 MWh | 151,366 MWh | 121,474 MWh | 124,549 MWh |
| | Total (landlord-obtained) fuels consumed | 180,736 MWh | 195,331 MWh | 158,131 MWh | 161,702 MWh |
| | Proportion of total (landlord-obtained) fuels from renewable sources | 0% | 0% | 0% | 0% |
| | Total (landlord-obtained) fuels consumption data coverage, by area (sqm) | 1,666,287 $m^2$ | 1,728,533 $m^2$ | 1,442,727 $m^2$ | 1,442,727 $m^2$ |
| | Proportion of total (landlord-obtained) fuel consumption and associated GHG emissions that is estimated | 10.03% | 17.25% | 7.64% | 15.30% |
| DH&C-Abs<br>DH&C-LfL | Total district heating/cooling consumed for landlord shared services | 43,715 MWh | 41,842 MWh | 39,880 MWh | 37,718 MWh |
| | Total district heating/cooling allocated for tenant consumption | 142,875 MWh | 141,765 MWh | 129,617 MWh | 122,525 MWh |
| | Total (landlord-obtained) district heating/cooling consumed | 186,590 MWh | 183,607 MWh | 169,496 MWh | 160,244 MWh |
| | Proportion of total (landlord-obtained) district heating and cooling from renewable sources | 0% | 0% | 0% | 0% |
| | Total (landlord-obtained) district heating/cooling consumption data coverage, by area (sqm) | 2,037,507 $m^2$ | 2,065,623 $m^2$ | 1,864,125 $m^2$ | 1,864,125 $m^2$ |
| | Proportion of total (landlord-obtained) district heating/cooling consumption and associated GHG emissions that is estimated | 10.72% | 12.96% | 8.55% | 13.63% |

(*) over the course of 2024, the Company together with its partner organisation switched several installed on-site PV system contracts to allow for on-site consumption. As this was an ongoing process, insufficient data was available

| Table 18 - Absolute and like-for-like energy for managed assets | | | | | |
|---|---|---|---|---|---|
| **Energy reported in kWh** | | **Absolute** | | **Like-for-Like** | |
| **EPRA Code** | **Metric** | **2023** | **2024** | **2023** | **2024** |
| Absolute and like-for-like energy | Total landlord shared services energy consumed | 101,993 MWh | 108,428 MWh | 92,804 MWh | 94,606 MWh |
| | Total tenant-obtained/tenant allocated energy consumed | 361,038 MWh | 381,784 MWh | 329,939 MWh | 325,823 MWh |
| | Total landlord-obtained energy consumed | 383,929 MWh | 401,559 MWh | 343,895 MWh | 341,679 MWh |
| | Total energy consumption | 459,159 MWh | 481,585 MWh | 419,125 MWh | 416,909 MWh |
| | Total energy consumption data coverage, by area (sqm) | 3,799,509 $m^2$ | 3,895,773 $m^2$ | 3,782,227 $m^2$ | 3,782,227 $m^2$ |
| | Proportion of landlord-obtained energy consumption and associated GHG emissions that is estimated | 10.99% | 16.72% | 8.91% | 16.27% |
| | Proportion of tenant-obtained energy consumption and associated GHG emissions that is estimated | 100.00% | 100.00% | 100.00% | 100.00% |
| | Proportion of total energy consumption and associated GHG emissions that is estimated | 25.57% | 30.56% | 25.26% | 31.38% |
| | Proportion of total energy generated offsite from renewable sources | 2.53% | 3.16% | 2.83% | 3.66% |
| | Proportion of total energy generated onsite from renewable sources (consumed onsite or exported) | 0.08% | 0.07% | 0.09% | 0.08% |
| | Total renewable energy consumption and generation | 10,089 MWh | 13,115 MWh | 10,089 MWh | 12,820 MWh |
| | Total energy consumption from fossil sources | 449,070 MWh | 468,470 MWh | 409,036 MWh | 404,089 MWh |
| **Total building energy intensity (kWh/sqm*year)** | | | | | |
| **Energy-Int** | **Landlord-obtained building energy intensity for energy consumed** | 101.05 kWh/$m^2$ | 103.08 kWh/$m^2$ | 90.92 kWh/$m^2$ | 90.34 kWh/$m^2$ |
| | **Total building energy intensity for energy consumed** | 120.85 kWh/$m^2$ | 123.62 kWh/$m^2$ | 110.81 kWh/$m^2$ | 110.23 kWh/$m^2$ |
| **Mandatory Certificates (Energy Performance Certificates)** | | | | | |
| Cert-Tot | % of portfolio certified by floor are | 89.32% | 96.63% | 95.30% | 97.87% |

Regarding total energy consumption from nuclear sources and its proportion of total energy consumption, the Company does not have sufficient information to determine this at this time. Germany, our primary country of operation, has ceased the generation of energy from nuclear sources in its own domestic grid. This does not mean, however, that zero energy from nuclear sources is consumed in Germany because a share of Germany's electricity is imported from neighbouring countries where nuclear energy generation is still in place. This share of imported energy is not broken down by energy source(*), and thus inhibits the Company's ability to accurately report the nuclear energy it consumes at this time. While nuclear-produced energy may be included in electricity not covered by renewable energy certificate ("REC") or PPA contracts, the Company does not receive detailed information about the energy mix on the invoices for these contracts, and thus, these figures could not be reported.

Table 19 below presents the energy intensity per net revenue. Our business activities are classified under NACE section L Renting and Operating of Own or Leased Real Estate and are therefore classified as "high climate impact sector" activities, meaning all net revenue falls under this sector and no reconciliation is needed.

(*) please refer to data available on Energy-Charts, specifically the "Import Balance" share for Germany's public net electricity generation in 2024, of which 5.7% was imported

**Table 19 – Energy Intensities from Activities in High Climate Impact Sectors (*)**

| Metric | 2023 | 2024 |
|---|---|---|
| Total Energy Consumption From Activities in High Climate Impact Sectors | 459,159 MWh | 481,585 MWh |
| Total Net Revenue from activities in high climate impact sectors | 411,313,000 EUR | 422,693,000 EUR |
| Energy Intensity from Activities in High Climate Impact Sectors | 1.12 MWh / '000 EUR | 1.14 MWh / '000 EUR |

(*) energy is only reported along the operational control scope as defined in the methodological notes in subsection E1-6, meaning that there is a misalignment between the operational control and the financial consolidation scopes of the Company. A recalculation of net revenue metrics was not possible at the time of reporting due to discrepancies between consolidated financial data and the operational energy and emissions data. In the Company's view this is not a material discrepancy, as when considering the value of sustainability disclosures, monetary-based intensity metrics, while required by EU ESRS, are inferior to physical-based intensity metrics with square meters as the denominator disclosed throughout this section. The Company's preference for physical-based intensities is in-line with guidance from sector-specific guidance by standard-setting agencies CRREM and the Science-Based Targets Initiative (SBTi), specifically their in-use operational SDA approach

## E1-6 – GROSS SCOPES 1, 2, 3 AND TOTAL GHG EMISSIONS

To ensure we prioritise improvement plans correctly and monitor their impact to further inform our modelling, good data coverage and reliability is essential. We have a long-term goal of achieving full data coverage across our portfolio. In 2024, we attained 100% energy data coverage for our operational control portfolio in Germany and the UK.

To maximise the utility of this data, we have initiated the development of a new database for environmental data, enabling semi-automated data collection through a mobile app for facility managers. Although GCP does not directly control tenants' energy consumption, we strive to provide our tenants with consistent and relevant information about their energy consumption through the gradual installation of sub-metering systems and smart meters. We have also utilised informational videos and posters, as well as provided information through our Service Centre to encourage behavioural changes among the tenants to reduce energy consumption. This approach empowers our tenants by raising awareness and incentivising them to reduce energy consumption.

In line with common practices in the real estate sector, GCP's consolidated entities own certain properties which it does not directly manage. Lack of management responsibilities present significant challenges in environmental data collection, since GCP is not responsible for energy procurement and data protection barriers limit its ability to demand this information from tenants falling under their direct contracts with utilities. As such, environmental reporting is limited to the operational control consolidation approach defined by the GHG Protocol, in-line with the sector specific environmental reporting standard the EPRA Sustainability Best Practices Recommendations (sBPR). The Company is aware of the ongoing debate surrounding the implementation of ESRS requirements regarding GHG organisational boundaries as outlined in ESRS E1 Paragraphs 46 and 62 supported by paragraph AR 40, specifically that EFRAG is considering whether exceptions might be introduced for industries through its sector-specific standards. In this regard, the Company would like to note that the GHG Protocol went through extensive discussions on how to apply the principles in a sector-specific manner as the standard was introduced almost two decades ago. In light of this, GCP considers sector-specific Guidance by the GHG Protocol to be a more mature standard developed through extensive consultation and through this achieved alignment with financial accounting standards through its direct reference of FASB guidance on accounting practices regarding different lease types. In light of these facts and EFRAG's delayed rollout of sector-specific standards, the Company has decided to continue applying its operational control boundary according to sector-specific GHG protocol guidance(*), which the Company also anticipates EFRAG will adopt in a similar

(*) Appendix F to the GHG Protocol Corporate Accounting and Reporting Standard – Revised Edition fashion as this approach was more recently reiterated in technical guidance jointly produced by standard-setting organisations GRESB, CRREM, and the Partnership for Carbon Accounting Financials ("PCAF") (*).

Both the absolute and like-for-like location-based GHG emissions intensities declined in 2024 compared to 2023. Market-based GHG emissions intensities increased, however, primarily driven by district heating utilities which are more challenging to decarbonise, although the increase in market-based like-for-like intensities was lesser in magnitude than that of their absolute counterparts.

(*) Accounting and Reporting of GHG Emissions from Real Estate Operations, by PCAF CRREM and GRESB

**Table 20 – Absolute and like-for-like GHG emissions for managed assets**

| GHG emissions reported in tonnes $CO_2e$ | | Absolute | | Like-for-Like | |
|---|---|---|---|---|---|
| **EPRA Code** | **Metric** | **2023** | **2024** | **2023** | **2024** |
| GHG-Dir-Abs<br>GHG-Dir-LfL | Direct GHG emissions (GHG Protocol Scope 1) | 7,781 t $CO_2$ | 8,289 t $CO_2$ | 6,814 t $CO_2$ | 6,898 t $CO_2$ |
| GHG-Indir-Abs<br>GHG-Indir-LfL | Indirect GHG emissions (GHG Protocol Scope 2; Location-based) | 18,930 t $CO_2$ | 19,222 t $CO_2$ | 17,654 t $CO_2$ | 17,487 t $CO_2$ |
| | Indirect GHG emissions (GHG Protocol Scope 2; Market-based) | 10,691 t $CO_2$ | 16,463 t $CO_2$ | 9,660 t $CO_2$ | 10,875 t $CO_2$ |
| | Indirect GHG emissions (GHG Protocol Scope 3 from tenant-controlled energy, Location-based) | 101,744 t $CO_2$ | 103,256 t $CO_2$ | 93,970 t $CO_2$ | 89,192 t $CO_2$ |
| | Indirect GHG emissions (GHG Protocol Scope 3 from tenant-controlled energy, Market-based) | 86,508 t $CO_2$ | 108,613 t $CO_2$ | 79,579 t $CO_2$ | 82,676 t $CO_2$ |
| Absolute and like-for-like GHG emissions | Total GHG emissions (GHG Protocol Scopes 1, 2 and 3; Location-based) | 128,455 t $CO_2$ | 130,767 t $CO_2$ | 118,438 t $CO_2$ | 113,577 t $CO_2$ |
| | Total GHG emissions (GHG Protocol Scopes 1, 2 and 3; Market-Based) | 104,979 t $CO_2$ | 133,365 t $CO_2$ | 96,053 t $CO_2$ | 100,449 t $CO_2$ |
| | Total GHG emissions data coverage, by area (sqm) | 3,799,509 $m^2$ | 3,895,773 $m^2$ | 3,782,227 $m^2$ | 3,782,227 $m^2$ |
| **Building GHG intensity (kg$CO_2e$/sqm*year)** | | | | | |
| GHG-Int | Landlord-obtained building GHG emissions intensity (GHG Protocol Scopes 1, 2 and 3; Location-Based) (kg$CO^2$e/sqm*year) | 26.46 kg $CO_2e/m^2$ | 26.32 kg $CO_2e/m^2$ | 23.94 kg $CO_2e/m^2$ | 22.97 kg $CO_2e/m^2$ |
| | Total building GHG emissions intensity (GHG Protocol Scopes 1, 2 and 3; Location-Based) (kg$CO_2e$/sqm*year) | 33.81 kg $CO_2e/m^2$ | 33.57 kg $CO_2e/m^2$ | 31.31 kg $CO_2e/m^2$ | 30.03 kg $CO_2e/m^2$ |
| | Landlord-obtained building GHG emissions intensity (GHG Protocol Scopes 1, 2 and 3; Market-Based) (kg$CO_2e$/sqm*year) | 20.28 kg $CO_2e/m^2$ | 26.98 kg $CO_2e/m^2$ | 18.02 kg $CO_2e/m^2$ | 19.50 kg $CO_2e/m^2$ |
| | Total building GHG emissions intensity (GHG Protocol Scopes 1, 2 and 3; Market-Based) (kg$CO_2e$/sqm*year) | 27.63 kg $CO_2e/m^2$ | 34.23 kg $CO_2e/m^2$ | 25.40 kg $CO_2e/m^2$ | 26.56 kg $CO_2e/m^2$ |

Table 21 below presents the GHG emissions intensity per net revenue. Our business activities are classified under NACE section L Renting and Operating of Own or Leased Real Estate and are therefore classified as "high climate impact sector" activities, meaning all net revenue falls under this sector and no other intensity figures or reconciliation is needed.

**Table 21 – GHG Emissions Intensities per Net Revenue (*)**

| Metric | 2023 | 2024 |
|---|---|---|
| Total Location-Based Emissions From Activities in High Climate Impact Sectors | 128,455 t $CO_2$ | 130,767 t $CO_2$ |
| Total Market-Based Emissions From Activities in High Climate Impact Sectors | 104,979 t $CO_2$ | 133,365 t $CO_2$ |
| Total Net Revenue | 411,313,000 EUR | 422,693,000 EUR |
| Location-Based Emissions Intensity per net revenue | 0.31 t $CO_2$ / '000 EUR | 0.31 t $CO_2$ / '000 EUR |
| Market-Based Emissions Intensity per net revenue | 0.26 T $CO_2$ / '000 EUR | 0.32 T $CO_2$ / '000 EUR |

(*) emissions are only be reported along the operational control scope as defined in the methodological notes in this subsection, meaning that there is a misalignment between the operational control and the financial consolidation scopes of the Company. A recalculation of alternate net revenue metrics was not possible at the time of reporting due to discrepancies between consolidated financial data and the operational energy and emissions data. In the Company's view this is not a material discrepancy, as when considering the value of sustainability disclosures, monetary-based intensity metrics, while required by EU ESRS, are inferior to physical-based intensity metrics with square meters as the denominator disclosed throughout this section. The Company's preference for physical-based intensities is in-line with guidance from sector-specific guidance by standard-setting agencies CRREM and the Science-Based Targets Initiative (SBTi), specifically their in-use operational SDA approach

## Methodology and EPRA sBPR Data Preparation Notes

When calculating our GHG emission reduction targets and achieved savings we align with the GHG Protocol, adapted to the real estate sector through the 4th edition of the European Public Real Estate Association ("EPRA") Sustainability Best Practice Recommendations ("sBPR") published in 2024 which notable aligned the standard to the EU ESRS requirements. The notes below apply to Table 20 in this subsection and Table 18 in subsection E1-5.

In 2024, GCP received the EPRA sBPR Gold award for our disclosure for the eighth time consecutively. This year, in preparation for the first compliance window of the CSRD, we have reported in alignment where possible with ESRS disclosure requirements according to our DMA.

### *Organisational Boundaries*

The information and data in this report covers the operations of Grand City Properties S.A. (GCP) spanning our direct employees and portfolio. As of 31 December 2024, the Company portfolio held €8.6 billion of investment property excl. assets held-for-sale.

### *Landlord and Tenant Boundaries, Allocation by Scopes, Scope 3 Categories*

We have followed the methodology followed in last year's report for allocating energy consumption between landlord-controlled areas and tenant-controlled areas. GHG emissions associated with the energy sources outlined in Table 18 in subsection E1-5 are categorised into three distinct scopes as defined by the GHG Protocol:

- **Scope 1** GHG emissions are generated directly from the use of energy sources within the building, such as natural gas and other fuels and GHG emissions from the operation of boilers and furnaces(*).
- **Scope 2** covers indirect GHG emissions from purchased energy, including electricity, steam, district heating and cooling.
- **Scope 3** encompasses all indirect GHG emissions generated in the value chain of the Company that are not covered by Scope 2.

In our 2019 baseline and annual GHG emissions reporting, we use a common area/total area ratio to estimate the gross floor area ("GFA") from the available net lettable areas ("NLA") determined through our letting contracts, allowing us to apportion shared-service heating consumption between landlord and tenant spaces. The allocation is based on the floor area distribution found with the property types classification appendix (3a) of the GRESB Real Estate Assessment Reference Guide.

(*) scope 1 GHG emissions from real estate do not currently fall under regulates emissions trading schemes

This calculation of landlord- and tenant-controlled areas is used to allocate landlord-obtained heating energy between Scopes 1 or 2 and Scope 3 Category 13 (Downstream Leased Assets). Additionally, GHG emissions from tenant-obtained electricity, which is estimated due to data protection barriers, is allocated directly to Scope 3 Category 13. Scope 3 Category 13 is the sole relevant Scope 3 category reported here, following the EPRA sBPR standard, which only covers the operational GHG emissions of the portfolio. Relevance is based on the Company business model, involving a relatively small share of targeted construction activities compared to other companies in the sector, instead focusing on acquisition and management of existing properties.

While precise allocation of $CO_2$ emissions between Scope 1 or 2 and Scope 3 Category 13 would involve complete measured data from the metering and sub-metering arrangements in place between tenants and landlords, the majority of our utilities use outdated, paper-based billing systems with inconsistent invoice formats, which are often received too late to meet current-year reporting deadlines. Additionally, real-time monitoring is hindered by the slow implementation of smart meters by grid operators, who prioritise energy-intensive users (i.e. manufacturing) over less intensive sectors. As a result, the total energy consumption for the building is attributed to landlord or tenant control based on the ratio of shared spaces to tenant areas expected for the property as provided by GRESB. Correspondingly, GHG emissions from this energy consumption are allocated accordingly in the same proportion, with common areas falling under Scopes 1 and 2 and tenant areas falling under Scope 3 Category 13, following the operational control consolidation approach of the GHG protocol. Therefore, the energy consumption and the corresponding $CO_2$ emissions represents the entire building area i.e., of both landlord and tenant-controlled area.

***Coverage***

Absolute and like-for-like portfolio environmental data relates to the assets in the operational control portfolio in Germany and London, which is a subset of the Organisational Boundaries discussed above, defined as assets the Company directly manages building operations with responsibility for operational decisions, mainly the choice of energy provider. The like-for-like subset contains all the properties for which we received environmental reporting data for the full one-year period from 1st January 2024 to 31st December 2024. Actual environmental performance data is only reported on assets for which we have operational control and for which we can collect utilities data. On an absolute basis, this included 100% of the total operational control portfolio covering a gross floor area of 3,896K $m^2$ (excluding assets held for sale) at the end of 31st December 2024.

Further information relating to maximum coverage on an absolute and like-for-like basis per utility type is provided within our data tables.

Data relating to our employees covers all direct employees employed by Grand City Properties, including part time and temporary workers, as well as our international employees(*).

***Reporting period***

All data relates to our financial year, which coincides with the calendar year, and consequently runs from 1st January to 31st December of the year under review.

***Estimation of Utility Consumption***

The list below outlines all applicable estimation methods involved in the preparation of energy and GHG emissions data presented in Table 18 in subsection E1-5 and Table 20 in subsection E1-6, respectively. As outlined in the Landlord and tenant boundaries, allocation by scopes, scope 3 categories portion of these notes above, Scope 3 GHG emissions are allocated to category 13 according to the share of landlord- and tenant-controlled areas of reported properties. Thus, the Proportion of total energy consumption and associated GHG emissions that is estimated figures in Table 18 in subsection E1-5 are applicable to Scope 3 GHG emissions presented in Table 20, while the share of primary data can be derived through obtaining the difference between this figure and 100 percent.

1. Measured data for the reporting year were not fully available in time for publication. In instances where the available heating data is not representative, estimations were made based on known consumption from other periods, following the ratio-based heating-degree-days normalisation method. For electricity, the consumption was extrapolated based on the weighted arithmetic mean of other known periods. In some instances, this was not possible for heating. In such cases, we estimated heating consumption by extrapolating expected values based on the building's EPC rating. Weather normalisation was not performed, as the estimation process involves historical climate factor data published by the German National Meteorological Service (DWD). There is a lag between the last date of each month and the publication of climate factor data of approximately 2 months. Due to reporting timelines, the most recent full year of published climate factors available at the time are used to represent the current reporting year, which in this report is November 2023 to November 2024 for the year 2024.
2. In some cases, GCP assets do not have Energy Performance Certificates (EPCs) because existing certificates have expired, and there is limited market capacity,

(*) This topic relates to data covered in the S1 section, but is presented here in order to maintain an alignment with the EPRA sBPR Guidelines which delays the process of issuing new EPCs. When EPCs are not available, EPC-estimated calculations are conducted using average energy intensity values based on EPCs of properties in the same building cluster or a weighted average based on the construction year, thus the consumption is considered estimated.

3. For tenant-obtained electricity, the consumption for tenant-controlled areas is estimated based on industry standard energy benchmarks, namely the Association of German Engineers (Verein Deutscher Ingenieure) VDI-Richtlinien 3807 for residential and the German Federal Institute for Research on Building, Urban Affairs and Spatial Development (Bundesinstitut für Bau-, Stadt- und Raumforschung, BBSR) for commercial assets, as well as benchmarks specific to the Company portfolio based on EPC ratings for the properties when available.

We have reported the percentage of estimation that this represents per utility type in Table 18 in subsection E1-5.

Furthermore, we have disclosed the proportion of overall consumption that our estimation of tenant consumption represents, according to our methodology described in the section 'Landlord and Tenant Boundaries'.

Regarding only landlord-obtained utility consumption, as per the EPRA sBPR requirements, we have detailed the extent of estimations below:

- Electricity: 57% of landlord-obtained consumption is based on available data, with 43% estimated.
- Heating: 85% of landlord-obtained consumption is based on available data, with the remaining 15% estimated.

***Units of Measurement and Normalisation***

Utilities data are reported based on absolute consumption measured in MWh (energy), $tCO_2e$ (GHG emissions). GHG emissions are reported using location-based conversion factors published by the German Environmental Protection Association as well as market-based factors when available. Where consumption is normalised, we calculate intensity indicators using floor area ($m^2$) for whole buildings, including tenant areas. Since we are now estimating the tenant consumption, we believe that our numerator and denominator provide a representative intensity figure.

***Segmental Analysis (By Property Type, Geography)***

Segmental analysis by geography is not relevant for our portfolio. Our assets are primarily located within Germany and London, and therefore in the same climatic zone. Reported properties in the UK only make up 1% of the total GHG emissions coverage by floor area and are thus deemed not relevant for disaggregation. The GCP portfolio in Germany contains some commercial spaces as specified in their EPCs, although these are mainly spaces located on the ground floor of residential buildings currently utilised for commercial purposes (i.e. kiosks or other small businesses) making up 8% of total GHG emissions coverage by floor area and were similarly deemed not relevant for disaggregation.

***Disclosure on Own Offices***

Our own occupied office consumption is excluded from our portfolio data as we are a tenant in the building.

***Restatements of Information***

- Due to further enhancements made on operational data, some properties included in last year's reported energy consumption and GHG emissions figures have been identified as being managed by the tenants. As a result, energy consumption data of assets has not been changed, but the reported consumption and associated GHG emissions totals for each portfolio segment for the year 2023 have decreased due to a decrease in assets included to more precisely align with the Company's definition of the operational control scope.
- In order to align with industry best practices, square meter measurements used to normalise physical energy- and GHG emission intensities have been converted from NLA to GFA, using asset-type-specific benchmarks by GRESB described above.
- In its estimations of tenant-obtained electricity, GCP has adopted new benchmarks deemed more relevant to the portfolio: the Company switched from using the CIBSE benchmarks to those provided by VDI for residential assets and BBSR as well as intensities provided in EPCs of own properties for commercial, depending on available information. Benchmarks are described in more detail above.
- Figures relating to the proportion of total energy generated offsite from renewable/green sources have been restated for 2023 as GCP is phasing out its procurement of carbon-neutralised gas. The reasoning for this is that gas combustion cannot be claimed as renewable and carbon neutralised contracts are in practice an offset, and the Company would thus prefer to focus its sustainability strategy on increasing the share of renewable energy and reducing GHG emissions in its own operations.

***Narrative on Performance***

Explanation and analysis of our performance in relation to the Performance Measures reported on are found with the respective data tables throughout this report.

### *GHG emission factors*

In 2024, GHG emission factors were sourced from a new source and therefore updated and incorporated for 2023 and 2024 data in this report. Location-based GHG emission factors are primarily retrieved from the CRREM dataset (see Table below) and applied to calculate heating and electricity GHG emissions based on consumption data. Market-based GHG emissions are calculated using GHG emission factors provided by suppliers. For heating, these GHG emission factors apply to both landlord and tenant GHG emissions. For electricity, only the landlord's GHG emissions can be calculated based on existing contracts, while the tenant's GHG emissions values are taken from the country's electricity mix (location-based, CRREM)(*). The GHG emission factors in the CRREM tool for district heating, however, are not country-specific but instead apply one factor for all countries. In order to achieve more location-specific GHG emission factors, an external consultancy was requested to provide reasonable adaptations of the CRREM district-heating factor in order to make it more relevant for each country involved in the environmental reporting.

(*) version v.2.05, back-end tab of the CREEM tool

**Table 22 – Location-based GHG emission factors 2023/2024**

| Location | Energy type | Data source | $CO_2e$ Factor 2023 [$gCO_2e/kWh$] | $CO_2e$ Factor 2024 [$gCO_2e/kWh$] |
|---|---|---|---|---|
| DE | Electricity | CRREM | 371 | 355 |
| UK | Electricity | | 176 | 158 |
| DE | Natural Gas | | 183 | 183 |
| UK | Natural Gas | | 183 | 183 |
| DE | District Heating | Advisory by external consultancy, following CRREM methods | 325 | 311 |
| UK | District Heating | | 154 | 138 |
| DE | Oil | CRREM | 247 | 247 |
| UK | Oil | | 247 | 247 |

### *GHG emissions data reporting basis*

GHG emissions data per asset is reported using two methods: location-based and market-based.

**Location-based:** GHG Emissions data is collected on a country-by-country basis and calculated accordingly with consumption values per utility. Starting in 2024, CRREM GHG emission factors were adopted. These factors are consistent with the Paris Agreement's goal of limiting global warming to 1.5°C or 2°C. This provides real estate investors, developers, and managers with a science-based framework for reducing carbon emissions in line with global climate commitments. The use of these GHG emission factors ensures that real estate assets follow a decarbonisation path that is consistent with broader climate targets. The 2023 location-based GHG emissions data will also be recalculated using the CRREM-factors for comparability.

**Market-based:** The GHG emissions factor is defined through one of three methods:

1. Factors are taken from previously issued invoices (district heating and electricity);
2. Factors are taken from suppliers' GHG emission certificates (district heating); or,
3. Factors are taken from publicly available suppliers' statements (district heating).

GHG emissions data is supplier dependent. If no information on the GHG emission factors of the respective supplier is available via the invoices, certificates, or publicly available information, then the country mix is considered (location-based). Scope 1 GHG emissions (natural gas and oil) are single energy source commodities that are highly similar between utility providers and are therefore always considered location-based under the GHG Protocol.

### *Contractual Instruments for Renewable Energy*

GCP works with its utility providers in order to increase the share of renewable energy procured using contractual instruments available in the energy markets where it operates. The primary contractual instruments are EU Guarantees of Origin ("GOs"), which are renewable electricity certificates purchased to cover consumed electricity that are unbundled with the physical electricity. Additionally, the Company engages in Corporate Power Purchase Agreements ("CPPAs", or "PPAs") which are bilateral contracts purchasing renewable energy directly from renewable energy producers at a pre-agreed price and quantity, which are thus bundled with the physical electricity produced. As noted in the Renewable electricity procurement portion of subsection E1-4, electricity from bundled contracts is only being procured from 2025 on, meaning the figures reported in Proportion of landlord-obtained electricity generated offsite from renewable sources figures from Table 18 in subsection E1-5 are based on unbundled contractual instruments. This proportion is applicable to Scope 2 and associated Scope 3 category 13 GHG emissions stemming from landlord-obtained electricity.

## E1-7 GHG REMOVALS AND GHG MITIGATION PROJECTS FINANCED THROUGH CARBON CREDITS

GCP does not engage in GHG Removals and Storage projects in its value chain, instead we focus on reducing our operational GHG emissions from our own business activities. We are currently not investing in carbon removal projects and do not purchase carbon credits from external partners.

## E1-8 – INTERNAL CARBON PRICING

GCP uses a carbon pricing that is a CapEx shadow price that reflects the hypothetical cost of its $CO_2e$. It is not necessarily tied to actual market prices but is used as a decision-making tool to account for the environmental and social impacts of carbon emissions in economic terms.

We have applied an internal carbon price as a shadow carbon price so we can identify the additional benefits of our actions towards energy consumption and GHG emissions reductions over the use life of implemented measures. We have used the German pricing based on the Fuel Emissions Trading Act[*] as opposed to the wider market pricing. This pricing was €30/tonne $CO_2$ through 2023, is set at €45/tonne $CO_2$ for 2024, and will increase incrementally to a price corridor of €55-65/tonne $CO_2$ by 2026. From 2027 onward, it will transition to a market-based system for which the rules are yet to be determined, for which the Company assumes a price cap of €125/tonne $CO_2$. Instead of taking the recommended price of €55-65/tonne $CO_2$, For 2025 through 2026, GCP has already been considering a higher price of €90/tonne $CO_2$ and will increase the price to €120/tonne $CO_2$ from 2025. In the Company's view, this is practically applying an assumption of a moderate transition scenario. Hence, when calculating the returns of investments of refurbishment projects in particular, the increasing price of $CO_2$ is already factored in and considered in decision-making processes of refurbishment measures.

Since the regulatory framework discussed in this section regards heating-related GHG emissions generated in operations of the German operational control portfolio, also including downstream tenant-controlled areas, the GHG emissions covered by this scheme for the year 2024 are presented in the table below. These figures are taken directly from the data underlying Table 20 (Absolute GHG emissions) in subsection E1-6 above, following the same organisational boundaries. It is important to note that not all these GHG emissions stated below are taxed under the German scheme described above, since there are provisions outlining the share of the tax to be paid by the landlord and tenant based on the energy rating of the property.

**Table 23 – GHG Emission Volumes Covered by the Internal Carbon Pricing Scheme**

| GHG Category | Amount of $tCO_2e$ |
|---|---|
| Scope 1 | 8,289 |
| Scope 2 | 13,586 |
| Scope 3 | 74,433 |

(*) Brennstoffemissionshandelgesetz (BEHG)

# ESRS E2 Pollution

## INTRODUCTION

At GCP, we are committed to protecting the environment, ensuring the health and safety of our employees, and fostering the wellbeing of the community in which the Company operates. While these areas encompass a range of considerations, it is important to distinguish those most relevant to a real estate company such as GCP. When it comes to environmental protection, pollution is a key focus area, which can be considered in relation to soil, water and air. During the DMA process, it became clear that the distinction was also important to our stakeholders, who did not perceive the impact on soil or water as significant, however, they saw air pollution as a material topic.

The main contributor to local and regional air pollution associated with GCP's operation is the combustion of fossil fuel for heat and power generation consumed at our residential assets. Although GCP cannot directly control fossil fuel powered energy generation or any resulting pollution, the Company takes measures to increase renewable energy usage and focuses on the reduction of $CO_2e$ emissions, as referred to in subsection E1-3 and E1-4 of this report. This is achieved by improving the energy efficiency of its assets, gradually replacing traditional heating systems with low emission alternatives over the coming decades and installing on-site renewable energy generation.

It should be noted that the measurement of air pollutants linked to power generation is challenging and entirely based on external data, as for now the Company has no direct insight into its energy and electricity providers. Instead, GCP discloses $CO_2e$ emissions in subsection E1-6 of this report as a reference value, as combustion linked air pollutants such as Nitrogen oxides (Nox), Sulphur oxides (Sox) and Particulate Matter (PMs) typically increase or decrease proportionately with changes in $CO_2e$ emissions.

Whilst we are currently unable to precisely quantify GHG emissions from our own and our providers heating and electricity systems, the Company strives to further enhance its understanding of their contribution to air pollution. In tandem with these efforts, our policies and actions surrounding air pollution ensure that GCP actively contributes to a responsible and sustainable future.

| High-level overview of disclosure | |
|---|---|
| **Standard** | **Indicator** |
| **ESRS E2 Pollution** | E2. IRO-1 – Description of the processes to identify and assess material pollution-related impacts, risks and opportunities |
| | E2-1 – Policies related to pollution |
| | E2-2 – Actions and resources related to pollution |
| | E2-3 – Targets related to pollution |
| | E2-4 – Pollution of air, water and soil |

IROs or datapoints that were identified as immaterial to GCP are not covered in this report. In some cases, GCP makes use of the phase-in provisions (in accordance with Appendix C of ESRS 1) and is committed to disclosing these datapoints in the coming years.

**Table 24**

**Material sustainability matters covered in ESRS E2**

| Topic | Sub-topic | Materiality (impact/ financial/double) | Categorisation IRO | Localisation of IRO | Time horizon of IRO |
|---|---|---|---|---|---|
| Pollution | Air pollution | Impact | Negative impact | Own operations and value chain (downstream) | Long-term |

## E2. IRO-1 DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL POLLUTION-RELATED IMPACTS, RISKS AND OPPORTUNITIES

Within GCP's overarching goal of environmental protection, the Company considers potential pollution impacts from its operations. The DMA reaffirmed that air pollution is GCP's most significant impact in this area. This impact primarily results from the electricity and heat consumption in our buildings, as our tenants' energy needs are not yet fully met by renewable and emission-free sources. The combustion of gas, oil and coal for the purpose of heating and powering our assets, along with the use of district heating and electricity from non-renewable sources, contributes to air pollution.

GCP has implemented a structured process to identify and assess material pollution-related impacts, risks and opportunities through multi-stakeholder consultations conducted in July 2024 as part of the DMA.

While GCP conducted extensive internal stakeholder engagement, direct consultation with affected local communities was not part of this assessment process. The Company primarily relied on operational teams' knowledge of local impacts and compliance with local regulations to assess community effects. Future materiality assessments may benefit from expanded direct community engagement regarding pollution impacts. Please refer to ESRS 2 IRO-1 and ESRS 2 SBM-3 of this report for more details.

### Materiality Assessment Results: Pollution Impact

The assessment process evaluated both positive and negative impacts of pollution-related activities, with stakeholders rating impacts on a scale of 1-5. Air pollution from fossil fuel-based heating and energy consumption was identified as having material negative impacts, scoring above the materiality threshold of 2.5.

Air pollution related to fossil-fuel combustion is not linked to a specific site location in GCP's operations but to energy power stations across Germany and the UK where the Company operates predominantly. Air pollution is often generated locally but can disperse over long distances through air circulation and wind patterns, crossing borders and impacting air quality on a regional and, in some cases, global scale.

GCP does not engage in direct business activities that cause air pollution. As described above, air pollution is linked to the energy and heating generation by power stations that is consumed by tenants of the Company's residential tenants. Therefore, it is GCP's goal to reduce fossil fuel energy and expand the share of renewable energy within its energy consumption.

## E2-1 POLICIES TO MANAGE ITS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO POLLUTION

**Table 25**

| Policy Title | Short Description |
|---|---|
| **Reference** | **Title** |
| **Environmental and Energy Policy** | GCP's policy seeks continual improvement throughout its business operations to lessen the impact on the local and global environment by conserving energy, water and other natural resources, reducing pollution and waste generation, increasing the share of waste that is recycled, and reducing the use of toxic materials. |

GCP's Environmental and Energy Policy, which was updated in 2024, seeks continual improvement throughout its business operations to lessen the impact on the local and global environment by conserving energy, water and other natural resources, reducing pollution and waste generation, increasing the share of waste that is recycled, and avoiding the use of toxic materials. The policy covers key objectives on energy that also relate to air pollution:

- Metering and monitoring systems
- High-energy efficiency systems
- Renewable energy systems
- Energy storage systems
- Electric vehicle chargers wherever feasible

GCP uses renewable energy sources wherever possible for heating and electricity and is progressively changing its entire portfolio to renewable energy contracts for electricity and district heating systems. GCP is also pursuing the replacement of all fuel oil heating systems and aims to increase the adoption of decentralised renewable and high-efficiency energy systems, as well as transition to district heating.

Each of the energy objectives within GCP's Environmental and Energy Policy address the material air pollution impacts that GCP has. These objectives ensure that GCP moves towards renewable and emission free energy, that will, in turn, reduce the amount and impact of air pollution produced. The expansion of metering and monitoring systems will enable the capture, tracking, monitoring and analysis of GHG emissions contributing to air pollution, ensuring that progress is being made towards reducing these impacts.

### Scope and Accountability for Implementation

The scope of topics covered by GCP's Environmental and Energy Policy includes energy, water and waste. In terms of its reach, the policy applies globally to GCP, its subsidiaries and affiliated companies. The policy was developed to reflect GCP's commitment to environmental stewardship and is therefore applicable to all of GCP's companies, departments and properties, as well to new developments, major renovations, and modernisations. Beyond this, tenant and business partner engagement will be pursued to raise awareness of energy efficiency initiatives related to tenant consumption and business partner operations, as well as to ensure that systems in place operate at the highest efficiency.

The policy does not involve third-party standards or initiatives in its implementation, as it primarily focuses on improving environmental impacts through implementing decarbonisation levers mentioned in subsection E1-1, which can have co-benefits such as reducing certain types of air pollution. GCP is following guidance of the GHG protocol and the Carbon Risk Real Estate Monitor ("CRREM") pathway in its strategy to reduce carbon emissions as outlined in detail in subsection E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions .These frameworks play a key role in supporting GCP's Environmental and Energy Policy by guiding the reduction of greenhouse emissions, which can have co-benefits such as reducing certain types of air pollution. Through these standards, GCP ensures a structured approach to monitoring, managing, and mitigating GHG emissions generated by its asset portfolio, delineating responsibilities at the asset and company-level between operations and Daily Management.

At the most senior level, the Daily Management, the Head of Energy Department with support of the Chief Sustainability Officer are responsible for implementation of the Environmental and Energy Policy.

### Environmental and Energy Policy: Reducing Pollution and Negative Impacts

GCP's Environmental and Energy Policy aims to mitigate the negative impacts of air pollution by:

- Reducing reliance on fossil fuels by increasing renewable energy sources and contracts
- Increasing energy efficiency systems and initiatives
- Tenant engagement to raise awareness of energy efficiency initiatives and the impact of operations.

These actions will lead to a reduction of air pollution associated with the combustion of fossil fuels for power generation, as fewer pollutants will be emitted, thereby minimizing the negative impacts of air pollution.

As GCP considers only air pollution as material, the Environmental and Energy Policy briefly mentions water, waste and soil pollution.

## E2-2 ACTIONS AND RESOURCES IN RELATION TO POLLUTION

Our actions, planned steps, and current and future financial resources addressing air pollution are aligned with the Climate Transition Plan outlined in subsection E1-1 Transition Plan, along with the key actions related to GHG emissions outlines in subsectionE1-3 of this report.

As with the actions taken as part of our Climate Transition Plan, GCP efforts regarding air pollution reduction span across its value chain, engaging with both upstream suppliers and downstream tenants to minimize GHG emissions and improve air quality.

## E2-3 TARGETS RELATED TO POLLUTION

GCP has not established a specific target for air pollution prevention and control at this stage. The Company's primary environmental focus is on reducing fossil fuel consumption and GHG emissions, as outlined. Given that air pollution from combustion sources generally correlates with GHG levels, GCP refers to its $CO_2e$ emissions reduction targets under subsection E1-4, specifically the GHG emissions reduction target and accompanying methodological notes sections, of this report, also contributing to air pollution reduction efforts.

Currently, GCP does not track air pollutants such as nitrogen oxides (NOx), sulfur oxides (SOx), and particulate matter (PMx) separately due to the complexity of obtaining reliable data. The Company acknowledges this limitation and is considering evaluating potential approaches to enhance future reporting capabilities

## E2-4 POLLUTION OF AIR, WATER AND SOIL

As described above, the primary source of air pollution associated with our operations are the pollutants released during the combustion of fossil fuels when generating heat and electricity for our assets. Measurement of air pollutants linked to this power generation is challenging and mostly based on estimations due to limited insight on GCP's side of our energy and electricity providers.

GCP is not able to disclose amounts of each individual pollutant currently. While above-mentioned constraints affect the accuracy and feasibility of precise reporting, the Company remains committed to evaluating potential approaches for enhanced assessment and disclosure in the future. Water and soil pollution are not material for GCP. In addition, based on our current operations, we do not generate or use microplastics in any material way.

# Social information

## ESRS S1 Own workforce

### INTRODUCTION

It is fundamental for a responsible business to ensure that everyone feels safe and protected. GCP takes significant steps to ensure that its work environment positively impacts the health and wellbeing of its employees. Beyond this foundation, the Company strives for excellence in key areas such as career development, training, work-life balance, wellbeing, and diversity and inclusion - all essential for attracting and retaining top talent. The interests, views and rights of its employees primarily relate to human rights and health and safety. Our approach to workforce protection is outlined in the following section.

GCP's suite of social policies - including our Employee Code of Conduct, Diversity Policy, Anti-Discrimination Policy, Human Rights Policy, Anti-Corruption Policy and Whistleblowing Policy - enables us to effectively manage workforce-related impacts, risks and opportunities. Designed with our employees' interests in mind, these policies apply across our entire workforce. They reinforce our commitments to protecting employees' human rights, health and safety while safeguarding against discrimination and harassment. Additionally, they define employees' role in preventing corruption and bribery within the Company. The centralisation of our HR Department ensures standardised processes and policies, optimising knowledge and talent utilization across the organisation.

| Standard | |
|---|---|
| ESRS S1 Own Employees | S1. SBM-2 – Interests and views of stakeholders |
| | S1. SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model |
| | S1-1 – Policies related to own workforce |
| | S1-2 – Processes for engaging with own workforce and workers' representatives about impacts |
| | S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns |
| | S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions |
| | S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities |
| | S1-6 – Characteristics of the undertaking's employees |
| | S1-9 – Diversity metrics |
| | S1-10 – Adequate wages |
| | S1-11 – Social protection |
| | S1-12– Persons with disabilities |
| | S1-13 – Training and skills development metrics |
| | S1-14 – Health and safety metrics |
| | S1-15 – Work-life balance metrics |
| | S1-16 – Remuneration metrics (pay gap and total remuneration) |
| | S1-17 – Incidents, complaints and severe human rights impacts |

IROs or datapoints that were identified as immaterial to GCP are not covered in this report. In some cases, GCP decided to use the phase-in provisions (in accordance with Appendix C of ESRS 1) and is committed to disclosing these datapoints in the coming years.

**Table 26**

**Material sustainability matters covered in ESRS S1**

| Topic | Sub-topic | Materiality (impact/ financial/ double) | Categorisa-tion IRO | Localisa-tion of IRO | Time horizon of IRO |
|---|---|---|---|---|---|
| **Working conditions** | Secure employment | Double | Positive Impact/Risk/ Opportunity | Own operations | Short-term/ Medium-term/ Long-term |
| | Working time | Double | Positive Impact/Risk/ Opportunity | Own operations | Short-term / Medium-term/ Long-term |
| | Adequate wages | Double | Positive Impact/Risk/ Opportunity | Own operations | Short-term / Medium-term / Long-term |
| | Social dialogue | Impact | Positive Impact | Own operations | Short-term/ Long-term |
| | Freedom of association | Impact | Positive Impact | Own operations | Short-term / Long-term |
| | Work-life balance | Double | Positive Impact/Risk/ Opportunity | Own operations | Short-term / Long-term |
| | Health and safety | Double | Positive Impact/Risk/ Opportunity | Own operations | Short-term / Long-term |
| **Equal treatment and oppor-tunities for all** | Gender equality and equal pay | Impact | Positive Impact | Own operations | Short-term / Long-term |
| | Training and skills devel-opment | Impact | Positive Impact | Own operations | Short-term / Long-term |
| | Employment & inclusion of people with disabilities | Impact | Positive Impact | Own operations | Short-term / Long-term |
| | Measures against violence and harassment | Impact | Positive Impact | Own operations | Short-term / Long-term |
| | Diversity | Impact | Positive Impact | Own operations | Short-term / Long-term |
| **Other work-related rights** | Privacy | Impact | Positive Impact | Own operations | Short-term / Long-term |

## S1. SBM-2 – INTERESTS AND VIEWS OF STAKEHOLDERS

GCP integrates the interests, views, and rights of the workforce into its strategy and business model by systematically assessing how its business activities, operational practices, and strategic decisions affect its employees. Through the participation in GCP's Double Materiality Assessment (DMA), employees directly identify areas of actual or potential impacts and risks. The Company also has other channels through which workforce insights are gathered, such as the Employee Satisfaction Survey, the HR Round Table, the Townhall Meeting, the Whistleblowing System and informally, where insights are collected from employees by supervisors. These inputs are analysed and integrated into the Company's operational processes and inform its strategic decision-making. These insights influence GCP's policies on human rights, diversity and inclusion, anti-discrimination, occupational health and safety, whistleblowing, and the employee code of conduct, enabling proactive response to potential adverse impacts. For more information on GCP's policies, refer to section G1-1 of this report.

Employees, views directly shape our workforce management strategies and inform initiatives such as training and career development programmes, mental health and well-being programmes, flexible work arrangements, and efforts to foster a culture of inclusivity, fairness, and social responsibility in the workplace. The Company tracks key performance indicators such as metrics on employee satisfaction, occupational health and safety, diversity and inclusion, turnover rates, human rights violation, data privacy breaches, and many others, to measure and ensure the effectiveness of its strategy. The Daily Management, with the support of the Human Resources department, maintains oversight of workforce-related matters.

## S1. SBM-3 – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

### Workforce Composition and Employment Structure

GCP's workforce encompasses direct employees in property management, administration, and corporate services, as well as contracted non-employees in areas such as maintenance and security. It comprises permanent and temporary staff and agency workers. The workforce can be engaged under permanent or temporary contracts, and in full-time or part-time roles. Each plays a vital role in GCP operations and may experience varying material impacts based on their employment structure and functions. Refer to section S1-6 for detailed GCP employees' composition and characteristics.

### Material Impacts & Risks of GCP's Operations on Workforce

GCP recognises that its employees can be materially impacted by the Company's business activities and relationships. Therefore, these impacts are fully covered within the scope of GCP's DMA and ESRS 2 Disclosures. The 2024 DMA findings highlighted specific areas directly affecting employees, mainly working conditions, as well as equal treatment and opportunities. See Table 26 for a full list of impacts, risks and opportunities (IRO) relating to the Company's own workforce.

GCP understands that its material negative impacts could either be systemic or widespread, where it relates to issues peculiar to a specific country or region, for example, forced or compulsory labour and child labour; or based on individual incidents, specific to its business. Systemic changes in real estate market conditions, and economic downturns could lead to employment uncertainties, with property management being most vulnerable due to fluctuating demand for rental and facility services. Job security and adequate wages are common priorities, however, temporary employees, hired for specific projects or periods also face heightened risks of instability. Notwithstanding the limited influence the Company has over market forces, stakeholders emphasise its role in either mitigating or exacerbating the risks.

While occupational health and safety (OHS) risks affect all employees, they are particularly significant for construction, maintenance and facility management teams, where exposure to workplace hazards is higher. Employees with disabilities who may require additional support at the workplace are equally exposed to the risks. OHS risks are primarily incident-based and require strict mitigation measures to effectively address its potential negative impacts.

Certain roles and functions might be demanding in terms of working time and stress level. Employees in some departments, including finance, HR, operations, property management, and construction may experience periodic workload pressures, working overtime and irregular hours, which could impact their work-life balance and well-being, if not carefully managed.

As an international company with employees from approximately 44 nationalities, effectively managing the actual or potential material impact relating to diversity, inclusion, and equal opportunities across gender, age, race, disability, and other differences is crucial. Gender equality and equal pay disparity are systemic issues, with stakeholders acknowledging progress but emphasising the need for continuous improvements. Similarly, data privacy, particularly for employees handling sensitive information, presents incident-based concerns requiring strong safeguards to prevent breaches and ensure data protection.

Overall, the DMA found limited evidence of significant risks to workers based on their characteristics, roles, or working contexts, with the exception of potential health and safety risks for facility management roles due to the physical nature of their work. Employees can freely identify and report any unsafe working conditions, accidents, safety requirement, including other labour and human right violations in the workplace through the Whistleblowing system, and to the relevant departments including compliance and human resources, and appropriate actions would be taken. Refer to section S1-3 for details on available complaints mechanisms.

### Addressing Potential Negative Impacts & Promoting Good Working Conditions

GCP's DMA revealed its impact in promoting good working conditions, equal treatment, and opportunities for all employees by providing secure employment, reasonable working hours, fair wages, work-life balance, and effective health and safety measures, while ensuring the protection of human rights. These efforts not only enhance employee satisfaction but also benefit the Company by reducing turnover costs, increasing productivity, and improving profitability. GCP has implemented comprehensive policies and initiatives that foster a positive work environment, as fully outlined in sections S1-1 and S1-4, respectively.

### Material Risks and Opportunities of GCP Arising from Impacts and Dependencies on Workforce

Conversely, GCP recognises that material risks arising from impacts and dependencies on its workforce could have direct implications on its operations, financial stability, and regulatory compliance.  Shortage of skilled labour, maybe due to external market conditions or demographic shifts can directly impact operational efficiency and service quality. Past global health crisis, such as COVID-19, have highlighted the vulnerability of the workforce to similar future risks, with the potential of causing increased absenteeism and disruptions in property management and leasing operations.

Furthermore, employees' compliance with labour laws, health and safety regulations, and data protection requirements remains a priority, as non-compliance could lead to penalties and reputational harm. To mitigate these risks, GCP continually invests in workforce training and development, and regulatory compliance measures, ensuring long-term business resilience while maintaining a high standard of service across its operations.

### Sustainability Transition

While GCP has not yet identified specific impacts of the transition to greener and low-carbon operations on employees, the Company acknowledges that certain roles—particularly in energy, operations, and construction—could experience shifts in skill requirements. As sustainability efforts advance, there may be new opportunities for employees to grow in emerging sustainability-focused roles, presenting both challenges and career advancement potential.

## S1-1 – POLICIES RELATED TO OWN WORKFORCE

GCP has established policies to address various aspects of workplace operations as presented in Table 27. These policies ensure compliance with ethical, legal, and sustainability standards, prevent negative impacts and risks, and create a fair, safe, and productive work environment for all employees.

Table 27

| Policy Title | Short Description |
|---|---|
| **Employee Code of Conduct** | Defines ethical and behavioural standards expected of GCP's employees, ensuring equal opportunity and a workplace free from discrimination and harassment. It emphasises a safe, healthy, and inclusive work environment, upholds anti-corruption principles, and safeguards employees' personal data and confidentiality. The Compliance Manager, supported by department and division heads, oversees policy implementation. Employees can access the policy via the Company's website and intranet. |
| **Diversity Policy** | Promotes a fair and inclusive workplace culture, advancing equal opportunities and eliminating discrimination based on gender, ethnicity, disability, age, or other personal attributes. The Diversity Committee oversee the implementation and integration of diversity initiatives across the Company. The policy is accessible to all employees via the Company's website and intranet. |
| **Anti-Discrimination Policy** | Prohibits harassment and discrimination in all employment-related practices based on race, gender, religion, disability, age, or sexual identity, etc. The HR Department, supported by Compliance Department and other heads of departments, is responsible for policy, monitoring, enforcement and addressing any violations. Employees can access the policy via the Company's website and intranet. |
| **Human Rights Policy** | Ensures respect for fundamental human and labour rights including fostering a workplace free from forced labour, child labour, and exploitation. It reinforces the Company's commitment to fair remuneration, social security, privacy, rest and leisure, safe working conditions, equality, and access to education and development. The policy also addresses anti-discrimination, harassment prevention, and ethical treatment. It is aligned with international frameworks, including the UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises, ILO Conventions on Fundamental Principles and Rights at Work, and International Bill of Human Rights. The Daily Management and Chief Compliance Officer oversee its implementation. The policy applies to all employees and stakeholders and is accessible via the Company's website and intranet. |
| **Anti-Corruption Policy** | Establishes guidelines to prevent corruption, bribery, and unethical practices in all operations. The policy applies to all employees, directors, and business partners, covering interactions with clients, suppliers, and public officials to prevent conflicts of interest and fraudulent activities. The Compliance Officer, supported by Daily management, oversees policy implementation, and ensures adherence. It is accessible to all employees via the Company's intranet. |
| **Whistleblowing Policy** | Provides secure and confidential mechanisms for employees, stakeholders and impacted communities to report compliance violations, unethical behaviour or concerns, ensuring protection from retaliation and discrimination. The Compliance Officer oversees policy implementation and ensures all reports are investigated and dealt with, in accordance with the Company's internal procedure and to the extent permitted by statutory law. Employees can access the policy and the link to the Whistleblower (BKMS) systems via the Company's intranet. |
| **Occupational Health and Safety Policy** | Focuses on workplace accident prevention and fosters a safe and healthy work environment for all its employees by ensuring hazard prevention, risk assessments, and regulatory compliance. Senior management and regional managers, in collaboration with the HR department, oversees its implementation. The policy is accessible to all employees via the Company's website and intranet. |
| **Global Information Security Policy and Acceptable Use Policy** | Ensures the confidentiality, integrity, and security of personal and business data in line with applicable laws and standards. These policies regulate the collection, processing, storage, and sharing of data, preventing unauthorised access, breaches, and misuse. They apply to all employees, suppliers, and third parties handling company or customer data. The Chief Information Security Officer (CISO) is responsible for the communication and implementation of the policies and are accessible to employees via the Company's intranet. |

### Protection of Human Rights and Ethical Labor Practices

No material risks relating to forced and child labour were identified in the DMA. GCP operates within the European Union and the United Kingdom, where strong human rights regulations and labour protections minimise the risk of forced or compulsory labour and child labour across its operations. Additionally, the Company is not part of high-risk industry such as manufacturing, which heavily dependents on supplies from geographical areas where these risks may be prevalent.

However, the Company is strongly committed to upholding human and labour rights across its operations. The policies outlined above established the foundation for ethical conduct, workplace equality, fair remuneration, occupational health and safety, and protection from discrimination, harassment, and exploitation. GCP's Human Rights Policy explicitly prohibits child labour and forced labour as well as modern slavery and human trafficking.

### Occupational Safety Commitment

GCP's Occupational Health and Safety (OHS) Policy underscores our commitment to preventing workplace accidents through clear role definitions for both management and employees, regular risk assessments, and ensuring compliance to legal safety standards. The policy includes employee training, systematic incident documentation, and ongoing monitoring of workplace conditions. This framework is designed to minimise risks and safeguard the health and safety of all employees.

### Commitment to Diversity and Non-Discrimination

GCP is committed to promoting a fair, inclusive, and equitable workplace. Preventing and eliminating discrimination is one of the cornerstones of the Company's policies, and is clearly specified in the Codes of Conduct for employees and business partners, the Diversity Policy and the Anti-Discrimination Policy. These policies align with the German General Act on Equal Treatment *(Allgemeines Gleichbehandlungsgesetz, AGG)* and international labour and human rights standards.

The Anti-Discrimination Policy explicitly prohibit discrimination based on race, ethnic origin, gender, religion or belief, disability, age, or sexual identity, whether direct or indirect. It applies throughout the entire employment lifecycle, from recruitment to termination, including promotions and working conditions. In addition to the Whistleblowing System, employees can report on discriminatory conduct directly to human resource and compliance departments. GCP is committed to taking appropriate actions to address and protect individuals affected by discrimination. The Company's performance on discrimination and other human rights issues are summarised in section S1-17.

The Diversity Policy is closely linked to the anti-discrimination policy. It was last updated in 2020 and is aimed at promoting an inclusive workplace through initiatives such as cultural diversity programmes, mentoring, and flexible working arrangements. These initiatives are overseen by the Diversity Committee, which comprises employee representatives from different organisational levels and ensures that strategic actions are integrated into daily practices. We continue to monitor the progress and review the effectiveness of these policies and related actions. Refer to our diversity metrics in section S1-9.

## S1-2 – ENGAGEMENT WITH OWN WORKFORCE ABOUT IMPACTS

### Integrating Employee Perspectives into Decision Making

GCP actively integrates employees' perspectives into its decision-making processes to enhance inclusivity and workplace satisfaction. Employee engagements follow a structured, corporate-level approach involving various methods. The annual employee satisfaction survey remains the Company's primary tool for collecting feedback and is complemented by regular HR Roundtables where employees and managers can engage directly with the HR Department. These sessions, not only provide the forum to review key topics such as work-life balance, professional development, and inclusivity, but also, an opportunity for the HR department to update employees on the milestones and ongoing actions towards addressing issues previously raised. Similarly, the annual town hall meeting is another platform where employees are briefed by Daily Management about the Company's projects and programmes as well as insights into the future of the Company, including participation in a Q&A session. These engagements support every stage of the Company's interventions, such as identifying issues, determining the right mitigation strategies, and evaluating the implementation and effectiveness of mitigation actions. For more detail, please see the disclosure provided in ESRS 2 Gov-1 which outlines ultimate accountability for the Company.

Additionally, in October 2024, GCP launched the second round of the "Activate the Base" programme. This initiative encourages employees to contribute and implement their own ideas for operational and sustainability improvements. With support from an external coach, employees can successfully bring their projects to life, contributing both to the Company and their own self development. While the results from the employee-proposed sustainability initiatives will only be visible in 2025, the programme is already fostering a culture of innovation and engagement.

### Effectiveness of Employee Engagement and Feedback Analysis

The effectiveness of our employee engagement efforts is assessed through targeted questions in the satisfaction survey, particularly in the sections on Feedback and Communication as well as Meaningfulness and Participation. These questions examine, for example, whether new ideas and diverse opinions are welcomed in the workplace, whether employees feel their opinions matter, whether feedback is given, received, and used constructively, and whether management communicates company's updates effectively and in a timely manner. Feedback from both the survey and the roundtable discussions are systematically analysed to track engagement trends and identify areas for improvements.

The Company's Head of HR oversees these initiatives, ensuring that employee feedback is collected and used to shape policies, decision-making and initiatives for managing actual and potential workforce impacts. The insights gained inform targeted actions to enhance workplace engagement, address concerns, and continuously improve communication and participation across the Company.

On the other hand, GCP recognises and respects employees' rights to establish and join trade unions and to engage in collective bargaining. These fundamental rights are explicit in the Company's Human Rights Policy, which applies to its workforce as well as to its suppliers and business partners. However, to date, no instances of union formation or collective bargaining have been recorded within the Company.

## S1-3 – REMEDIATION OF NEGATIVE IMPACTS ON OWN WORKFORCE

### Complaints Mechanisms

The Company is committed to addressing material negative impacts on its workforce through clear and effective policies and procedures. It has established an effective grievance mechanism for reporting workplace concerns, including discrimination, misconduct, or violations of human and labour rights. GCP's Whistleblowing Policy describes the procedures for a secure and confidential reporting of unethical behaviour through our Whistleblowing System for employees. The third party-managed Whistleblowing System, which ensures confidential and anonymous reporting, allows employees and external stakeholders to report violations confidently and without fear of retaliation. It ensures that all concerns are addressed promptly, reinforcing GCP's commitment to ethical conduct and human rights within the workforce. All submitted reports are tracked and investigated objectively by the Compliance Department, following an internal investigation procedure, as documented in the Company's Investigation Policy.

If a violation is confirmed or an issue is found to have caused material negative impacts, appropriate disciplinary and corrective measures are taken, ranging from warnings and fines to termination of employment, depending on the severity. For violations by business partners, GCP may require business partners to implement corrective measures within a set timeframe. If violations persist, GCP reserves the right to terminate the business relationship. The Company may pursue civil or criminal prosecution or consult with relevant authorities, when necessary, especially in cases involving non-stakeholders or external parties.

In addition to the Whistleblowing System, employees can directly approach the responsible departments through their respective heads to express their concerns. Supervisors also encourage open communication by inviting employees to share issues during one-on-one check-in sessions. Section S1-2 outlines various engagement channels such as HR Roundtables and Townhall meetings, where concerns can be raised and addressed by the Head of HR, and the Daily Management, respectively. For metrics related to incidents, complaints and severe human rights, refer to section S1-17.

### Strengthening Compliance

To foster a culture of accountability and inclusion and proactively prevent all negative impacts, GCP ensures all employees receive mandatory training on human and labour rights including on diversity and anti-discrimination. The trainings are mainly conducted on the Welcome Days and through the Company's E-learning platform, accessible via the Company's intranet. Besides the strict requirement of employees to uphold the values and principles promoted in the various trainings, GCP training framework makes it mandatory for all employees to pass the tests to confirm their understanding of the training material. Additionally, new employees have to review and sign the Code of Conduct, which outlines the ethical standards, employee responsibilities and the reporting channel in case of any concerns.

While there is no specific method to measure employee trust in the grievance and remediation mechanisms, the HR Roundtable provides an open forum for receiving feedback, and if there are issues with these mechanisms, employees can directly report to the Compliance or HR Departments for redress. These mechanisms are also subject to annual reviews through HR audits, compliance assessments, and employee feedback surveys to ensure effectiveness. The risks committee monitors the effectiveness of the risk management processes to ensure continuous improvement.

## S1-4 – MANAGING MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATING TO OWN WORKFORCE

### Minimising Negative Workforce Impacts and Ensuring Responsible Practices

GCP ensures its practices do not cause or contribute to material negative impacts on its workforce by integrating responsible business policies, ethical governance, and continuous monitoring across key operational areas, including procurement, sales, and data use. The Company adheres to strict labour and human rights standards, fair employment practices, and compliance frameworks to mitigate risks related to employee well-being, job security, and workplace conditions.

Employees across all departments are equipped with the necessary tools, resources, and training to perform their roles safely and professionally, minimising potential harm to themselves and others. In procurement, GCP implements effective due diligence processes, including KYC and AML screening, before selecting or engaging with suppliers to prevent indirect harm to the workforce through supply chain actions. Ensuring suppliers' strong track records, reliability, and reputation is critical, as suppliers' failures such as an inability to meet commitments can lead to project delays, increased costs, reputational damage, and, by extension, job losses or adverse impacts on the employees' working conditions.

When tensions arise between mitigating material negative impacts and business pressures, GCP prioritises employee well-being while aligning with strategic objectives. This is achieved through open dialogue with employees, proactive risk assessments, and policy adjustments, ensuring long-term sustainability and a responsible work environment.

### Initiatives to Drive Positive Workforce Impacts

GCP proactively manages material risks and opportunities related to its workforce through its long-term targets and yearly goals (see section S1-5). The following table outlines GCP's actions and initiatives to address the material impacts identified during the DMA in 2024, designed to strengthen workplace integrity, promote inclusion, enhance well-being, and support employee development.

**Table 28**

| Impact | Initiatives for Positive Impacts |
|---|---|
| **Violence & Harassment Prevention; Social Dialogue, Freedom of Association** | • Whistleblowing System: provides a secure and confidential channel for reporting misconduct, reinforcing workplace integrity.<br>• Annual compliance training: strengthens knowledge on ethical practices and human rights, ensuring compliance with legal and corporate standards.<br>• HR Roundtable: allow employees and managers the opportunity to ask questions and engage and address concerns directly with the HR Department. |
| **Diversity; Employment & Inclusion of People with Disabilities; Gender Equality & Equal Pay** | • Anti-discrimination training fosters an inclusive work culture by raising awareness and promoting equal opportunities.<br>• Language training programmes: focusing on GCP's widely spoken languages, English and German, is aimed at promoting effective communication and collaboration among employees, including tearing down cultural barriers, minimising misunderstandings, build trust and foster an inclusive workplace. In addition, a half-day training on intercultural communication is organised for new employee during welcome days.<br>• Diversity Challenge, World Food Challenge, and Pride Month celebrations: promotes personal and cultural appreciation, inclusivity, and team bonding. |
| **Working Time & Work-Life Balance** | • Flexible work arrangements (including remote work option): promotes work-life-balance, improve job satisfaction and reduce stress.<br>• Mental health programmes: support emotional well-being, leading to increased productivity and lower turnover rates.<br>• Time tracking implementation via an HR data management tool & QR code terminals: enhances operational efficiency and transparency in management of work time.<br>• AT-World – an exclusive network of flexible workspaces expands work location options for AT and GCP employees, thereby promoting flexibility and well-being.<br>• Ticket giveaways (77 events, 869 tickets in 2024): enhances employee engagement, promotes leisure and rewards contributions to company success. |
| **Health & Safety** | • Internal OHS risk assessments: identify and mitigate workplace hazards, ensuring a safer work environment.<br>• Emergency preparedness drills: improves readiness for unexpected incidents, safeguarding employee well-being.<br>• Workplace safety training: educates employees on proper safety protocols to minimise workplace accidents.<br>• Gym for employees at the Berlin headquarters and access to a health and wellbeing subscription service platform, which includes gym subscription, subsidised by the Company for all employees in Germany: promoting employees physical and mental fitness.<br>• Flu & COVID vaccinations, workplace eye exams and health checks: promotes employee health and reduces absenteeism due to illness.<br>• Collaboration with a virtual platform offering virtual sports and mental health prevention courses, etc. |
| **Training & Skills Development** | • Leadership training: equipping the Company's current and potential leaders with fundamental critical thinking and problem-solving skills.<br>• Performance and career development reviews (including 180-degree survey): identifying skill gaps, and career development opportunities that align with both employee aspirations and business.<br>• Personal and professional development coaching: supports employees in unlocking their full potential, promotes engagement and reinforcing job security. It enhances self-awareness, resilience, and problem-solving abilities, contributing to better work-life balance and well-being.<br>• "Activate the base" programme: encouraging employees to implement their own sustainability projects while receiving guidance from external coach |
| **Secure Employment; Adequate Wage** | • Apprenticeship programme: to build career pathways and hands-on experience, helping young people to build long-term careers in real estate.<br>• Online learning platform: equips employees with the skills needed for job security and professional development.<br>• Career paths rollout for all employees: enable employees to visualize and plan long-term career growth within the company.<br>• Mentoring and coaching programme: offers personalized development support, enhancing leadership and career progression. |
| **Privacy** | • Annual GDPR training: ensures employees understand data protection regulations, enhancing compliance.<br>• Cybersecurity protocols: protects sensitive company and employee information from cyber threats.<br>• Data encryption measures: secure personal and company data, ensuring privacy and confidentiality.<br>• Awareness Days: a two-day event that raises awareness on activities of various departments in the company and promotes data and information security. |

### Evaluation of Initiatives & Improvements

GCP tracks and assesses the effectiveness of its actions and initiatives through internal and external audits, impact assessments, and compliance verification processes. Key systems, including information security and OHS management, are regularly reviewed to ensure adherence to best practices and regulatory standards. The Legal and Compliance departments continuously monitor alignment with evolving labour laws, ensuring proactive adjustments where necessary.

Progress is measured against key performance indicators (KPIs) on various impact areas, including gender pay gap and other diversity metrics, average training hours and investment in training, human rights violations, OHS metrics, data breaches, etc. Workforce engagement tools, such as annual employee satisfaction surveys, HR roundtables, and grievance mechanisms, provide valuable employee insights, enabling data-driven improvements. Additionally, GCP's participation in external ESG ratings and benchmarking allows for comparison with industry peers and learning. Continuous impact evaluations fosters a resilient and future-proof workforce in the Company.

### Resource Allocation for Managing Workforce Impacts

The Company dedicates significant financial, technological, and human resources to proactively managing material impacts on own workforce. Each of the initiatives documented in Table 28 requires reasonable amount of resources to implement. The Human Resources department invest in tools and creation of learning material for workforce training and development programmes, ensuring employees remain adaptable and equipped with the skills necessary for job security and stability. The department also oversees employee feedback platforms to gather insights for informed strategic decisions.

Managing health and safety risks, including risk assessments, addressing gaps, and enforcing compliance, requires substantial resources channelled into enhancing workplace safety and health programmes. Similarly, protecting workforce data privacy necessitates substantial investment in IT and cybersecurity infrastructure and programmes, as do compliance-related initiatives and other essential functions. Section S1-13 has details on training metrics, including average cost per FTE and hours spent.

### Managing Workforce Impacts from the Green Transition

As outlined in section ESRS S1 SBM-3, the potential negative impact of the transition to greener and low-carbon operations on employees are recognised but not yet established. However, should such risk become eminent, the Company is prepared to intensify effort to upskill affected employees through targeted training in areas such as energy-efficient building management, sustainability practices, and compliance. This approach aims at equipping employees with relevant expertise in increasingly important business areas and fostering their professional development. As this event evolves, the Company remains committed to adapting its strategies to ensure these impacts are effectively mitigated.

## S1-5 TARGETS RELATED TO MANAGING MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

The Company sets targets through a structured process based on internal policies, strategic priorities, regulatory requirements, and operational needs, incorporating direct engagement with its workforce. After careful assessment at the departmental level, targets are reviewed and approved by Daily Management to ensure alignment with business objectives. These targets aim to enhance employee health, safety and well-being, job satisfaction and career development, and foster diversity and human rights, aligning with workforce expectations.

We establish long-term targets, typically exceeding five years, and short-term targets that adhere to industry best practices and recognised standards. These targets are designed for long-term stability, maintaining consistent definitions and methodologies to enable year-on-year comparability while allowing for periodic adjustments in response to regulatory and business changes.

### Long-term Targets

- Be among the top ten most attractive employers in the residential real estate sector by 2030
- Maintain the total number of confirmed cases of discrimination under 3%
- Offer a minimum of 12hrs of training and development opportunities per FTE

### 2025 Goals

- Continue to offer our volunteering programme organised as a company-wide Social Day for employees
- Increase health measurements and services offers for employees, including mental health such as psychological support
- Expand our 180-degree surveys to 100% of our workforce to encourage self-development among employees
- Complete the implementation of our newly developed staff career path to create more transparency on development opportunities

### Metric: Our Workforce

GCP monitors and measures a series of metrics to help understand progress in topics relating to its workforce. The scope of this metrics covers all GCP's employees, as presented in organisational boundaries presented under Methodology and EPRA sBPR Data Preparation Notes. Data is collected through various regional offices and subsequently exported to the Personnel Management System (PMS) where available, or directly to the payroll systems. The Human Resources Department centrally consolidates and evaluates employee data. GCP tracks both the headcount of employees and Full-Time Equivalent (FTE) metrics. Unless explicitly stated otherwise, headcount is primarily used as the basis for calculating indicators. The reported data covers the period from January 1, 2024, to December 31, 2024.

## S1-6 – EMPLOYEE HEADCOUNT AND OVERVIEW

The following disclosure of employee headcount includes all individuals directly employed by GCP. The Company has started to track the characteristics and other data related to its non-employees, for example, workers engaged through third-party agreements and will report this in the coming years. The total headcount of 836 in these S1-6 disclosures is not directly included in the financial statements, however the most representative number contained there is the total FTE figure of 769 for the financial year reported on p. 212.

**Table 29**

| Employee Headcount | | | | |
|---|---|---|---|---|
| Metric | 2024 | | 2023 | |
| | Number | Percentage | Number | Percentage |
| Total | 836 | 100.0% | 843 | 100.0% |
| Male | 432 | 51.7% | 415 | 49.2% |
| Female | 404 | 48.3% | 428 | 50.8% |
| Age group <30 | 144 | 17.2% | 155 | 18.4% |
| Age group ≥30 - < 50 | 504 | 60.3% | 508 | 60.3% |
| Age group ≥ 50 | 188 | 22.5% | 180 | 21.4% |

| Employee Headcount by Geography | | | | |
|---|---|---|---|---|
| Metric | 2024 | | 2023 | |
| | Number | Percentage | Number | Percentage |
| Germany | 756 | 90.4% | 769 | 91.20% |
| Male | 386 | 51.1% | 376 | 48.9% |
| Female | 370 | 48.9% | 393 | 51.1% |
| United Kingdom | 63 | 7.5% | 58 | 6.9% |
| Others | 17 | 2.0% | 16 | 1.9% |
| **Employee Headcount by Nationality** | | | | |
| | Share as % of total workforce | Share as % of all managerial positions | Share as % of total workforce | Share as % of all managerial positions |
| Germany | 70.8% | 66.4% | 72.0% | 65.2% |
| Romania | 8.7% | 0.8% | 7.2% | 0.9% |
| United Kingdom | 6.7% | 10.9% | 5.9% | 10.7% |
| Israel | 2.4% | 8.4% | 2.5% | 8.9% |
| Others | 11.4% | 13.5% | 12.4% | 14.3% |
| No. of nationalities (incl. Germany) | 44 | | 48 | |

Table 30

| Employee Headcount by Contract Type | | | | |
|---|---|---|---|---|
| Metric | 2024 | | 2023 | |
| | Number | Percentage | Number | Percentage |
| Permanent employees who identify as female | 315 | 51% | 329 | 54% |
| Permanent employees who identify as male | 299 | 49% | 277 | 46% |
| Permanent employees who identify as 'other' | 0 | 0% | 0 | 0% |
| Temporary employees who identify as female | 89 | 40% | 99 | 42% |
| Temporary employees who identify as male | 133 | 60% | 138 | 58% |
| Temporary employees which identify as 'other' | 0 | 0% | 0 | 0% |
| Non-guaranteed hours employees who identify as female | 1 | 33% | 2 | 50% |
| Non-guaranteed hours employees who identify as male | 2 | 67% | 2 | 50% |
| Non-guaranteed hours employees who identify as 'other' | 0 | 0% | 0 | 0% |

Table 31

| Hiring and Turnover metrics | | | | | |
|---|---|---|---|---|---|
| Units of Measure | Metric | 2024 | | 2023 | |
| | | Number | Percentage | Number | Percentage |
| Total number and rate of new employee hires | New employee hires | 170 | 100.0% | 186 | 22.1% |
| | Female | 67 | 39.4% | 86 | 46.2% |
| | Male | 103 | 60.6% | 100 | 53.8% |
| | Age group <30 | 65 | 38.2% | 71 | 38.2% |
| | Age group ≥30 - < 50 | 87 | 51.2% | 88 | 47.3% |
| | Age group ≥ 50 | 18 | 10.6% | 27 | 14.5% |
| | Open positions filled by internal candidates (internal hires) | 66 | 28.0% | 58 | 23.8% |
| Average amount (€) | Average hiring cost/FTE | 359.9 | N/A | 600.8 | N/A |
| Total number and rate of employee turnover | Employee turnover | 167 | 16.8% | 208 | 19.8% |
| | Female | 84 | 50.3% | 88 | 42.3% |
| | Male | 83 | 49.7% | 120 | 57.7% |
| | Age group <30 | 54 | 32.3% | 54 | 26.0% |
| | Age group ≥ 30 - < 50 | 84 | 50.3% | 116 | 55.8% |
| | Age group ≥ 50 | 29 | 17.4% | 38 | 18.3% |

**Table 31**

| Hiring and Turnover metrics | | | | | |
|---|---|---|---|---|---|
| **Units of Measure** | **Metric** | **2024** | | **2023** | |
| | | **Number** | **Percentage** | **Number** | **Percentage** |
| **Total number and rate of employee turnover** | Employee initiated turnover | 106 | 10.7% | 149 | 14.2% |
| | Female | 55 | 51.9% | 63 | 42.3% |
| | Male | 51 | 48.1% | 86 | 57.7% |
| | Age group <30 | 36 | 34.0% | 36 | 24.2% |
| | Age group ≥ 30 - < 50 | 55 | 51.9% | 91 | 61.1% |
| | Age group ≥ 50 | 15 | 14.2% | 22 | 14.8% |

## S1-9 – DIVERSITY METRICS

Table 32 presents the representation of male, female, and other employees across various levels of the Company, highlighting key areas of specialisation and the inclusion of employees with disabilities.

**Table 32**

| Diversity metrics | | | | |
|---|---|---|---|---|
| **EPRA Code** | **Units of Measure** | **Metric** | **2024** | **2023** |
| **Diversity-Emp** | % of employees who identify | Female (Board of Directors) | 40.0% | 33% |
| | | Male (Board of Directors) | 60.0% | 67% |
| | | Female (top management)[*] | 22.2% | 30% |

[*] includes the Daily Management, international executives and other top managers (i.e. Managing Directors, multi-department leaders)

**Table 32**

| Diversity metrics | | | | |
|---|---|---|---|---|
| **EPRA Code** | **Units of Measure** | **Metric** | **2024** | **2023** |
| **Diversity-Emp** | % of employees who identify | Male (top management) | 77.8% | 70% |
| | | Female (senior management)[1] | 41.9% | 37% |
| | | Male (senior management) | 58.1% | 63% |
| | | Female (junior management)[2] | 44.9% | 47% |
| | | Male (junior management) | 55.1% | 53% |
| | | Female (all management) [3] | 42.4% | 43% |
| | | Male (all management) | 57.6% | 57% |
| | | Female employees (revenue generating management functions) | 43.8% | 43% |
| | | Male (revenue generating management functions) | 56.2% | 57% |
| | | Female (STEM-related positions) | 10.5% | 16% |
| | | Male (STEM-related positions) | 89.5% | 84% |
| **S1-12** | Percentage (%) | Employees with disabilities | 2.8% | 2.0% |

1) includes Heads of Departments
2) includes Team Leads
3) includes junior, senior and top managements

## S1-10 – ADEQUATE WAGES

All employees of the Company are paid an adequate wage, in line with applicable national benchmarks.

## S1-11 SOCIAL PROTECTION

Across all GCP countries of operation, employees are covered by public social protection programs, providing support for key life events such as sickness, unemployment, employment injury, disability, parental leave, and retirement. These programs ensure protection during periods of incapacity or transition.

In addition to public programs, GCP operations in:

- Germany offers a company pension scheme, in compliance with state regulations, through an external insurance provider with employer contributions.
- Cyprus provides additional company programs for employment injury and acquired disability.

This approach leverages national systems while enhancing the coverage where needed.

## S1-13 – TRAINING AND SKILLS DEVELOPMENT METRICS

GCP considers continuous investment in training and development of its employees essential for both personal and professional development, fostering business resilience, innovation, engagement, and long-term retention. The Company's performance is shown in the table below:

Table 33

**Training and Skills Development metrics**

| EPRA Code | Units of Measure | Metric | 2024 | 2023 |
|---|---|---|---|---|
| Emp-Dev | % of total workforce | % of total employees who received regular performance and career development reviews during the reporting period | 47.3% | 29.6% |
| Emp-Training | Average number of training hours | All employees | 12.9 | 14.2 |
| | | Female | 15.5 | 16.7 |
| | | Male | 10.5 | 11.8 |
| | | Management | 22.9 | 21.3 |
| | | Female | 29.8 | 26.5 |
| | | Male | 17.9 | 17.5 |
| | | Non-management | 14.2 | 17.2 |
| | | Female | 17.1 | 19.4 |
| | | Male | 11.4 | 14.8 |
| | | Part-time employees | 12.5 | 12.0 |
| | | FTE employees | 17.0 | 18.7 |
| | Average amount (€) | Average investment in training per FTE | 667 | 638 |
| N/A | Percentage (%) | Percentage of FTEs that participated in leadership development programme | 2.4% | 1.4% |
| | | Percentage of FTEs that participated in language programme | 9.5% | 16.8% |

## S1-14 – HEALTH AND SAFETY METRICS

All employees of GCP are covered by the Company's health and safety management system based on legal requirements. GCP performance on maintaining the health and safety of our employees within its work environment is shown in Table 34 below:

**Table 34**

**Health and Safety metrics**

| EPRA Code | Units of Measure | Metric | 2024 | 2023 |
|---|---|---|---|---|
| H&S-Emp | Number of injuries/accidents per total time worked | Injury/accident rate | 0.000004 | 0.000006 |
| | Number of injuries per million hours worked | Lost-Time Injury Frequency Rate (LTIFR) | 4.4 | 5.6 |
| | Number of days lost per total time worked | Lost day rate | 0.00009 | 0.0004 |
| | Number of days lost per total days scheduled to be worked by employees | Absentee rate | 6.1 | 5.5(*) |
| | Number of fatalities | Work-related fatalities | 0 | 0 |
| N/A | Number of injuries/accidents | Recordable work-related injuries/ accidents for own workforce | 6 | 8 |

(*) 2023 figure is restated due to a change in the calculation methodology

All our health and safety metrics are calculated based on employee Full-Time Equivalents (FTE). Below are the details of each individual metric:

- Injury/Accident Rate: Refers to the frequency of injuries, relative to the total time worked by all employees during the reporting period. We track accidents and injuries as a single metric and do not include commuting accidents to ensure consistency across all international GCP offices.
- Lost-Time Injury Frequency Rate (LTIFR): This is calculated as the number of injuries per million hours worked. The calculation is based on actual employee FTE, adjusted for unpaid absences. It also accounts for the standard working hours in each GCP country of operation (e.g., 7.5 hours per FTE in the UK and 8 hours per FTE in other locations).
- Lost Day Rate: Defined as the number of lost days per total hours worked. This metric is based on actual employee FTE and considers the average number of working days per country.
- Absentee Rate: Calculated as the number of days lost per total scheduled working days. This includes only paid absences due to sickness and workplace accidents, while unpaid sickness and absence days are excluded.
- Number of Fatalities: Includes only work-related fatalities. Fatality being death of an employee occurring during the reporting year, arising from an occupational disease or injury sustained or contracted while performing work of the Company.

## S1-15 – WORK-LIFE BALANCE METRICS

Family-related leave such as parental leave, paternity leave, maternity leave, caregiving leave among others are within the rights of all GCP employees. It allows employees to maintain a healthy balance between professional and personal life, reducing stress, and enhancing overall well-being. GCP actively track this metric, as shown in Table 35 below, reinforcing its commitment to fostering a supportive and balanced work environment.

**Table 35**

**Work-life Balance metrics**

| | 2024 | | 2023(*) | |
|---|---|---|---|---|
| | Number | Percentage | Number | Percentage |
| **Employees that took family-related leave** | 100 | 12.0% | N/A | N/A |
| **Female** | 78 | 19.3% | N/A | N/A |
| **Male** | 22 | 5.1% | N/A | N/A |

(*) this indicator is not applicable to 2023 as it is being tracked for the first time in 2024 in compliance with ESRS

## S1-16 – REMUNERATION METRICS (PAY GAP AND TOTAL REMUNERATION)

Table 36 presents the gender pay gap among GCP employees, which measures the disparity in earnings between male and female employees. Based on ESRS, this indicator is calculated by comparing the average pay levels of female employees to those of male employees, expressed as a percentage of the average pay level of male employees. For EPRA sBPr, the ratio is calculated by dividing the average pay of male employees by the average pay of female employees. The Company closely monitors and reports these differences on various levels of aggregation to enhance transparency and align with widely accepted standards. The data is split based on employee remuneration (salary and bonus) and basic salary in relation to employee level.

**Table 36**

**Gender Pay Gap**

| Metric | Description | ESRS (%) | | EPRA (ratio) | |
|---|---|---|---|---|---|
| | | 2024 | 2023 | 2024 | 2023(*) |
| **Remuneration (salary and bonus) Pay Gap** | Executive | 72.0% | 36.0% | 3.6 | 1.6 |
| | Management | 4.4% | 13.8% | 1.0 | 1.2 |
| | Non-management | 8.7% | 9.7% | 1.1 | 1.1 |
| | All employees | 23.4% | 17.4% | 1.3 | 1.2 |
| **Salary Pay Gap** | Executive | 45.9% | 39.6% | 1.9 | 1.7 |
| | Management | 5.3% | 13.2% | 1.1 | 1.2 |
| | Non-management | 8.8% | 9.9% | 1.1 | 1.1 |
| | All employees | 14.4% | 16.5% | 1.2 | 1.2 |
| **Total compensation ratio** | Ratio of the highest paid individual to the median annual total compensation for all employees (excluding the highest paid individual) | 77.3 | 17.4 | 77.3 | 17.4 |

(*) it was calculated as the ratio of female to male pay gap in 2023. To fully align to EPRA calculation methodology, which is the ratio of male to female, 2023 figure has been restated

## S1-17 – INCIDENTS, COMPLAINTS AND SEVERE HUMAN RIGHTS IMPACTS

GCP monitor and report human rights issues and incidents in the workplace, ensuring accountability and compliance, as shown in Table 37.

**Table 37**

**Issues and Incidents**

| EPRA Code | Units of Measure | Metric | 2024 | 2023 |
|---|---|---|---|---|
| N/A | Total number | Incidents of discrimination (including harassment) | 0(*) | 0 |
| | | Complaints filed through channels for people in own workforce to raise concerns | 0(**) | 0 |
| | | Complaints filed to National Contact Points for OECD Multinational Enterprises | 0 | 0 |
| | | Severe human rights issues and incidents connected to own workforce | 0 | 0 |
| | | Severe human rights issues and incidents connected to own workforce that are cases of non-respect of UN Guiding Principles and OECD Guidelines for Multinational Enterprises | 0 | 0 |
| | Amount (€) | Material fines, penalties, and compensation for damages as result of violations regarding social and human rights factors | 0 | 0 |
| | | Material fines, penalties, and compensation for severe human rights issues and incidents connected to own workforce | 0 | 0 |

(*) only discrimination cases that resulted in sanctions or actions towards the accused persons are reported
(**) only if a complaint led to a confirmed compliance case, is it reported here

# ESRS S2 Workers in the Value Chain

## INTRODUCTION

At GCP we are committed to upholding high standards of social responsibility and ethical conduct across our operations and supply chain, and we recognise the critical role that workers within our value chain play in the success of our business and the achievement of our sustainability goals.

Central to our strategy is the integration of human rights due diligence across all supplier relationships, guided by our Business Partner Code of Conduct ("BPCoC"). This document outlines our expectations and requirements for human rights protection, including respecting employees' rights to freedom of association and collective bargaining, providing fair remuneration, and prohibiting child, forced, and compulsory labour. We conduct regular risk assessments to identify potential vulnerabilities, enforce compliance with standards for fair wages, secure employment, safe working conditions, health and safety, and ensure that workers' voices are heard through effective mechanisms. Our efforts are dedicated to fostering workplaces free from harassment and discrimination of any kind while upholding ethical practices across our supply chain.

Through these efforts, GCP aims not only to mitigate risks but also to create opportunities to drive positive social and economic outcomes. This proactive approach reflects our alignment with global sustainability standards and supports our long-term ESG strategy, ensuring that our supply chain contributes to a responsible, resilient, and sustainable business model.

| High-level overview of disclosure | |
|---|---|
| **Standard** | **Indicator** |
| ESRS S2 Value Chain | S2. SBM-2 Interests and views of stakeholders |
| | S2. SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model |
| | S2-1 – Policies related to value chain workers |
| | S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action |
| | S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities |

IROs or datapoints that were identified as immaterial to GCP are not covered in this report. In some cases, GCP makes use of the phase-in provisions (in accordance with Appendix C of ESRS 1) and is committed to disclosing these datapoints in the coming years.

The following table outlines material sustainability matters in ESRS S2:

**Table 38**

| Material sustainability matters covered in ESRS S2 | | | | | |
|---|---|---|---|---|---|
| **Sub-topic** | **Sub-sub-topic** | **Materiality (impact/ financial/ double)** | **Categorisation IRO** | **Localisation of IRO** | **Time horizon of IRO** |
| Working conditions | Secure employment | Impact | Positive impact | Value chain (upstream) | Short-term / Long-term |
| | Working time | Impact | Positive impact | Value chain (upstream) | Short-term / Long-term |
| | Adequate wages | Impact | Positive impact | Value chain (upstream) | Short-term / Long-term |
| | Health and safety | Impact | Positive impact | Value chain (upstream) | Short-term / Long-term |

## S2. SBM-2 INTERESTS AND VIEWS OF STAKEHOLDERS

For more information on interests and views of stakeholders, including workers in the value chain, please see ESRS 2 section SBM-2.

## S2. SBM-3 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

All value chain workers who can be materially impacted by GCP - whether through direct operations, value chain activities or the use of our services - are included in the scope of disclosure under ESRS 2. Please refer to section ESRS 2-SBM-2 for further information.

The material impacts, risks and opportunities identified with regard to working conditions of value chain workers, focused on secure employment, working time, adequate wages and health & safety, are mostly connected to GCP's real estate development and refurbishment activities. Given our business model, which involves property refurbishment, workers in the value chain are concentrated primarily in construction companies and its subcontractors. Whereas GCP aims to ensure suppliers' compliance with its policies that address adherence to fair and safe working conditions, monitors suppliers' treatment of workers in due diligence processes and by providing reporting channels for potential issues, the Company has limited oversight over its construction companies' subcontractors. Hence, their workers may be exposed to material impacts such as occupational health and safety risks, fair working conditions and broader labour rights concerns.

GCP acknowledges that a reliance on subcontracted construction and renovation workers creates both risks and opportunities that impact its overall business operations. These workers are essential to property development, renovations, and maintenance, yet their working conditions—secure employment, working time, adequate wages, and health & safety—pose material challenges.

**The key risks are:**

- **Health & Safety Hazards:** Exposure to hazardous materials and unsafe working conditions may lead to accidents, legal liabilities, and reputational damage.
- **Labor Rights Compliance:** Subcontractors operate independently, making oversight of fair wages, working hours, and job security more challenging. Non-compliance with labour standards could result in regulatory penalties or project delays.
- **Supply Chain Vulnerabilities:** Dependence on subcontractors increases exposure to workforce disruptions due to poor employment conditions or non-compliance issues.

**Key opportunities:**

- **Sustainable Workforce Practices:** Implementing due diligence procedures and policies for subcontractors can improve worker conditions, reduce risks and enhance brand reputation.
- **Operational Efficiency:** Ensuring safe and fair working conditions may lead to higher productivity and lower turnover rates among subcontracted workers, positively affecting project timelines and quality.
- **Competitive Advantage:** A strong commitment to fair labour practices can enhance investor and customer trust, aligning with ESG priorities.

Finally, these risks and opportunities are integrated into the strategy and business model by taking a number of actions to mitigate risks and capitalise on opportunities:

- **Supply Chain Risk Management:** Conducting due diligence on subcontractors before engagement ensures compliance with labour rights and health & safety standards.
- **Policy Enforcement:** Implementing strict contractual obligations for subcontractors to adhere to fair wages, working hours, and safety measures.
- **Ongoing Monitoring & Engagement:** Regular checks onsite at the construction in accordance with legal obligations and providing the opportunity to report any issues via the Whistleblowing system accessible to employees and external people.

### Value Chain Workers Affected by GCP's Operations

The following categories of GCP's value chain workers are included in this disclosure and are subject to material impacts[*]:

#### 1. Construction and Renovation Workers

Construction and renovation workers are subcontracted workers involved in property development, renovations, or refurbishments. These are workers working on the Company's construction site but who are not part of GCP's own workforce. Their material impacts may include workplace occupational health and safety risks, exposure to hazardous materials, and the potential for non-compliance with labour standards by contractors. These potential impacts have been identified through GCP's Supply Chain Risk Assessment and are addressed by the Company's applicable policies and due diligence procedures before or during the engagement of construction and maintenance companies. Given that subcontractors operate independently, and are not under GCP's direct oversight, their workers may be more vulnerable to potential negative impacts, particularly regarding fair working conditions and labour rights compliance.

[*] GCP's operations are entirely located within the European Union and the UK, where strict regulatory frameworks and enforcement mechanisms significantly mitigate the risk of child labour, forced labour, or compulsory labour. There is no significant risk of such labour practices within GCP's value chain in Europe

**2. Property Maintenance and Facility Management Personnel**

Workers responsible for cleaning, landscaping, pest control, and general property upkeep. These are workers working at the Company's assets but are not part of GCP's own workforce and may face material impacts related to wage adequacy, health and safety, job security, or fair treatment by outsourcing companies. Compliance with these standards is ensured through GCP's BPCoC and verified through due diligence procedures on such providers.

**3. Energy, Utility, and Waste Management Workers**

Individuals employed by service providers that handle the supply of utilities, energy management, or waste disposal may face risks such as exposure to hazardous environments or low wages in certain jurisdictions. These are workers working for entities in the Company's upstream value chain. However, as such companies are mostly owned and run by local governments and are highly regulated companies, the risks can be considered as minor.

**4. Material and Equipment Suppliers**

These are workers working for entities in the Company's upstream value chain, who resource, produce or deliver construction materials, furniture, or technology solutions for GCP properties. They may be potentially subject to forced labour or poor workplace conditions, depending on where the material and products are sourced and manufactured. GCP acknowledges these potential risks which is why human rights due diligence checks are conducted on new suppliers and renewed on existing suppliers on a regular basis.

## S2-1 POLICIES RELATED TO VALUE CHAIN WORKERS

The policies in place at Grand City Properties that address identified material risks relating to working conditions – secure employment, working time, adequate wages and health and safety – of value chain workers are listed below:

**Table 39**

| Policy Title | Short Description |
|---|---|
| **Human Rights Policy** | The Human Rights Policy lists twelve basic human rights, including the right to equality, freedom of speech, thought and religion, and right to a safe work environment, which apply not only for its own employees but also to tenants and workers in the supply chain. The policy further emphasises its zero-tolerance approach to modern slavery, human trafficking and forced labour and outlines its application for business partners and reporting and monitoring of potential violations. |
| **Business Partner Code of Conduct (BPCoC)** | The BPCoC extends GCP's human rights commitments to suppliers, contractors, and business partners, managing business matters in an ethical way across the value chain. It includes provisions on worker safety, fair working conditions, and responsible employment practices. The BPCoC explicitly prohibits child labour and forced labour and addresses precarious work by requiring compliance with applicable labour laws. Aligns with applicable ILO standards. |

GCP's Human Rights Policy and BPCoC outline the Company's commitment to ensuring ethical business practices and the fair treatment of value chain workers. These policies collectively aim to uphold fundamental human rights, prevent discrimination and harassment, and promote responsible business conduct across the value chain.

In addition to the above-mentioned policies, GCP provides a Whistleblower System for stakeholders, including workers in the value chain, to report any potential human rights-related issues or compliance cases. The Whistleblowing System was established according to the Company's internal Whistleblower Policy and can be accessed via GCP's website. Besides providing guidance on what issues are relevant to report according to GCP's "Speak-up" system, it also states clear description of how the report is made and what the consequences are. Reporting via the system can be made anonymously. This system ensures that workers can raise issues, have their complaints fairly considered, without the fear of retaliation. Through these mechanisms, GCP aims to foster fair practices and a collaborative approach to labour rights across its value chain.

Through these policies, GCP seeks to foster a responsible and sustainable supply chain, ensuring that all workers in the value chain are treated fairly and addressing any potential risks related to labour rights violations.

GCP adheres to internationally recognised frameworks to guide the implementation of its policies, including:

- Ten Principles of the UN Global Compact
- International Labour Organization (ILO) Core Conventions
- OECD Guidelines for Multinational Enterprises
- UN Guiding Principles on Business and Human Rights (UNGPs)

These frameworks provide essential guidance in shaping GCP's policies related to value chain workers, ensuring a structured approach to managing human rights risks, protecting labour rights, and promoting ethical business conduct.

## Scope and Responsibility of the Policies

The scope of GCP's Human Rights Policy and its BPCoC encompasses ethical labour practices, human rights protections, and responsible business conduct across the entire value chain. These policies apply globally to GCP, its subsidiaries, affiliated companies, and all business partners. Developed to reflect GCP's commitment to upholding human rights and ethical business practices, these policies apply to all employees, contractors, and partners engaged in GCP's operations.

The Daily Management and Chief Compliance Officer are responsible for overseeing the implementation and enforcement of the Human Rights Policy and the BPCoC. This includes ensuring compliance with human rights standards, ethical labour practices, and responsible supply chain management.

## Commitments and Approach to Human Rights Relevant to Value Chain Workers

GCP is committed to upholding human rights across its value chain. This commitment is grounded in key policies mentioned before, including the Human Rights Policy and the Business Partner Code of Conduct, as well as Whistleblower System. Our Human Rights Policy was established in accordance with internationally recognised human rights standards, including the International Bill of Human Rights, which consists of the Universal Declaration of Human Rights and the two Covenants that implement it. The policy also outlines our expectations towards our suppliers to respect the interests, views and rights of our value chain workers. Yet, most important in our business relationships is our BPCoC, which must be signed by our business partners and requires compliance with internationally recognised labour and human rights principles, ensuring responsible business conduct throughout GCP's operations and supply chain.

To ensure GCP's human rights policy framework is translated into practice and implemented at every level of the business and integrated into business relationships with suppliers, GCP's approach encompasses a number of actions listed below.

## Creating Awareness and Human Rights Trainings

Within its own operations, GCP ensures that employees respect human rights, understand the issues and risks surrounding this topic by integrating human rights topics and awareness into its compliance training programs. This ensures that employees are educated on topics of respect of human rights, non-discrimination, and fair business practices. The signing of the Employee Code of Conduct by every employee also commits them to respecting human rights and upholding values of non-discrimination and fair treatment in GCP's own operations.

## Business Partner Code of Conduct

When it comes to working with suppliers in the value chain on adherence with human rights, GCP first and foremost relies on its BPCoC, which all business partners with contracts of above €5,000 are requested to sign. Thus, business partners acknowledge their responsibility for respecting their workers' human rights and the adherence to international human rights law and frameworks, as well as to GCP's expectation to observe all applicable environmental, health and safety regulations in their operations. The only exemption from signing our BPCoC exists for large corporations, which have their own codes of conduct – provided that they are in line with our standards - or those business partners operating in heavily regulated sectors.

## Human Rights Due Diligence Process

With a view of identifying potential human rights violations in the supply chain, GCP conducts a human rights due diligence procedure ("HRDD") on high-risk suppliers. These are categorised according to their economic sector and countries of operation, considering potentially higher risks, particularly in the areas of construction and refurbishment/ maintenance, as well as for companies operating outside the EU. For instance, suppliers are categorised as low, medium, or high-risk based on their contract volume with GCP, the region of business operation, and other relevant criteria. Depending on the business partner's risk level, an adequate due diligence process is conducted using different sources of information. For suppliers identified as high-risk, GCP requires additional documentation regarding sustainability-linked topics, including human rights. In addition to desk-based due diligence checks, our construction and operations managers are fulfilling their legal monitoring obligations during the execution of the project according to the national law of the project location.

In cases where our HRDD identifies non-compliance, corrective action plans are issued to suppliers, requiring them to address and rectify violations. Suppliers that fail to comply are excluded from future business with GCP. Ongoing monitoring and assessment ensure that suppliers adhere to working conditions, wages, and health and safety regulations.

Furthermore, to ensure that GCP's approach is in line with international guidance on HRDD, which is also a requirement for alignment with the EU Taxonomy Regulation's social minimum safeguards, in particular on the topic of human rights, the Company has implemented a six-step approach to HRDD:

1. Embedding a commitment to HRDD within policies and procedures.
2. Identifying and assessing adverse impacts across the value chain.
3. Taking corrective actions to cease, prevent, mitigate, and remediate violations.

4. Monitoring and tracking the effectiveness of implemented measures.
5. Publicly communicating HRDD actions to ensure transparency.
6. Providing and enabling grievance mechanisms for workers to report concerns.

In accordance with guidance on the implementation of a HRDD procedure, two criteria determine that compliance with the safeguards was established:

1. That the Company has established adequate human rights due diligence (HRDD) processes, as outlined in the UNGPs and OECD Guidelines for Multi-national Enterprises (MNE).
2. That there are no indications that the Company does not adequately implement HRDD, resulting in human rights abuses.

GCP fulfils these criteria.

### Reporting via the Whistleblowing System

Should an incident reported via the Company's Whistleblowing System, or directly with GCP's Compliance Department, involve a human rights violation, the Compliance Department, with potential support from the Legal and HR Departments, oversees the investigation in accordance with the internal Investigation Policy. Depending on the severity of the case, potential actions include supplier warnings, financial penalties, contract termination, or legal escalation – for a business partner or employee. GCP may also decide to consult with authorities if necessary.

Stated in the Company's internal Whistleblower Policy, as far as the whistleblower can be contacted by GCP, the whistleblower will receive information about the ongoing process, the progress and outcome of the investigation, incl. remedial action taken. This will happen no later than three months from the date of acknowledgement of receipt of the report. In 2024, no cases of human rights violations were reported. For further information, see the metrics table in S1-17.

In general, GCP maintains open communication channels with value chain workers regarding labour rights and ethical practices across its operations. This engagement primarily occurs during the initial business relationship establishment, where suppliers acknowledge GCP standards and values as outlined in the BPCoC.

### Zero-Tolerance Approach to Forced and Child Labour

GCP enforces a zero-tolerance approach to human trafficking, forced and compulsory labour, and child labour. These issues are explicitly addressed in the Human Rights Policy, which covers all three topics and extends to value chain workers. Additionally, GCP's BPCoC, which must be signed by suppliers and business partners with contacts exceeding €5,000, explicitly prohibits child labour and compulsory labour. It currently does not, however, make an explicit reference to trafficking in human beings in its policies, given its limited relevance in the regions where GCP operates.

## S2-4 – TAKING ACTION ON MATERIAL IMPACTS ON VALUE CHAIN WORKERS, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO VALUE CHAIN WORKERS, AND EFFECTIVENESS OF THOSE ACTION

GCP's key actions to managing material impacts related to working conditions of value chain workers, including secure employment, working time, adequate wages, and health and safety are linked to the following four areas:

1. Supplier Engagement and Compliance: Suppliers with contracts exceeding €5,000 are required to sign the BPCoC, ensuring adherence to principles of fair working conditions, secure employment, and occupational health and safety. Also, suppliers are requested to re-affirm their adherence to the BPCoC with every construction contract signed with GCP.
2. Human Rights Due Diligence Process: Due diligence on high-risk suppliers allows GCP to identify potential human rights violations in the value chain. If an issue is detected the Compliance Department determines necessary actions to ensure that the supplier addresses, is addressing or will address the concerns before continuing the business relationship.
3. Remediation and Grievance Mechanisms: GCP provides a grievance mechanism, i.e. a Whistleblowing System, for value chain workers to report violations and misconducts. Reported cases undergo thorough investigation, which may lead to remedial actions against the stakeholder involved in of human rights violation.
4. Human Rights Trainings for Employees: All employees must complete annual compliance training covering human rights, equal treatment and sexual harassment, as well as other topics of ethical business conduct. This training raises awareness among employees who play a key role in contracting compliant suppliers and business partners aligned with GCP's values.

GCP allocates targeted resources to support its action plans in managing the material impacts identified by the DMA on value chain workers:

1. **Dedicated Teams:** Our compliance, Know-Your-Business Partner (KYB), Business Partner, Operation and Construction teams collaborate to implement and enhance existing processes. Aligning with national and international standards and regulations,

such as the German Supply Chain Act (LkSG) or the upcoming European Corporate Sustainability Due Diligence Directive, allows GCP to continuously improve its alignment with best practices. Strengthening due diligence procedures ensures that suppliers are thoroughly assessed, helping prevent potential human rights violations before they occur.

2. **Technology and Tools:** Whereas the management of supply chain documentation is still largely manual, initial updates have been made to the ERP system to enhance documentation management. GCP is currently reviewing supply chain management tools for potential implementation. These improvements aim to streamline communication and engagement with business partners regarding the Company's human rights policy and standards, ultimately strengthening compliance and reducing risks of workers' rights violation.

GCP's key actions to manage material impacts on value chain workers extend across its value chain and business relationships. The actions are part of the Company's ongoing operational activities and, therefore, do not have a defined completion date. Implementation is continuous and integrated into the Company's broader strategy.

In 2024, no severe human rights issues or incidents connected to workers in the value chain were reported to GCP.

### Dedicated Resources

GCP does not currently have the specific data available to provide this disclosure. The allocation of financial resources to the action plan is part of the Company's ongoing operational activities, and this information is not tracked at the required level of detail at this stage. GCP continuously reviews and enhances its reporting processes to improve transparency and provide further relevant disclosures where possible

Beyond these described actions, which are focused on prevention, risk identification and remediation, GCP has currently taken no further actions or planned future actions to specifically address the four material risks identified in relation to working conditions or to deliver outcomes with positive impacts for the value chain workers. The Company has currently not implemented further assessments or monitoring in how far these actions are effective in delivering the intended outcome for value chain workers.

## S2-5 – TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

**Table 40**

| Long-term targets | 2024 Targets | 2024 Progress | 2025 Target |
|---|---|---|---|
| Maintain zero human rights violations in the supply chain | Continue the distribution of our new Business Partner Questionnaire, which is designed to assess and ensure compliance with the principles outlined in our Business Partner Code of Conduct | Launched Business Partner Compliance | Review Business Partner Due Diligence processes for further improvements |
| Maintain our high standard of business partner scrutiny | Ensure the voluntary alignment of our Company's policies with the Supply Chain Act in Germany and initiate possible changes to ensure compliance | | |

The targets support the purpose and goals of the Human Rights Policy and the BPCoC, supported by the Whistleblowing System by promoting ethical business practices and mitigating risks in the supply chain. The long-term targets are both quantitative as well as qualitative, focusing on compliance and ethical oversight rather than numerical reductions.

The long-term targets address different aspects of the Company's operations. The first target, which focuses on preventing human rights violations, applies to the supply chain and aims to ensure that business partners would adhere to ethical labour and human rights standards. The second target, which concerns business partner scrutiny, is focused on internal corporate governance and regulatory compliance. It involves voluntarily aligning the Company's policies with the German Supply Chain Act to strengthen due diligence procedures and ethical oversight across the Company's value chain.

The process for setting targets involves multiple levels of engagement across the value chain. GCP defines its targets based on internal assessments, regulatory requirements, and stakeholder feedback. While direct engagement with workers in the value chain or their representatives is currently not a formalised step; insights are gathered through structured assessments such as the Business Partner Questionnaire. This helps to evaluate suppliers and business partners on their adherence to ethical and compliance standards. Please see ESRS 2 GOV-1_14 for more information.

The Company aims to maintain zero human rights violations in the supply chain referring to the first reporting year, 2024, as the baseline year, and to ensure thorough business partner scrutiny by following best practices, including guidance on the German Supply Chain Act which is currently not mandatory for GCP, which a long-term commitment to compliance.

# ESRS S3 Affected Communities

## INTRODUCTION

GCP recognises that its operations impact not only its tenants, but the broader communities residing around its properties, who may be directly or indirectly be affected. As a result, the Company takes a holistic approach in ensuring positive social impacts in the communities where it operates.

The Company actively engages with affected communities to integrate their needs into its strategic and operational decisions. GCP's approach is guided by the Community Involvement and Development Guidelines, which outline, inter alia, it's commitment to making a meaningful impact on local communities. The guidelines establish a clear framework for community relationship management, emphasising proactive engagement, strategic planning, and accountability.

This disclosure outlines the Company's approach and efforts in addressing its impacts on affected communities, focusing on balancing our economic objectives with social responsibilities.

| High-level overview of disclosure | |
|---|---|
| **Standard** | **Indicator** |
| **ESRS S3 Affected Communities** | S3. SBM-2 Interests and views of stakeholders |
| | S3. SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model |
| | S3-1 - Policies Governing Affected Communities |
| | S3-2 – Processes for engaging with affected communities about impacts |
| | S3-4 – Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions |
| | S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities |

IROs or datapoints that were identified as immaterial to GCP are not covered in this report. In some cases, GCP makes use of the phase-in provisions (in accordance with Appendix C of ESRS 1) and is committed to disclosing these datapoints in the coming years.

## S3. SBM-2 INTERESTS AND VIEWS OF STAKEHOLDERS

For a more detailed overview of how stakeholder interests and views are integrated into decision-making, refer to ESRS 2, section SBM-2.

**Table 41**

**Material sustainability matters covered in ESRS S3**

| Sub-topic | Sub-sub-topic | Materiality (impact/ financial/ double) | Categorisation IRO | Localisation of IRO | Time horizon of IRO |
|---|---|---|---|---|---|
| Communities' economic, social and cultural rights | Adequate housing | Double | Positive impact/ Opportunity | Own operations and Value chain (downstream) | Short-term/ Long-term |

## S3. SBM-3 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

### Engagement with Stakeholders: Understanding Interests and Perspectives

GCP recognises the importance of stakeholder engagement in shaping its business model and sustainability strategy. Maintaining open and ongoing dialogue with affected communities, tenants, local authorities, and business partners allows the Company to align its operations with stakeholders' expectations and societal needs.

### Inclusion of Affected Communities in the Scope of Disclosure

GCP ensures that all affected communities likely to experience material impacts from its operations are included within the scope of its disclosures under ESRS 2. This comprehensive approach considered communities impacted through the Company's own activities, as well as those affected by its value chain, services, and business relationships. Materiality is assessed based on environmental, social, and economic factors to identify and mitigate potential risks while maximising positive contributions.

### Types of Affected Communities and Potential Impacts

Given GCP's primary business activities in residential real estate, including the provision of affordable housing in densely populated areas across Germany and London, the key affected communities are:

- Residents and tenants: GCP's tenants, Low-income individuals, including those eligible for social housing, as well as middle-class residents.
- Local communities: Neighbouring residents, small businesses and retail operating within the neighbourhoods of GCP's assets, which depend on stable housing markets and local infrastructure.
- Public Authorities and Local Organisations: Those reliant on public facilities and urban services impacted by GCP's developments.

While GCP has not identified any significant material upstream impacts, the Company acknowledges that certain supply chain activities - such as material sourcing, logistics, and waste management - may indirectly affects communities near supplier facilities, waste sites, and urban regeneration areas. As part of its responsible business practices, GCP continues to assess these potential impacts and explore appropriate mitigation strategies.

### Material Impacts

Following an extensive DMA process conducted in 2024, GCP and its stakeholders determined that the Company's primary impact on affected communities is overwhelmingly positive, particularly in terms of providing non-luxury and affordable housing. As no material negative impacts or risks were identified during this assessment, GCP does not report any material negative impacts for the current reporting period.

GCP's commitment to aligning its business operations with the needs of local communities continues to drive positive social and economic outcomes. As highlighted in the DMA, the Company fosters resilient, inclusive, and sustainable communities through its housing initiatives, infrastructural investments, and sustainability-driven projects.

For more information on interests and views of stakeholders, including affected communities, please see ESRS 2 section SBM-2.

### Housing Access and Affordability

GCP plays a crucial role in expanding access to affordable housing solutions across its markets. In the United Kingdom, the Company collaborates with a third-party organisation that coordinates with local authorities, housing associations, and charities to provide safe and affordable accommodation for low-income households, including those in temporary or emergency housing. Rental rates for these properties are linked to the Local Housing Allowance (LHA), with annual rent adjustments based on government-determined LHA increases.

To balance housing affordability with responsible asset modernisation, GCP ensures that any modernisation-related cost allocations remain fair and reasonable. The Rent Control and Increase Department closely monitors market conditions and regulatory developments to determine appropriate cost-sharing arrangements and, where necessary, grant rent increase waivers for modernisation expenses. The Company also considers hardship applications from tenants adversely affected by rent adjustments.

In Germany, GCP adheres to relevant regulations such as the German Housing Allowance Act (*Wohngeldgesetz*), which supports access to subsidised housing for eligible residents. The Company also complies with section 559 of the German Civil Code (BGB), which governs rent increases following modernisation measures, ensuring that residential upgrades enhance living conditions without imposing excessive financial burdens on tenants.

### Property Management and Infrastructure Improvement

GCP's property management and refurbishment projects drive community development by creating employment opportunities and promoting sustainability. Investments in construction, and renovation projects support local contractors, service providers, and workers, thereby strengthening the local economy.

Sustainability-focused initiatives, include energy efficiency upgrades, reduction of GHG emissions, improvement of air quality, and promotion of resource conservation.

### Assessing Housing Affordability: GCP's Approach to Rental Cost Burden and Modernisation Impact

In order to understand the affordability of its properties, GCP has developed a "rental cost burden" metric, which was modelled on Eurostat's housing cost overburden rate. GCP's median rent in its managed German portfolio is compared against the net minimum wage salary in Germany after taxes, health insurance, and social security contributions. The Company considers this as an adequately conservative benchmark, targeting the lowest-income portion of the population most sensitive to rent affordability. The metric distinguishes between net rent, which is determined by the Company, and the "warm rent", which includes service charges beyond the Company's control.

GCP also tracks the average modernisation cost allocation for German residential properties, comparing it with the legally permitted allocation under German law. Additionally, the Company monitors the number of hardship cases received relative to the total units modernised and are subject to rent increase. The low number of hardship applications in 2024 reflects GCP's targeted approach to modernisation and its careful consideration of rent increases to ensure affordability.

GCP's vacancy rate also serves as an additional indicator for assessing the overall affordability of its assets.

These metrics are guided by regulatory requirements, economic and market analysis and undergo internal validation by relevant departments, including the Rent Control and Increase Department, and Compliance Department.

### GCP's Risks and Opportunities Arising from Impacts and Dependencies on Affected Community

GCP recognises the risks and opportunities arising from impacts and dependencies on affected communities and proactively works towards achieving positive outcomes.

The Company could face operational risks such as potential community resistance. Local residents and other stakeholders in the community may raise objections to project implementations due to concerns about gentrification, strain on infrastructures and social services such as transportation, healthcare, and community services. These objections can also lead to project delays, increased costs, and reputational risks for GCP. Since the Company engages proactively with affected communities, ensuring transparency and alignment with local priorities, the probability of these risks happening is low across its activities.

Socially vulnerable groups, including elderly residents, disabled individuals, and low-income households, may struggle to comply with the Company's rental conditions resulting from modernisation-rent increases and worsening economic situation, leading to affordability pressures, and increased vacancy rates. Although, there is insignificant evidence associated with this scenario, given the outcomes of our assessment parameters, such as, few unconfirmed hardship applications made during the reporting year (see section S3-4), GCP has strategies to continuously monitor and mitigate related risks and ensure high rent retention rate. For description of these strategies refer to the above sub-sections on *Housing Access and Affordability* as well as *Assessing Housing Affordability: GCP's Approach to Rental Cost Burden and Modernisation Impact*. Local market dynamics, such as shifts in property values may also pose challenges to achieving business objectives. The Company positions itself as a responsible operator by ensuring innovative affordable housing solutions, with modernisation and development strategies that remained accessible and socially inclusive.

In terms of market opportunities, GCP could expand successful community programs to additional locations, integrating sustainable technologies and new housing solutions tailored to evolving needs. Strengthened relationships with stakeholders, including tenants and local organisations, further enhance GCP's ability to align its activities with community priorities, driving long-term success. Refer to section S3-4 for comprehensive actions and resources committed to mitigating adverse impacts on communities it operates.

### Understanding Communities at Greater Risk of Harm

In addition to the DMA, GCP developed its understanding of affected communities at greater risk of harm, through rent affordability evaluations and construction or renovation projects impact assessments. The Company has identified low-income communities as being at higher risk of housing affordability challenges due to the potential financial burden associated with rent increase. This assessment is based on data received from operations, as well as targeted affordability analyses within its German portfolio. By tracking the number of hardship cases submitted relative to the total modernisation-related rent adjustments done in the reporting year, GCP gains an understanding of the broader impacts of its property improvements on vulnerable communities (Refer to sub-section on *Assessing Housing Affordability: GCP's Approach to Rental Cost Burden and Modernisation Impact*). By engaging with residents, local authorities, and community organizations, GCP recognises the greater impact its developments may have on residents and small businesses near construction sites, particularly those at risk of temporary displacement or reduced patronage due to limitations on customers to access their business places during project executions.

GCP has identified ensuring access to adequate and affordable housing for all community members, with a particular focus on low-income tenants and social housing residents, as the material opportunity with respect to affected communities. It has been noted that the Company pays special attention to the needs for housing affordability by tenants in lower income areas, who may also rely on social housing and government benefits, when considering rent increases linked to modernisation. In that sense, its positive impact is most significant for these vulnerable groups.

## S3-1 - POLICIES GOVERNING AFFECTED COMMUNITIES

Table 42

| Policy Title | Short Description |
|---|---|
| **Community Involvement and Development Guidelines** | Outlines GCP's commitment to make a positive impact in the local communities where it operates and improve the wellbeing of its tenants and stakeholders, by addressing residents' principal needs and rights, with emphasis on housing affordability, community engagement and respect for human rights. |
| **Human Rights Policy** | Ensures respect for fundamental human rights, covering a right to a safe work environment, fair remuneration (e.g. minimum wage) and working conditions, as well as right to privacy, rest and leisure. |

### Key Contents and Scope of the Policies

GCP's Community Involvement and Development Guidelines outline the Company's commitment to fostering positive social impact and enhancing the well-being of tenants and local stakeholders. The guidelines are structured around three key principles: affordability, community engagement, and respect for human rights. It reflects GCP's broader dedication to social responsibility and sustainable urban development, ensuring that its operations contribute to social inclusion, economic empowerment, and environmental resilience in the regions where it operates.

It applies across all of GCP's operations, subsidiaries, and affiliated companies, including entities in which GCP holds an interest. The policy is binding for all personnel, including officers, apprentices, and governing bodies, ensuring that community engagement and well-being considerations are fully embedded in the Company's decision-making processes. While the policy addresses a broad range of community-related concerns, it does not include provisions for preventing and addressing impacts on indigenous peoples, as GCP does not operate in regions where indigenous communities reside.

For details on GCP's Human Rights Policy, refer to section S1-1.

### Governance and Accountability for Policy and Programme Implementation

The ESG Committee is responsible for overseeing the implementation and management of the Community Involvement and Development Guidelines, ensuring adherence at the highest level of governance.

By integrating sustainable practices into its operations, GCP seeks to create long-term socio-economic benefits for the communities in which it operates, promoting inclusive urban development and resilient local economies.

In setting the Community Involvement and Development Guidelines, GCP considers the interests of key stakeholders as follows:

1. Residents and Tenants: GCP focuses on affordability, human rights, and community engagement to improve wellbeing.
2. Local Communities: The policy promotes sustainable, inclusive neighbourhoods through investment in infrastructure and public spaces and addressing community needs.
3. Public Authorities and Local Organisations: Through the GCP Foundation, the Company collaborates with local organisations to support vulnerable groups and enhance community development.

While the Guidelines themselves are available only to GCP's employees via the Company's intranet, information about community engagement initiatives is shared through communication channels such as Service Centres, property managers and neighbourhood meetings, ensuring that residents are informed about ongoing projects and opportunities for involvement.

## S3-2 – PROCESSES FOR ENGAGING WITH AFFECTED COMMUNITIES ABOUT IMPACTS

### Integrating Community Perspectives into Decision-Making

GCP actively integrates the perspectives of affected communities into its decision-making processes to ensure that both actual and potential impacts are effectively managed. The Company engages with local residents, community representatives, and credible proxies, including municipal authorities, social organisations, and media outlets, to foster transparency and align its activities with community needs.

As part of its Community Involvement and Development Guidelines, GCP conducts early-stage consultations with stakeholders during property acquisitions, construction projects, and refurbishment efforts. This approach enables the Company to proactively identify and address concerns, ensuring that development projects are socially inclusive and well-received by the communities they affect.

Beyond formal consultations, GCP has multiple channels through which affected communities can express their interests and concerns. These are:

- GCP's Customer Service Centre, which provides a line of communication for tenants.
- The Whistleblowing System, allowing community members to report issues confidentially and anonymously.
- Property management feedback mechanisms, which enable tenants and local businesses to share insights on housing conditions and service performance.
- Tenant engagement initiatives, facilitating ongoing dialogue between GCP and its residents.

At the corporate level, the ESG Committee, with support from the Head of Sustainability, ensures that community perspectives are systematically considered in GCP's strategic decision-making and sustainability agenda.

As noted earlier, the DMA conducted in 2024 found no material negative impacts on affected communities. As a result, GCP does not report on specific remediation processes or additional channels for raising concerns in this reporting period.

## S3-4 – TAKING ACTION ON MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATING TO AFFECTED COMMUNITIES

GCP takes proactive measures to prevent, mitigate, and remediate material negative impacts on affected communities. Controlled rent increases for modernisation and a responsive approach to hardship applications help maintain affordability. When calculating whether to implement the full rent increase the Company is legally entitled to, GCP considers local market dynamics in order to understand whether the amounts are suited for local market conditions and adjusts the rent increase accordingly.

The Company's process after receiving hardship applications is to first encourage tenants to pursue all legally available public support in the form of either unemployment benefits from the Job Centre or housing benefits from the housing benefit authority before GCP can consider waiving the rent increase. In every case, the Company assesses individual circumstances and, where necessary, provides targeted relief measures to maintain housing affordability. In 2024, no follow-up communication was received after the initial contact from tenants in the three hardship applications received.

GCP adheres to regulated safety standards and conducts regular property maintenance to ensure safe and well-maintained living environments. Energy efficiency upgrades are managed to minimise disruptions while enhancing property sustainability. Tenant concerns are addressed through standardised procedures, ensuring timely and effective responses. These actions reflect GCP's commitment to balancing operational improvements with the well-being of the communities it serves.

Prior to any major renovation or construction, the Company undertakes proactive community engagement and targeted renovation planning, designed to minimise disruptions. Furthermore, GCP collaborates with municipalities and community organisations to enhance social integration, economic resilience and positive environmental impacts in its areas of operation.

These actions are part of the Company's ongoing operational activities and broader strategy, therefore, do not have a defined completion date. The scope of GCP's key actions encompasses all residential properties under management, including tenant well-being initiatives, affordability programmes, and infrastructure upgrades.

### Key Results from Addressing Material Impacts

GCP's commitment to affordability and community wellbeing is reflected in measurable outcomes. In 2024, of the 1,809 modernisation-related rent increases, only three hardship applications were submitted, demonstrating the effectiveness of GCP's approach to maintaining housing accessibility.

Additional key results:

- Modernisation investments in 2024 impacted 1,809 occupied residential units, with an average rent increase of 0.34 €/sqm, 6% lower than the legally permitted allocation under German law.
- The median warm rent in GCP's German properties accounted for 38% of net minimum wage income in 2024, compared to 39% in 2023. This figure is below Eurostat's housing cost "overburden" rate of 40%, described in the sub-section on *Assessing Housing Affordability: GCP's Approach to Rental Cost Burden and Modernisation Impact.*
- The net rent portion (excluding service charges) remained stable at 24% of the net minimum wage in 2024.

Through the Company's cooperation with a leading organisation of accommodation services in London, GCP UK was able to provide safe, secure and affordable accommodation to tenants in need. The organisation collaborates with local authorities, housing associations and charities to offer temporary and emergency accommodation in all boroughs of London.

### Ensuring a Positive Community Impact

GCP considers itself to have a positive impact on affected communities and sees this as an opportunity. It remains proactive in managing its relationship with affected communities through transparent communication, structured support programmes, and minimising disruptions during construction and renovation (such as controlling noise, dust, and providing alternative access routes). The Company ensures that remediation processes are accessible and effective, including service centres, structured complaint resolution processes, and financial hardship application reviews. Where necessary, additional support—such as rent waivers or alternative housing solutions—is provided to maintain housing stability. GCP also conducts regular performance reviews and stakeholder engagement to ensure continuous improvement in mitigating potential community impacts.

To ensure that its practices do not cause or contribute to material negative impacts, GCP engages with local authorities during construction projects, as required by the permitting process, and complies with all legal and regulatory requirements, ensuring full alignment with urban planning and housing laws.

In 2024, no severe human rights issues or incidents connected to affected communities were reported to GCP.

### Resource Allocation for Community Initiatives

GCP allocates financial and human resources to managing material impacts related to affected communities in line with its Community Involvement and Development Guidelines.

Currently, the resources allocated to the topic of adequate and affordable housing are GCP employees focused on the topic within our operations department, tenant Services Centre and Rent Control and Increase Department ensuring the engagement with tenants and the monitoring of the rent cost burden metric.

The Company's financial contributions to community engagement and development are in general linked to the GCP Foundation, which in 2024 spent approximately €400K in a wide range of community initiatives. These investments supported youth education, cultural events, social welfare programmes, and infrastructure enhancements, benefiting children, low-income families, and vulnerable populations.

Overall, GCP's resource allocation reflects a strategic and proactive approach to enhancing positive impacts in affected community, ensuring long-term sustainability and social cohesion in the neighbourhoods where it operates.

## S3-5 – TARGETS RELATED TO MANAGING MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

GCP acknowledges the importance of tracking the effectiveness of its policies and actions in relation to material sustainability-related impacts, risks, and opportunities. While the Company has not formally adopted specific targets on the topic of provision of adequate housing, it has formulated a target in relation to the GCP Foundation's annual spending which is up to €500,000 per annum.

Furthermore, it actively monitors progress of its targets through internal assessments and reporting, as well as stakeholder engagement mechanisms, ensuring its initiatives on affected communities are aligned with its strategic objectives.

# ESRS S4 Consumers and End-Users

## INTRODUCTION

GCP recognises tenant satisfaction as a cornerstone of its ESG strategy and a critical driver of business success. As one of Europe's leading real estate providers, GCP prioritises fostering strong relationships with its tenants by providing accessible, reliable, and high-quality customer services. Central to this commitment is the GCP Service Centre, which operates 24/7 for emergencies and provides support during regular business hours on working days. This service is complemented by the GCP Tenant App & Portal for Desktop Users, a digital platform that empowers tenants to communicate directly with GCP, manage inquiries, and access self-service options with ease. The app also provides updates on tenant-specific services, including community events and an exclusive loyalty program. GCP's Tenant Satisfaction Guidelines outlines its approach to customer engagement, ensuring that inquiries are met with professionalism and care. These efforts underscore GCP's dedication to creating a positive and inclusive living environment for all its tenants(*).

This section focuses on material impacts related to tenant privacy and access to quality information. It highlights the implementation of effective measures to safeguard tenant data through GDPR-compliant processes, alongside collaboration with IT providers and contractors to uphold high standards of information security.

The Company has established procedures to safeguard the confidentiality and integrity of management information and data, encompassing both internal operation and the protection of our consumers and end-users, i.e our tenants and potential tenants(*). Furthermore, in alignment with the GDPR and its evolving requirements through 2024, we have implemented comprehensive measures, including mandatory awareness training on GDPR.

| High-level overview of disclosure | |
|---|---|
| **Standard** | **Indicator** |
| ESRS S4 Consumers and End-users | S4. SBM-2– Interests and views of stakeholders |
| | S4. SBM-3– Material impacts, risks and opportunities and their interaction with strategy and business model |
| | S4-1 – Policies related to consumers and end-users |
| | S4-2 – Processes for engaging with consumers and end-users about impacts |
| | S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns |
| | S4-4 – Action plans and resources to manage its material impacts, risks, and opportunities related to consumers and end-users |
| | S4-5 – Targets set to manage material impacts, risks and opportunities related to consumers and end-users |

(*) when referring to consumers and end-users in this section, we refer to tenants and/or potential tenants of GCP. However, to follow the language of the ESRS, consumers and end-users is used interchangeably with tenants or potential tenants

IROs or datapoints that were identified as immaterial to GCP are not covered in this report. In some cases, GCP makes use of the phase-in provisions (in accordance with Appendix C of ESRS 1) and is committed to disclosing these datapoints in the coming years.

**Table 43**

**Material sustainability matters covered in ESRS S4**

| Sub-topic | Sub-sub-topic | Materiality (impact/ financial/ double) | Categorisation IRO | Localisation of IRO | Time horizon of IRO |
|---|---|---|---|---|---|
| Information-related impacts for consumers and/or end-users | Privacy | Double | Positive Impact /Risk | Own operations, value chain (downstream) | Short-term / Long-term |
| | Access to (quality) information | Double | Positive Impact /Risk | Own operations, value chain (downstream) | Short-term / Long-term |

## S4. SBM-2 INTERESTS AND VIEWS OF STAKEHOLDERS

For more information on interests and views of stakeholders, including consumers and end-users, please refer to section ESRS 2 SBM-2 in the report.

## S4. SBM-3 – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

### Inclusion of Consumers and End-Users in GCP's Sustainability Disclosures

GCP ensures that all consumers and end-users who may experience material impacts from its operations are included within its ESRS 2 disclosures. As a residential real estate company, GCP identifies tenants as the primary end-users of its properties and services.

### Types of Consumers and End-Users Affected by GCP's Operations

GCP recognises that its operations and value chain influence a broad range of consumers and end-users. The two key groups impacted include:

- Residential Tenants, who engage with GCP for housing and associated services.
- Prospective Tenants, interacting with GCP during application processes(*).

(*) Unless explicitly indicated that reference is made to prospective tenants, all references to tenants mean both – existing tenants and prospective

### Material Negative Impacts on Tenants

Following its DMA assessment, GCP has identified material negative impacts on consumers and end-users related to:

- Privacy Risks – These are primarily linked to the handling of tenant information during leasing, maintenance, and engagement processes. While no systemic data breaches have been identified, risks exist due to data handling practices and information security vulnerabilities.
- Access to Quality Information Risks – Ensuring tenants receive clear and accurate service-related information is critical. Although no systemic issues have been reported, isolated cases of miscommunication occur and are addressed through structured communication channels and continuous process improvements.

GCP has not identified material impacts related to harmful products or services, freedom of expression, non-discrimination, vulnerabilities to health risks, or marketing impacts—including those affecting children and financially vulnerable individuals.

### Activities With Positive Impacts on Tenants

Meanwhile, GCP actively ensures positive impacts on tenants by improving privacy safeguards and access to accurate information through:

- Direct Operations: Tenant communication via digital platforms (apps, emails), property management services, and customer support systems.
- Value Chain: Partnerships with IT providers and service contractors to ensure secure data management and reliable information dissemination.

### Understanding Consumer and End-User Risks and Opportunities

The material risks identified are unauthorised data disclosure, service errors, and insufficient tenant education on their rights and available channels. GCP proactively mitigates these risks through:

- GDPR-compliant data protection measures.
- Tailored communication strategies for vulnerable tenant groups, such as digitally excluded tenants or elderly tenants.
- A centralised Customer Relationship Management ("CRM") system, designed to streamline and enhance customer engagement by improving processes such as letting, tracking leads, monitoring response times, and managing the status of customer requests with greater efficiency.

### Specific Groups of Consumer and End-Users

GCP has identified risks to specific tenant groups, such as low-income and digitally excluded individuals, through targeted surveys, feedback channels, and property manager insights. To mitigate these risks and enhance tenant well-being, GCP implements tailored solutions, including alternative communication methods like in-person support and physical documentation for those with limited digital literacy or reliance on non-digital channels.

### Engagement and Understanding of Specific Consumers and End-Users Groups

GCP's approach to tenant engagement is multi-faceted, incorporating digital platforms, in-person events, and feedback mechanisms such as surveys and complaint resolution processes.

GCP has developed an understanding of how consumers and end-users with specific characteristics, working in particular contexts, or undertaking certain activities may be at greater risk of harm. This understanding has been built through tenant engagement, including targeted surveys and tenant feedback channels, as well as insights gathered from property managers. This approach enables GCP to develop targeted strategies for mitigating risks and enhancing tenant well-being.

GCP has developed an understanding of risks to specific groups, such as low-income tenants and digitally excluded individuals, through targeted surveys and tenant feedback channels. Tailored solutions, including alternative communication methods, mitigate these risks. Specific groups include tenants with limited digital literacy and elderly tenants reliant on physical documentation. These groups face higher risks in privacy breaches or missing key updates, prompting in-person support and physical communication rather than digital channels.

## S4-1 – POLICIES RELATED TO CONSUMERS AND END-USERS

GCP has implemented comprehensive policies addressing tenant privacy and information access. These are:

**Table 44**

| Policy Title | Short Description |
|---|---|
| **Data Protection Policy** | Establishes the governance of GDPR compliance. This policy covers all consumers and end-users. |
| **Business Partner Code of Conduct** | Guide to managing business matters in an ethical way across the value chain. It includes provisions on worker safety, fair working conditions, and responsible employment practices. The BPCoC explicitly prohibits child labour and forced labour and addresses precarious work by requiring compliance with applicable labour laws. Aligns with applicable ILO standards. |
| **Tenant Satisfaction Guidelines** | The GCP Tenant Satisfaction Guidelines sets out our management approach to this key topic for each stage of the tenant lifecycle, including pre-contract. The policy outlines how we monitor satisfaction in order to understand performance, address any issues and ensure the continuous improvement of our approach. |
| **Human Rights Policy** | Ensures respect for fundamental human rights, covering a right to a safe work environment, fair remuneration (e.g. minimum wage) and working conditions, as well as right to privacy, rest and leisure. |

GCP has established a comprehensive policy framework to uphold ethical business practices, safeguard data privacy, ensure transparency and enhance tenant satisfaction. These policies align with global standards to reinforce compliance and trust across all stakeholders.

Key policies include:

- Data Protection Policy – Defines governance structures for GDPR compliance, ensuring the secure collection, storage, and processing of tenant data. It enforces access controls, encryption protocols, and breach notification mechanisms to uphold data security and privacy best practices. It applies to all consumers and end-users whose personal data is processed by GCP, ensuring strict adherence to GDPR and other relevant data security regulations.
- Tenant Satisfaction Guidelines – Structures tenant engagement, service quality monitoring, and satisfaction tracking. It defines key performance indicators (KPIs) for response times, complaint resolution, and service improvement to enhance tenant experience. It applies to all tenants throughout their tenancy, emphasising service excellence and continuous engagement.

For details on GCP's Business Partner Code of Conduct and Human Rights Policy, as well as our Whistleblowing System please refer to section S2-1 in the report.

The Daily Management and Chief Compliance Officer are responsible for overseeing the implementation and enforcement of the Human Rights Policy and the BPCoC while the Chief Information Officer ("CIO") is responsible for GDPR compliance, data security governance, and IT risk management, ensuring protection of tenant data, and the Chief Operations Officer ("COO") of GCP's German Operations leads the Tenant Satisfaction Guidelines, driving service excellence and tenant engagement initiatives.

### Global Frameworks and Standards Informing GCP Policies

GCP's policies align with international frameworks, including the UN Guiding Principles on Business and Human Rights and GDPR standards, ensuring robust protection for all tenant interactions.

The quality of GCP's Customer Service Centre has also been validated through the certification by TÜV Nord for Quality Management and Service Quality. In line with these commitments, GCP also prioritises stringent data protection and cybersecurity measures to safeguard tenant and corporate information. The GDPR sets principles for data privacy, security, and user rights protection, while ISO 27001 offers structured approaches for data protection and cybersecurity risk management. Our ISO 27001 certification for our Information Security Management System ("ISMS") at our headquarters in Berlin was maintained for a fourth consecutive year in 2024. The scope of the certification applies to our head office, while the scope of the implementation applies to all local and international offices where all relevant policies and procedures apply in the same way. For operational reasons, all digital information flows through Berlin, making this the most material location to focus our certification effects.

In 2024, GCP reported zero incidents human rights violations or incidents that are in non-compliance with company policies in relation to its consumers and end-users. These are based on international frameworks of the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises. For further details, please refer to section S1-17 in the report.

## S4-2 – PROCESSES FOR ENGAGING WITH CONSUMERS AND END-USERS ABOUT IMPACTS

### Tenant Engagement and Data Protection Practices

GCP places a strong emphasis on tenant engagement, ensuring that tenant perspectives are actively integrated into its decision-making process through various communication channels.

Tenant engagement occurs throughout the tenant lifecycle, from initial inquiry to post-tenancy feedback, through proactive, reactive, and interactions.

Tenants and prospective tenants can contact GCP via four main methods:

- Email and postal services
- 24/7 Service Centre, available in multiple languages, with regular support Monday to Thursday from 8:00–17:00 and Friday from 8:00–15:30
- GCP's business chat via mobile phone or the GCP Tenant App
- In-person consultations with property managers, which can also be booked through the Tenant App

To improve efficiency, the Service Centre has introduced a voice bot to manage peak call times, offering tenants an additional contact option. Additionally, the GCP Tenant App & Portal facilitates communication, providing tenants with direct access to customer service, community event updates, and tenant-specific services. Tenant feedback, satisfaction surveys, and direct interactions inform GCP's approach to managing privacy, information access, and overall tenant experience. Callers to the Service Centre are informed about GCP's data privacy regulations at the beginning of each call and directed to further resources on the Company's website. While calls are not recorded, tenants can choose to accept or decline monitoring for training purposes.

GCP also prioritises employee awareness regarding data protection. Regular training sessions on GDPR compliance and data protection policies are provided to Service Centre and Property Management employees to ensure compliant behaviour. Beyond direct engagement, tenant representatives and property managers act as intermediaries, ensuring that tenant concerns are promptly escalated and addressed. This structured engagement approach enhances transparency, responsiveness, and service excellence across GCP's operations.

### Operational Oversight of Tenant Engagement

The COO of the German operations and Head of Quality Assurance & Customer Care joint responsibility for tenant engagement at the highest operational level. They ensure that tenant feedback informs GCP's overall strategy and service improvements. The Data Protection Officer ("DPO") ensures that tenant interactions comply with data privacy regulations, reinforcing GCP's commitment to GDPR compliance and ethical data management.

### Assessing Effectiveness of Tenant Engagement

The effectiveness of tenant engagement is tracked through GCP's Ticketing System, which monitors all requests across communication channels, including request types, resolution processes, and response times. Internal reviews ensure transparency and accountability. After a request is resolved via the Service Centre, tenants receive a survey evaluating friendliness, reachability, work quality, and resolution time. In 2024, GCP was rated 4.68 (out of 5) for accessibility, 4.67 (out of 5) for the service of the staff, and 4.5 or above in all other aspects (friendliness service provider 4,54 (out of 5), quality of work 4,5 (out of 5) and time to resolve 4,53 (out of 5). Our target is to continue to improve our score across all areas aiming to maintain a minimum score of 4.5 in all aspects.

### Insights from particularly vulnerable consumers and end-users

GCP has identified specific tenant groups that may be vulnerable to information access and privacy-related risks, such as elderly tenants and those with limited digital literacy. To address this, GCP has implemented solutions, including alternative communication methods (physical documentation, in-person service) and dedicated support channels.

## S4-3 – PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR CONSUMERS AND END-USERS TO RAISE CONCERNS

### Remediation and Management of Material Impacts on Consumers and End-Users

GCP is committed to ensuring that all material negative impacts on tenants, particularly concerning privacy and access to quality information, are addressed effectively. The Company maintains a structured approach for identifying, assessing, and resolving these issues through governance structures and policies aligned with GDPR compliance and tenant engagement strategies.

When material negative impacts are identified, GCP acts immediately by strengthening security controls, enhancing tenant communication, and reinforcing internal training programs. These corrective measures ensure that tenants' rights to privacy and transparent information access are upheld.

### Channels for Raising Concerns and Support Access

GCP provides multiple channels through which tenants can raise concerns, as outlined in S4-2 – Processes for engaging with consumers and end-users about impacts.

To ensure the effectiveness of these engagement channels, reported concerns are integrated into GCP's Ticketing System, where they are systematically tracked and addressed. Regular performance evaluations assess response times, resolution efficiency, and tenant satisfaction levels. Investments in digital platforms further improve accessibility, and ongoing customer service training ensures that tenant concerns are handled professionally and efficiently. The Company continuously reviews the effectiveness of its engagement channels through internal audits and performance tracking.

Additionally, GCP's external and anonymous Whistleblower system is also accessible to our tenants, who can report concerns confidentially and without fear of retaliation. The Company's internal Whistleblowing Policy safeguards tenants and stakeholders who report concerns, guaranteeing confidentiality and protection against retaliation. An independent third-party platform allows for anonymous reporting, ensuring transparency and ethical governance. This policy is reinforced through employee training programs, which emphasise ethical conduct and consumer protection.

### Tenant Awareness and Trust in Engagement Processes

GCP evaluates tenant awareness and trust in its reporting structures through multiple methods. Tenant feedback surveys, issued after interactions with the Service Centre, measure awareness of available support channels and the effectiveness of issue resolution. Direct engagement at community events provides further insights into tenants' experiences with raising concerns. Additionally, usage data from the GCP Tenant App & Portal is monitored to assess accessibility and adoption. These assessments inform ongoing improvements, ensuring that all tenants are aware of and trust the available reporting mechanisms.

## S4-4 – TAKING ACTION ON MATERIAL IMPACTS ON CONSUMERS AND END- USERS, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO CONSUMERS AND END-USERS, AND EFFECTIVENESS OF THOSE ACTIONS

### Managing Risks and Opportunities Related to Consumers and End-Users

GCP employs a structured approach to managing material risks and opportunities related to privacy and information access. The Company collaborates with the Data Protection Officer ("DPO") and cybersecurity experts to ensure GDPR compliance, enhance tenant engagement, and secure IT systems. The Information Security and Privacy Strategy is spearheaded by in-house cybersecurity leads, who participate in board-level Risk Committee meetings to integrate data security considerations into corporate risk management.

The core principles of GCP's Information Security Management System include confidentiality, integrity, availability, and security. Measures include data encryption, access controls, system resilience against cyber threats, and strict personal data protection protocols. Regulatory compliance, particularly with GDPR, is a priority, and employees undergo continuous training to reinforce awareness and best practices in data protection.

To maintain high security standards, all documents within GCP are labelled with an information security classification, with restricted files requiring password protection. Staff members sign a commitment to data protection upon joining the Company and are required to complete annual video-based training modules. In 2024, GCP introduced a cybersecurity awareness initiative, including an interactive "Information Security Escape Room" as part of its Awareness Days.

GCP employs the following measures to mitigate potential negative impacts:

- **Data Protection Measures:** Continuous updates to GDPR-compliant data handling protocols to prevent breaches and unauthorized disclosures.
- **Service Quality Improvements:** Improvements to the tenant app provide easy access to accurate, and timely information, complemented by 24/7 support through the Service Centre.
- **Training Programs:** Regular employee training sessions on secure tenant data handling further reinforce preventive measures and promote best practices.

### Key Actions to Address Material Impacts on Consumers and End-users

GCP's actions in relation to managing its material impacts, risks and opportunities related to consumers and end-users are outlined below. The scope of these initiatives covers all tenant interactions related to data, from rental agreements to service requests, across GCP's entire portfolio. As these actions are an integral part of GCP's operational framework, they do not have a fixed time horizon but are continuously developed and refined.

**Table 45**

| Material impacts, risks and opportunities in ESRS S4 | | |
|---|---|---|
| **Topic** | **Sub-topic** | **Key action** |
| **Information-related impacts for consumers/or end-user** | Privacy | • Data Protection Policy: Ensures compliance with GDPR and other data privacy laws, emphasising safeguarding tenant, employee, and business data.<br>• Implementation of Privileged Access Management (PAM) System, which enforces multi-factor authentication (MFA), session recording, and access approval for external IT service providers to prevent unauthorised access to tenant data.<br>• To ensure adequate security in our processes for saving and sharing information, all documents are labelled with an information security classification, from public to restricted, which requires password protection for the document, where applicable.<br>• Encryption of sensitive tenant information to protect against unauthorised disclosure.<br>• Continuous training for employees on handling tenant data. |
| | Access to (quality) information | • Providing clear communication channels such as through the GCP Tenant App and 24/7 Service Centre<br>• Community engagement through property managers and neighbourhood meetings, ensuring that residents are informed about ongoing projects.<br>• Continuous development of tenant engagement platforms, including a feedback mechanism integrated into GCP's centralised ticketing system. |

## Resources Allocated to Key Actions

The allocation of financial resources to the action plan is part of the Company's ongoing operational activities, and this information is not tracked at the required level of detail at this stage. The Company continuously reviews and enhances its reporting processes to improve transparency and provide further relevant disclosures where possible.

## Remedies for Material Impacts

GCP takes every data protection and security incident with the utmost seriousness. Whenever a potential breach or data protection issue is reported, the data protection team is tasked to assess the situation. This team conducts a risk analysis to determine the root cause, evaluate any potential impact, and implement corrective measures to prevent recurrence.

GCP's approach is proactive and solution-oriented. Even in cases where no material impact is identified, the incident is analysed to identify underlying susceptibilities and to enhance the security and compliance posture. These learnings are systematically integrated into our policies, processes, and awareness initiatives to strengthen the overall data protection framework.

Collaboration with management, department heads and team leaders are a key aspect of the remediation efforts. An active engagement in the resolution process is important, ensuring that the necessary security improvements are implemented effectively within their teams. This collaborative approach not only enhances security awareness but also fosters a culture of continuous improvement and shared responsibility across the organisation.

Furthermore, transparent communication is prioritised to promote security and data protection awareness at all levels. For example, data protection and security best practices were recently highlighted in the organisation wide HR newsletter, further embedding a strong security mindset.

By taking immediate action, conducting root cause analyses, and continuously improving the security measures, data privacy and security are turned into an essential part at the core of our operational integrity.

## Enhancing Consumer and End-User Experience

GCP seeks to create positive tenant experiences through digital innovation and tenant engagement initiatives. Hybrid community events and interactive surveys foster trust and transparency, while investments in secure, user-friendly platforms provide easy access to tenancy information, maintenance updates, and privacy policies.

The GCP Loyalty Programme offers additional benefits, including shopping discounts for new tenants and loyalty points that can be exchanged for vouchers or rent reductions. Partnerships with companies like Vodafone, O2, and Media Markt provide tenants with exclusive offers, while sustainability incentives encourage tenants to earn points for switching to renewable energy providers.

GCP measures the success of its engagement initiatives through multiple feedback mechanisms. The 24/7 Service Centre is committed to responding to general tenant queries within 24 hours and urgent requests within one hour. The GCP Tenant App facilitates real-time service requests and feedback collection, with ongoing updates improving accessibility and user experience.

Regular community events provide opportunities for direct interaction with property managers, offering insight into tenant satisfaction levels. Interactive surveys play a crucial role in gathering tenant opinions, while the grievance mechanism ensures tenants can report concerns confidentially. These channels support ongoing monitoring, allowing GCP to refine its initiatives and enhance service quality.

## Identifying Appropriate Actions for Managing Material Risks

GCP identifies necessary actions through risk assessments, stakeholder engagement, and incident learnings. Annual evaluations of privacy risks involve scenario analysis and input from IT, compliance teams, and tenant representatives. Tenant surveys and feedback loops are systematically analysed to identify areas for improvement. Post-incident reviews ensure that mitigation strategies are continuously refined, while vendor due diligence ensures that all third-party service providers meet security and compliance standards.

When addressing specific material impacts, GCP follows structured response protocols. In the event of a data breach, immediate containment and mitigation measures are activated. Proactive communication with tenants ensures early identification of systemic risks, while ongoing security assessments and employee training strengthen the Company's ability to prevent recurrence.

## Ensuring Effective Remediation Processes

GCP's remediation processes are designed to be accessible, transparent, and continuously improving. Tenants can report concerns through multiple channels, including the Service Centre, tenant app, and direct engagement with property managers. Feedback loops track the effectiveness of remedial actions, while insights from each incident inform policy refinements and security enhancements.

Regular testing and simulations, such as security drills and breach response exercises, assess the efficiency of escalation procedures. Independent oversight by the Data Protection Officer ensures compliance with GDPR and ISO 27001, with findings used to strengthen security protocols and governance frameworks.

## Mitigating Risks and Pursuing Material Opportunities

GCP mitigates tenant dependency risks through engagement, regulatory compliance, and ESG initiatives. Strong tenant communication is maintained across multiple channels, with continuous improvements in services. Regulatory compliance is ensured through proactive monitoring of housing laws, rent controls, and health and safety protocols, minimising legal risks. ESG initiatives, energy-efficient upgrades and community programs, strengthen tenant relationships and increase market visibility, with impacts measured through energy efficiency ratings, ESG performance, and community feedback.

Looking ahead to 2025, GCP plans to integrate responsible Artificial Intelligence (AI) technologies to enhance service delivery and operational efficiency. Employees will receive targeted training on responsible AI use, data privacy, and ethical decision-making. AI governance frameworks will be embedded into GCP's regulatory compliance strategy to safeguard tenant data and uphold consumer protection standards.

## Ensuring Responsible Business Practices

GCP ensures that its business practices do not cause or contribute to material negative impacts by adhering to GDPR and maintaining strict data handling protocols. Regular training and audits reinforce compliance and mitigate potential risks. As of 2024, no severe human rights issues or incidents related to consumers and end-users have been reported.

Resources allocated to managing material impacts include dedicated personnel, financial investments, and technological infrastructure. The Data Protection Officer and tenant engagement teams oversee compliance and service quality, while IT infrastructure investments support cybersecurity initiatives. A centralised ticketing system ensures efficient tracking and resolution of tenant concerns.

The following resources have been allocated:

**Table 46**

| Resource Type | Description | Resource Allocation |
|---|---|---|
| Personnel | Includes dedicated roles responsible for managing material impacts | Dedicated roles such as the Data Protection Officer (DPO) and tenant engagement teams |
| Financial Investment | Covers budgets allocated to support operational and compliance-related initiatives | Budgets allocated for IT infrastructure, employee training, and tenant satisfaction surveys |
| Systems | Refers to the technological infrastructure used to manage material impacts effectively | Centralised ticketing and tracking system to manage and resolve tenant concerns |

# S4-5 – TARGETS SET TO MANAGE MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO CONSUMERS AND END-USERS

## Targets

**Table 47**

| Long-term targets | 2024 Targets | 2024 Progress | 2025 Target |
|---|---|---|---|
| Identify risks proactively, to detect and eliminate weaknesses before they can become threats. | Pass our recertification audits for ISO 27001. | The ISO27001 certification was successfully passed. | Pass our recertification audits for ISO 27001. |
| Embed a culture of awareness and vigilance throughout our staff, through consistent and regular training. | Introduce a new "on the job" learning format aimed at making information security more accessible by e.g. rolling out awareness campaigns across our offices. | • Roll-up Posters were put up in Branches and HQ.<br>• Phishing Campaigns (E-Mail) were pursued.<br>• Shared regular Information Security Communications via E-Mail.<br>• New starters are participating in an on-site "Welcome Day" format with a segment of over an hour on Information Security and Data Protection.<br>• Security facts are displayed on coffee makers.<br>• Awareness days were conducted for the first time with hands on examples (escape game truck / lock picking). | Continuously promote cyber security on all different levels by introducing security champions across various departments, locations and verticals. |
| Pursue continual improvement of the security of our digital systems. | Pursue continual improvement of the security of our digital systems. | A special bug bounty program was introduced for all our external facing assets.<br>Internal assessments on core applications were conducted, including but not limited to core financial systems, e-mail and identity, servers and more. | Remains the same. |

### Target Setting and Consumer Engagement in Performance Management

GCP's targets are designed to align with its key policies. These targets ensure compliance with GDPR, cybersecurity resilience, ethical governance, and tenant engagement. By embedding these objectives into its operational framework, GCP establishes a strong foundation for data protection, ethical business practices, and transparent consumer interactions.

GCP has defined one measurable target—the successful recertification of ISO 27001. This ensures that the Company continues to uphold internationally recognised information security standards. In addition to this, GCP has set two qualitative targets focused on building a cybersecurity-aware culture among employees and continuously improving digital security systems.

### Scope and Baseline of Targets

The Company's long-term targets encompass key aspects of cybersecurity and risk management. The first target focuses on proactively identifying risks to detect and mitigate weaknesses before they become threats. This includes maintaining ISO 27001 certification through regular recertification audits. The second target aims to foster a culture of cybersecurity awareness and vigilance among employees through consistent training and engagement initiatives. The third target is dedicated to the continuous improvement of digital security systems.

GCP defines its targets based on internal assessments, regulatory requirements, and stakeholder feedback. For further details on stakeholder engagement in the target-setting process, please refer to subsection Setting Sustainability Targets of section ESRS 2 GOV-1. The baseline for these targets is the successful annual recertification of ISO 27001, with 2024 as the initial baseline year.

### Timeframe and Progress Monitoring

The targets apply to 2024 and beyond, reflecting GCP's long-term commitment to cybersecurity and consumer protection. Specific milestones and interim targets for 2025 are outlined in the relevant tracking framework.

### Consumer and End-User Engagement in Target Setting and Performance Monitoring

While tenants are not directly involved in setting formal targets, GCP gathers tenant insights through various engagement channels, including satisfaction surveys, property manager interactions, tenant events, the Service Centre, and digital feedback mechanisms. These inputs play a crucial role in shaping GCP's service improvements and operational adjustments.

### Tracking Performance Against Targets with Consumer Input

Tenants contribute to tracking GCP's performance through post-resolution surveys that evaluate the effectiveness of issue resolution and customer support. Additionally, interactive feedback channels integrated into the GCP Tenant App provide real-time insights into tenant satisfaction. However, for the reporting year 2024, post-resolution surveys were not conducted.

### Consumer Input on Lessons Learned and Service Improvements

GCP has fully adopted targets for managing material impacts related to tenant privacy and access to quality information. These targets are regularly monitored, documented, and aligned with the Company's broader ESG goals. While tenants provide feedback on service improvements, the formal target-setting and evaluation framework remains driven by internal assessments and compliance requirements.

# Governance information

## G1 Business Conduct

### INTRODUCTION

GCP places strong emphasis on corporate governance, executed responsibly by the Board of Directors and the Daily Management, as well as senior management, including department heads. GCP takes pride in the high levels of investors' confidence reflected in the successful placement of funds by major global investment banks. Among its shareholders and bondholders are leading international institutional investors, as well as major global investment and sovereign funds.

GCP's governance framework is guided by international standards, including the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. These standards shape the Company's policies, which include the Employee Code of Conduct, the Business Partner Code of Conduct, the Whistleblowing Policy, the Human Rights Policy and more. GCP's policies are designed to foster a culture of compliance, ethical behaviour, and inclusivity across its operations and value chain. In 2024, these principles were reinforced through an enhanced compliance monitoring system, regular policy updates, and targeted employee training programs.

GCP is not subject to any mandatory corporate governance code or statutory legal provisions. Specifically, GCP is not required to comply with the 'Ten Principles of Corporate Governance' established by the Luxembourg Stock Exchange or the German Corporate Governance Code, which primarily apply to listed companies incorporated in Germany. However, GCP adheres to recommendations C.10 (pertaining to the Chair of the Audit Committee), D.8, and D.9 of the German Corporate Governance Code. The Company has issued a declaration confirming its compliance with these specific recommendations. In general, GCP already aligns with many of the principles and continues to integrate ESG best practices across its operations. These efforts are aligned with the United Nations Sustainable Development Goals ("UN SDGs"), particularly Goal 16 (Peace, Justice, and Strong Institutions) and Goal 17 (Partnerships for the Goals).

To ensure alignment with ESRS G1 requirements, GCP actively integrates stakeholder feedback into governance processes. Through structured engagement mechanisms, such as tenant surveys, employee feedback channels, and investor meetings, the Company remains responsive to the evolving needs of its diverse stakeholder base. In 2024, this engagement informed several governance enhancements, including updates to the Business Partners Code of Conduct and the expansion of whistleblowing channels to cover tenants and suppliers.

**High-level overview of disclosure**

| Standard | Indicator |
|---|---|
| ESRS G1 | G1. GOV-1 – The role of the administrative, management and supervisory bodies |
| | G1-1– Business conduct policies and corporate culture |
| | G1-2 – Management of relationships with suppliers |
| | G1-3 – Prevention and detection of corruption and bribery |
| | G1-4 – Incidents of corruption or bribery |
| | G1-6 – Payment practices |

IROs or datapoints that were identified as immaterial to GCP are not covered in this report. In some cases, GCP makes use of the phase-in provisions (in accordance with Appendix C of ESRS 1) and is committed to disclosing these datapoints in the coming years.

Table 48

| Material sustainability matters covered in ESRS G1 | | | | | |
|---|---|---|---|---|---|
| **Sub-topic** | **Sub-sub-topic** | **Materiality (impact/ financial/ double)** | **Categorisation IRO** | **Localisation of IRO** | **Time horizon of IRO** |
| Corporate culture | | Double | Positive Impact / Risk / Opportunity | Own operations | Short-term / Long-term |
| Protection of whistle-blowers | | Impact | Positive Impact | Own operations | Short-term / Long-term |
| Management of relationships with suppliers including payment practices | | Double | Positive Impact/ Risk | Value chain (upstream) | Short-term / Long-term |
| Corruption and bribery | Prevention and detection including training | Double | Positive Impact/ Risk | Own operations | Short-term / Long-term |
| | Incidents | Double | Positive Impact/ Risk | Own operations | Short-term / Long-term |
| Investor relations | Access to capital | Double | Positive and negative impact/ Risk / Opportunity | Own operations and Value chain (upstream) | Short-term / Long-term |
| | Reputation | Impact | Positive Impact / Negative Impact | Own operations and Value chain (upstream) | Short-term / Long-term |

## G1. GOV-1 – THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

GCP's business strategy is underpinned by our commitment to ethical business conduct, strong corporate governance and high levels of transparency. Our compliance framework seeks to embed our principles of integrity, respect, performance, accountability, and sustainability into all of our business activities. We ensure our Board of Directors and senior executives hold vast experience and skillsets in relevant business areas in order to help maintain our high governance standards.

The Board of Directors makes decisions in GCP's best interest, independently of any conflict of interest. On a regular basis, the Board evaluates the effective fulfilment of their remit and compliance with corporate governance procedures related to business conduct implemented by the Company. All Company-wide policies mentioned in this section are aligned with and approved by the Board of Directors.

The Board is supported by the Advisory Board, which is an important source of guidance for the Board when making decisions, also on matters of business conduct. Finally, the Daily Management's main role is to ensure implementation of GCP's ethical business conduct across all levels of the Company and finding solutions in case issues have been identified. There is strong collaboration with senior management, especially heads of department in relation to communication of and adherence with GCP's compliance framework.

Overall, outstanding leadership is crucial in this regard. Our managers are expected to be examples of our core values of mutual respect and clear communication. This standard of behaviour usually shows positive effects on our commercial success, as well as on staff performance. We maintain a horizontal organisational structure, with a widespread culture of transparent and regular feedback between employees and managers. Furthermore, our Employee Code of Conduct establishes expectations for all staff to abide by the values of openness, trust, teamwork, and acceptance of diversity in all their dealings with one another and with our tenants and other stakeholders. Adherence to the Code of Conduct is a mandatory requirement of all employee contracts.

As mentioned above, GCP ensures that its Board of Directors and senior executives hold vast experience and skillsets in relevant business areas in order to help maintain our high governance standards. In 2024, GCP provided two trainings on Information Security and Capital Markets (in particular, the EU Market Abuse Regulation) to its members of the Board of Directors. We provide a detailed overview of the expertise of the members of the Daily Management and also the Board of Directors, please refer to section ESRS 2 GOV-1 in the report.

## G1-1– BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE

### Corporate Culture on Ethical Business Conduct

GCP's corporate culture is guided by strong governance, ethical business practices, and transparency. The Board of Directors and Daily Management regularly discuss corporate culture, focusing on compliance, integrity, and stakeholder accountability. Key themes, including anti-corruption, and ethical conduct, are embedded in company policies and reinforced through mandatory training.

Through campaigns such as the Awareness Days in 2024, where Information Security, Compliance and Sustainability and HR departments organised a data security-themed escape room, compliance and ESG quizzes and other activities to raise awareness with the Company's employees on these important topics, GCP fosters a corporate culture of active engagement, including on Compliance.

GCP evaluates employees' opinions on corporate culture as part of its employee satisfaction surveys, as well as through direct communication channels between the Compliance Department and others and employees.

### Reporting Mechanisms for Unlawful Behaviour

GCP has established structured mechanisms for identifying, reporting, and investigating concerns related to unlawful behaviour or violations of its Code of Conduct. The Whistleblowing System, managed by an external service provider, ensures a confidential and anonymous reporting channel, accessible to both internal and external stakeholders, including employees, business partners, and tenants.

Concerns regarding potential violations of its code of conduct, whether for employees or business partner, may be reported via direct communication with the Compliance or HR Departments. Reports are reviewed and investigated by the Compliance Department, which operates independently to ensure objectivity and adherence to established protocols. Investigations follow GCP's Investigation Policy, with potential outcomes including disciplinary measures, contract terminations, or legal action where necessary. To promote awareness and accessibility, GCP integrates whistleblowing training into onboarding programs and annual compliance refresher trainings, ensuring that all stakeholders are informed about reporting mechanisms and protection from retaliation.

### GCP's Compliance Framework

GCP recognised that strong governance and corporate integrity are essential for mitigating risks related to corruption and bribery while strengthening investor confidence. To manage its material impacts, risks, and opportunities, GCP has established a comprehensive framework of business conduct policies that promote compliance, ethical business conduct and accountability. GCP's governance policies are designed to mitigate risks, enhance transparency, and uphold ethical standards across the operations and value chain. These are:

**Table 49**

| Policy Name | Description |
|---|---|
| **Business Partners Code of Conduct (BPCoC)** | This policy sets ethical standards for GCP's business partners, emphasising adherence to legal, social, and environmental standards. It prohibits corruption, bribery, child labour, and forced labour, and ensures compliance with data protection and fair competition laws. |
| **Employee Code of Conduct** | Establishes expectations for all staff to abide by the values of openness, trust, teamwork, and acceptance of diversity in all their dealings with one another and with our tenants and other stakeholders. It addresses discrimination, insider trading, and misconduct while mandating training to ensure compliance with EU regulations and internal standards. |

**Table 49**

| Policy Name | Description |
|---|---|
| **Whistleblowing Policy** | Provides mechanisms for confidential reporting of misconduct, ensuring protection from retaliation. The Whistleblowing system provided by the leading BKMS digital system, allows internal and external parties to report legal and ethical misconduct. All reports are handled confidentially by a compliance team under strict protocols. |
| **Anti-Corruption Policy** | Outlines measures to prevent, detect, and address corruption and bribery. The policy includes mandatory training for employees and suppliers, clear reporting mechanisms, and disciplinary measures for violations. It aligns with the UN Convention against Corruption. |
| **Data Protection Policy** | Ensures compliance with GDPR and other data privacy laws, emphasising safeguarding tenant, employee, and business data. It mandates secure data handling, staff training, and effective IT systems to prevent breaches and unauthorised access. |
| **Human Rights Policy** | Commits to upholding international human rights standards across GCP's operations and supply chain. It includes measures to prevent human rights violations, assess supply chain risks, and enforce corrective actions to address identified issues. |
| **Anti-Discrimination Policy** | Prohibits all forms of discrimination while promoting equal treatment and diversity. It supports inclusive practices, such as mentoring programs and flexible work arrangements, and aligns closely with the Diversity Policy. |
| **Diversity Policy** | Promotes an inclusive workplace by implementing cultural diversity programs and career development initiatives. It ensures fair representation and supports marginalised and underrepresented groups within the workforce. |
| **Grievance and Complaint Mechanisms** | Embedded in HR and compliance frameworks, these mechanisms allow employees and external stakeholders to report discrimination, misconduct, or legal violations. Confidentiality is ensured, and systems are regularly audited for effectiveness and trustworthiness. |
| **Procurement Policy** | Provides clear guidance in the procurement process, ensuring suppliers meet legal, environmental, and social responsibilities. In line with the Code of Conduct for Business Partners, it emphasises transparency, fair competition, sustainability, and risk management, fostering long-term, responsible partnerships. |
| **Occupational Health Safety Policy** | Ensures a safe working environment by identifying and managing risks, providing staff training, and adhering to safety regulations. Procurement decisions must be free from conflicts of interest and based on objective criteria like price, quality, and expertise. Employees are encouraged to report safety concerns through clear channels. |
| **Investigation Policy** | Describes clear steps of the investigation process should any issue of concern be reported, incl. cooperation with external authorities and the assurance of the protection of the whistleblower. |

Supporting these policies are also the Global Information Security Policy. GCP is also a signatory of the Charta der Vielfalt (German Diversity Charter). For more information on our anti-discrimination efforts, please refer to section S1 in the report. Another crucial subject in our compliance program is the management of ethical standards in our supply chain, please refer to section S2 in the report.

## Policy Scope and Applicability

The scope of GCP's business conduct and corporate culture policies extends across all levels of operations, ensuring compliance for employees, suppliers, business partners, and contractors.

- Employee Code of Conduct, Anti-Corruption Policy, Diversity Policy, Anti-Discrimination Policy, Whistleblowing Policy, Procurement Policy, and Human Rights Policy apply to all employees, executives, and board members.
- Business Partner Code of Conduct, Procurement Policy, and Human Rights Policy cover suppliers, contractors, and external business partners, setting clear expectations towards them.
- Data Protection Policy and Occupational Health & Safety Policy ensure compliance with GDPR, workplace safety laws, and industry best practices and apply to all employees.

## Governance and Oversight

The Board of Directors are responsible for ultimate oversight, ensuring that business conduct policies align with GCP's corporate values, regulatory obligations, and long-term strategic goals. Additionally, the Daily Management of the Company, supported by the Chief Compliance Officer ("CCO") as well as other heads of departments, leads the implementation and enforcement of anti-corruption, whistleblowing, and ethical governance policies.

## Alignment with Global Standards

GCP's governance policies align with globally recognised anti-corruption, business ethics, and human rights standards, ensuring best-in-class compliance and risk management.

Key frameworks and initiatives include:

- United Nations Convention Against Corruption ("UNCAC") – Governing anti-bribery, fraud prevention, and corporate integrity measures.
- General Data Protection Regulation ("GDPR") – Ensuring data privacy, security, and regulatory compliance.
- OECD Guidelines for Multinational Enterprises – Defining ethical corporate governance and responsible business conduct.
- International Labour Organisation ("ILO") Core Conventions – Establishing protections against child labor, forced labor, and workplace discrimination.
- UN Global Compact Principles – Reinforcing corporate commitments to anti-corruption, labor rights, and sustainability.

### Safeguards for Whistleblowers

GCP takes its legal obligations regarding whistleblowers protection and its duty of care as an employer very seriously. GCP's management views every whistleblower as a valuable source of information regarding possible internal legal violations. The Whistleblowing Policy clearly states that "an employee who exposes a whistleblower or otherwise retaliates against the whistleblower for their reports [...] may face sanctions under employment law." Therefore, no whistleblower should fear retaliation or similar for the conduct they report.

The Whistleblowing Policy provides a secure and confidential platform for employees, tenants, and partners to report unethical behaviour. This System is managed an external service provider, enabling full anonymity, and therefore protection from possible retaliation.

Our intranet and publicly available website feature a dedicated page on our breach reporting and whistleblowing process, providing direct access to our whistleblowing platform. This ensures that employees and external stakeholders are informed and can easily access the platform. Additionally, training on the whistleblowing platform is included in our Welcome Days programme for new employees.

All reports are managed through a structured process overseen by the Compliance Department, ensuring thorough investigation and resolution. In 2024, the Whistleblowing system was enhanced with multilingual support and anonymous online reporting, reflecting feedback from employee and stakeholder surveys.

Reports submitted through the whistleblowing platform or other channels (such as phone calls or emails to the Compliance or HR departments) are tracked and investigated by our Compliance Department. The internal investigation procedure for handling potential violations is outlined in our Investigation Policy. If a claim is confirmed, the accused employee or business partner may receive a warning, be fined, or be banned further business with the Company. GCP may also decide to consult with authorities if necessary.

### Strengthening our Governance Practices

GCP uses an online learning platform to provide trainings on a wide range of topics related to business conduct. In line with the Company's corporate culture of acting responsibly and in accordance with ethical values and standards outlined in GCP's corporate policies, regular training ensures continuous awareness of the importance of these topics. The platform provides links to the Company's e-learning tool offering training on anti-corruption, bribery and anti-money laundering, human rights and non-discrimination, as well as data protection topics. This continual training and communication ensure that our standards are consistently reinforced. Compliance trainings are included in the Welcome Days for new employees, along with training on the use of our whistleblowing platform. Furthermore, employees are required to complete annual refresher trainings on these policies, reaffirming their commitment to maintaining these standards.

Typically, in a real estate business such as GCP's, functions that are most at risk of corruption and bribery include business development, construction and transactions. These functions interact with authorities, developers and construction companies as well as large land and real estate owners and brokers, which increases their exposure to corruption and bribery risk. At GCP all of these functions – as do all other functions – receive training on the subject matters and adhere to the same policies and standards.

## G1-2 – MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS

To uphold our commitment to responsible business practices and mitigate risks associated with our supply chain, GCP implements a structured approach to supplier oversight and due diligence.

### Business Partner Code of Conduct and Human Rights Due Diligence

Firstly, our Business Partner Code of Conduct ("BPCoC") is mandatory for all Business Partners with contracts above €5,000, with the exception of large corporations, which have their own codes of conduct – provided that they are in line with our standards - or those business partners operating in heavily regulated sectors. Our BPCoC includes our expectation of our suppliers to observe all applicable environmental, health and safety regulations in their operations, as well as adherence to international human rights law and frameworks.

Secondly, with a view of potential human rights violations in the supply chain, GCP conducts a human rights due diligence procedure on high-risk suppliers. Taking into account adverse impacts on human rights in the Company's materiality assessments and risk management, we consider such risks associated with our suppliers according to their economic sector and countries of operation. GCP has identified and addressed potential risks, particularly in the areas of construction and refurbishment/maintenance, through a number of measures and processes. For instance, suppliers are categorised as low, medium, or high-risk based on their contract volume with GCP, the region of business operation, and other relevant criteria. Depending on the business partner's risk level, an adequate due diligence process is conducted using different sources of information. In addition to desk-based due diligence checks, our construction and operations managers are fulfilling their legal monitoring obligations during the execution of the project according to the national law of the project location. For further information on the Company's Human Rights Due Diligence Process, please refer to subsection Human Rights Due Diligence Process of section S2-1.

Finally, as mentioned in G1-1, GCP has put in place obligatory compliance training for all its employees, including those working in procurement, as well as operations and construction teams which have most contact with our business partners and suppliers. In general, the procurement policy guides in the selection of suppliers also regarding sustainability criteria and construction contract templates which include environmental data requirements, such as meeting recycling rates and waste management data delivery, ensure that business partners take responsibility on social and environmental matters. In general, GCP predominantly works with small and medium-sized, locally operating business partners for construction and maintenance projects.

Regarding payment terms, while GCP does not have a specific policy addressing late payments to suppliers, it clearly defines the payment terms at the outset of its contracts to ensure alignment with suppliers. The Company is committed to adhering to these agreed-upon terms.

### Consideration of Social and Environmental Criteria in Supplier Selection

GCP incorporates social and environmental criteria in selecting supply-side partners through:

1. **Adherence with Company's Business Partner Code of Conduct:** Signing the Business Partner Code of Conduct is mandatory for partners with contracts above €5,000. Our BPCoC includes our expectation of our suppliers to observe all applicable environmental, health and safety regulations in their operations, as well as adherence to international human rights law, fair labour standards, and non-discrimination.
2. **Due Diligence Screening:** Compliance with the Business Partner Code of Conduct is reviewed through our Human Rights Due Diligence process, as well as spot checks in particular regarding health & safety on our construction sites by Construction and Operations departments. If issues are identified during the process relating to human rights or other social matters, or environmental topics, the Company very carefully evaluates its business relationship with this concerned partner and may consider a termination of the relationship or contract. Further information, please refer to section S2-1 in the report.
3. **Evaluation Methods:** GCP project managers oversee construction projects, engage directly with contractors, and conduct site visits to assess compliance with environmental and health & safety standards. A Business Partner Questionnaire is used to verify adherence to company standards.
4. **Environmental data delivery:** With our construction contract templates, GCP requests suppliers to collaborate on collection for environmental data, in particular on the delivery of recycling data during construction projects, a confirmation of non-usage of prohibited chemical substances to prevent pollution and to provide documentation on efficient water appliances installed. With these contractual provisions, GCP encourages supplier transparency and environmental action.

## G1-3 – PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

Our Anti-Corruption Policy, which is aligned with the United Nations Convention Against Corruption, outlines the procedures and processes in place to prevent, detect and address allegations or incidents of corruption or bribery. It provides specific guidelines of conduct for handling donations in the private sector, including hospitality, events and gifts; charitable contributions; political engagement; dealing with public officials; dealing with "facilitation payments", as well as the extension of the Company's principles and behavioural standards to third parties. The policy, along with our Business Partner and Employee Codes of Conduct, is reviewed and acknowledged by signature by every new employee and is accessible to all employees on the Company's Compliance site of the intranet. Employees are further sensitised to the topic during the Company's Welcome Day, which includes a presentation on several compliance topics. Employees are also required to complete an online compliance training with the the Company's e-learning platform, including on corruption, bribery and anti-money laundering, and to refresh these annually. Through these trainings we ensure that our employees identify relevant cases and understand their responsibilities in preventing and reporting incidents of corruption or bribery.

In addition, GCP takes a proactive approach to managing risks and leveraging opportunities within its governance framework. The Company's risk management strategy includes regular audits, compliance monitoring, and risk assessments conducted by specialised teams. Furthermore, should an incident of corruption or bribery be reported via the Whistleblowing system or directly with the Compliance department, our Investigation Policy provides guidance regarding the next steps of the investigation process, handling the potential case and its resolution. Depending on the severity of the case, the employee or business partner is warned, fined or banned from doing business with the Company or their employment terminated. GCP may also decide to consult with authorities if necessary.

GCP informs its suppliers on anti-corruption and its zero-corruption tolerance in the Business Partner Code of Conduct, which all suppliers with contracts of above €5,000 are required to sign. The Code of Conduct also requires business partners to set up appropriate systems to ensure that corrupt behaviour does not occur.

Lastly, as the Company is subject to several obligations under Regulation (EU) No. 596/2014 (Market Abuse Regulation ("MAR")), as amended, it has established an insider register and a process to ensure that individuals on this list acknowledge their duties and are aware of the sanctions. The Company also provides notifications (including by way of training sessions) in accordance with MAR, to ensure all persons discharging managerial responsibilities understand their obligations regarding managers' transactions.

## Compliance Governance Processes

Our investigation process is initiated by either a responsible user of the system or a member of the Compliance Department, ensuring an objective and unbiased approach. By involving individuals independent from the chain of management related to the matter, we uphold impartiality and transparency throughout the investigation. This structure ensures that all findings are fair and free from any conflicts of interest.

Our Compliance Department is responsible for monitoring and investigating any reported violations of corruption and bribery. The outcomes of these investigations are reported directly to our CEO and a member of the Board of Directors. This ensures that the Board of Directors and the Daily Management are promptly informed of the investigation's results, allowing for effective oversight and appropriate actions.

## Compliance and Anti-Corruption Trainings

Besides the training programme in the Company's e-learning platform mentioned above, we also operate a compliance site on our Company's intranet, where the above-mentioned compliance policies are available to all employees. This is a major step towards our overarching goal of unifying our internal policies across all our operating regions. Through the intranet platform, we can now also ensure that policies are available in a standard form across the organisation, and any updates are immediately rolled out.

Our intranet page and our publicly available website also support the measures that ensure ongoing alignment with our compliance standards. It features a dedicated page for breach reporting and whistleblowing processes and provides access to our whistleblowing platform. We recognize that maintaining alignment with our high ethical standards requires a frictionless method for employees to raise their concerns. This is a core principle behind our "Speak Up" approach, which encourages employees and externals to voice any concerns they may have about breaches of the law or contradiction of our Code of Conduct without any fear of repercussions, as dictated by the Whistleblower Protection Act.

To further raise awareness and ensure that compliance issues are considered at the regional level, GCP operates a system of compliance ambassadors in its regional offices, to serve as first points of contact for employees on compliance matters, including anti-corruption and anti-bribery. These have currently been embedded in our UK offices, as well as some regional offices in Germany. To enable an open culture around compliance, these ambassadors are not officers of the Compliance Department but are empowered to serve as sources of information and guidance for staff across the organisation.

The following table provides an overview of the nature, scope and depth of compliance trainings offered by GCP:

**Table 50**

| Training Program | Target Audience | Content Focus | Frequency | Delivery Method |
|---|---|---|---|---|
| **Mandatory Compliance Training** | All employees | Specific training of Antitrust, Anti-Money Laundering, Anti-Corruption,"Speak up" - Whistleblowing-System | Annually | eLearning Platform |
| **New Employee Onboarding** | All new hires | Introduction to company compliance standards, anti-corruption policies, and reporting channels. | Upon hiring | SharePoint Page, eLearning & Handbook |
| **Leadership Program** | Department Heads & Leadership | Governance, risk mitigation, and enforcement of compliance policies. | During the Program | Seminars/ Workshop |
| **Awareness Campaigns & Refreshers** | All employees | Building awareness throughout the Company | Annually | Online and at the Headquarters |

As all employees are required to complete GCP's anti-corruption and anti-bribery trainings at employment entry and by annual refresher. Our training completion data shows that in 2024, 90% of all employees conducted the training, yet it may be that employees left the Company in which case it would show as a missing training. Currently, we do not track training data at the function or department level, however, the Company is reviewing its systems and processes to report this in upcoming years.

In 2024, the Board of Directors and Daily Management did not receive specific training on anti-corruption or anti-bribery. However, they have in the past completed a training on Anti-Money Laundering, which is a component of Anti-Corruption. A refresher training on this topic for the Board and the Daily Management is intended for 2025.

### Key Actions on Corruption and Bribery and Governance

GCP's actions in relation to managing its material impacts, risks and opportunities related to corruption and bribery are the following:

**Table 51**

| Material impacts, risks and opportunities in ESRS G1 (Business conduct) | | |
|---|---|---|
| **Topic** | **Sub-topic** | **Key action** |
| **Corruption and bribery** | Prevention and detection including training | • Compliance framework with policies in place<br>• HRDD and Whistleblowing System in place for detection and resolution of any issues<br>• Trainings of employees on compliance and human rights-related topics via the Company's e-learning platform. |
| | Incidents | Investigation of any reported incidents following the Company's Investigation Policy and subsequent corrective actions including warnings, fines or bans for business partners from doing business with the Company or the termination of employment for employees. |
| **Investor relations** | Access to capital | Strong governance and compliance regarding ethical business conduct are of utmost importance for investors, which is why GCP puts great emphasis on both. Whereas issues with either governance or compliance could lead to difficulties in accessing capital, good performance facilitates easier access to capital.<br>As part of ongoing actions, GCP ensures its governance and compliance framework is following best practice and international standards. Our annual compliance and risk assessments focus on this. |
| | Reputation | Creating transparency regarding governance and compliance with anti-corruption and anti-bribery is part of ensuring the Company's good reputation on the topic. |

The scope of GCP's actions described above extends across all levels of the organisation, including employees, management, board members, suppliers, contractors, and other external business partners.

The actions are part of the Company's ongoing operational activities and, therefore, do not have a defined completion date. Implementation is continuous and integrated into GCP's broader strategy.

The description of activities mentioned above are ongoing efforts by GCP to adhere to international governance standards and our compliance framework.

### Resource Allocation and Continuous Improvement

GCP does not currently have the specific data available to provide this disclosure. The allocation of financial resources to the action plan is part of the Company's ongoing operational activities, and this information is not tracked at the required level of detail at this stage. GCP continuously reviews and enhances its reporting processes to improve transparency and provide further relevant disclosures where possible.

## G1-4 – INCIDENTS OF CORRUPTION OR BRIBERY

In 2024, GCP was not subject to any convictions or fines for violations of anti-corruption or anti-bribery laws. We did not experience any incidents of corruption or bribery, nor were we involved in any public legal cases related to these matters. This reflects our ongoing commitment to upholding the highest ethical standards across our operations.

## G1-6 – PAYMENT PRACTICES

In general, while GCP does not have a specific policy addressing payment practices or late payments to suppliers, we clearly define the payment terms at the outset of our contracts to ensure alignment with suppliers. We are committed to adhering to these agreed-upon terms.

The data on average number of days to pay invoice from date when contractual or statutory term of payment starts to be calculated is currently not being tracked. GCP is reviewing processes and its payments systems for possibilities to track this information in the future.

Whereas a payment term of 30 days was determined by GCP for construction suppliers, payment terms with other suppliers or authorities are oftentimes determined by the party themselves. Usually, payment terms with authorities amount to 10 days and with other types of suppliers to 21 days.

We are currently working on setting up processes to report data on percentage of payments aligned with standard payment terms and aim to have more clarity in 2025. Yet, in 2024, the total number of outstanding legal proceedings for late payments amounted to 7 for GCP.

# Appendix

## **ESRS 2 IRO 2:** List of data points that derive from other EU legislation and information on their location in sustainability statement:

| DR | Paragraph | Name | SFDR | P3 | BMR | EUCL | Material (Yes/No) | Page |
|---|---|---|---|---|---|---|---|---|
| ESRS 2 GOV-1 | 21 (d) | Board's gender diversity | X | | X | | Yes | 43 |
| ESRS 2 GOV-1 | 21 (e) | Percentage of board members who are independent | | | X | | Yes | 43 |
| ESRS 2 GOV-4 | 30 | Statement on due diligence | X | | | | Yes | 47 |
| ESRS 2 SBM-1 | 40 (d) i | Involvement in activities related to fossil fuel activities | X | X | X | | No | |
| ESRS 2 SBM-1 | 40 (d) ii | Involvement in activities related to chemical production | X | | X | | No | |
| ESRS 2 SBM-1 | 40 (d) iii | Involvement in activities related to controversial weapons | X | | X | | No | |
| ESRS 2 SBM-1 | 40 (d) iv | Involvement in activities related to cultivation and production of tobacco | | | X | | No | |
| ESRS E1-1 | 14 | Transition plan to reach climate neutrality by 2050 | | | | X | Yes | 66-68 |
| ESRS E1-1 | 16 (g) | Undertakings excluded from Paris-aligned Benchmarks | | X | X | | Yes | 67 |
| ESRS E1-4 | 34 | GHG emission reduction targets | X | X | X | | Yes | 83 |
| ESRS E1-5 | 38 | Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) | X | | | | Yes | 85-87 |
| ESRS E1-5 | 37 | Energy consumption and mix | X | | | | Yes | 85-88 |
| ESRS E1-5 | 40-43 | Energy intensity associated with activities in high climate impact sectors | X | | | | Yes | 88 |
| ESRS E1-6 | 44 | Gross Scope 1, 2, 3 and Total GHG emissions | X | X | X | | Yes | 88-89 |
| ESRS E1-6 | 53-55 | Gross GHG emissions intensity | X | X | X | | Yes | 89 |
| ESRS E1-7 | 56 | GHG removals and carbon credits | | | | X | Yes | 94 |
| ESRS E1-9 | 66 | Exposure of the benchmark portfolio to climate-related physical risks paragraph | | | X | | No | |
| ESRS E1-9 | 66 (a)<br>66 (c) | Disaggregation of monetary amounts by acute and chronic physical risk<br>Location of significant assets at material physical risk | | X | | | No | |
| ESRS E1-9 | 67 (C) | Breakdown of the carrying value of its real estate assets by energy-efficiency | | X | | | No | |
| ESRS E1-9 | 69 | Degree of exposure of the portfolio to climate-related opportunities paragraph | | | X | | No | |

| DR | Paragraph | Name | SFDR | P3 | BMR | EUCL | Material (Yes/No) | Page |
|---|---|---|---|---|---|---|---|---|
| ESRS E2-4 | 28 | Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil | X | | | | No | |
| ESRS E3-1 | 9 | Water and marine resources | X | | | | No | |
| ESRS E3-1 | 13 | Dedicated policy | X | | | | No | |
| ESRS E3-4 | 14 | Sustainable oceans and seas | X | | | | No | |
| ESRS E3-4 | 28 (c) | Total water recycled and reused | X | | | | No | |
| ESRS E3-4 | 29 | Total water consumption in $m^3$ per net revenue on own operations | X | | | | No | |
| ESRS 2 SBM-3 – E4 | 16 (a) i | - | X | | | | No | |
| ESRS 2 SBM-3 – E4 | 16 (b) | - | X | | | | No | |
| ESRS 2 SBM-3 – E4 | 16 (c) | - | X | | | | No | |
| ESRS E4-2 | 24 (b) | Sustainable land / agriculture practices or policies | X | | | | No | |
| ESRS E4-2 | 24 (c) | Sustainable oceans / seas practices or policies | X | | | | No | |
| ESRS E4-2 | 24 (d) | Policies to address deforestation paragraph | X | | | | No | |
| ESRS E5-5 | 37 (d) | Non-recycled waste | X | | | | No | |
| ESRS E5-5 | 39 | Hazardous waste and radioactive waste | X | | | | No | |
| ESRS 2-SBM3 – S1 | 14 (f) | Risk of incidents of forced labour | X | | | | No | |
| ESRS 2-SBM3 – S1 | 14 (g) | Risk of incidents of child labour | X | | | | No | |
| ESRS S1-1 | 20 | Human rights policy commitments | X | | | | Yes | 102 |
| ESRS S1-1 | 21 | Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8 | | | X | | Yes | 102 |
| ESRS S1-1 | 22 | Processes and measures for preventing trafficking in human beings | X | | | | No | |
| ESRS S1-1 | 23 | Workplace accident prevention policy or management system | X | | | | Yes | 102-103 |
| ESRS S1-3 | 32 (c) | Grievance/complaints handling mechanisms | X | | | | Yes | 104 |
| ESRS S1-14 | 88 (b) and (c) | Number of fatalities and number and rate of work-related accidents | X | | X | | Yes | 111 |
| ESRS S1-14 | 88 (e) | Number of days lost to injuries, accidents, fatalities or illness | X | | | | Yes | 111 |
| ESRS S1-16 | 97 (a) | Unadjusted gender pay gap | X | | X | | Yes | 112 |

| DR | Paragraph | Name | SFDR | P3 | BMR | EUCL | Material (Yes/No) | Page |
|---|---|---|---|---|---|---|---|---|
| ESRS S1-16 | 97 (b) | Excessive CEO pay ratio | X | | | | No | |
| ESRS S1-17 | 103 (a) | Incidents of discrimination | X | | | | Yes | 112 |
| ESRS S1-17 | 104 (a) | Non-respect of UNGPs on Business and Human Rights and OECD guidelines | X | | X | | Yes | 112 |
| ESRS 2-SBM3 – S2 | 11 (b) | Significant risk of child labour or forced labour in the value chain | X | | | | No | |
| ESRS S2-1 | 17 | Human rights policy commitments | X | | | | Yes | 115-117 |
| ESRS S2-1 | 18 | Policies related to value chain workers | X | | X | | Yes | 115-117 |
| ESRS S2-1 | 19 | Non-respect of UNGPs on Business and Human Rights and OECD guidelines | X | | X | | Yes | 115 |
| ESRS S2-1 | 19 | Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8 | | | X | | Yes | 116-117 |
| ESRS S2-4 | 36 | Human rights issues and incidents connected to its upstream and downstream value chain | X | | | | No | |
| ESRS S3-1 | 16 | Human rights policy commitments | X | | | | No | |
| ESRS S3-1 | 17 | Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines | X | | X | | No | |
| ESRS S3-4 | 36 | Human rights issues and incidents | X | | | | No | |
| ESRS S4-1 | 16 | Policies related to consumers and end-users | X | | | | No | 128-129 |
| ESRS S4-1 | 17 | Non-respect of UNGPs on Business and Human Rights and OECD guidelines | X | | X | | Yes | 128 |
| ESRS S4-4 | 35 | Human rights issues and incidents | X | | | | Yes | 129-131 |
| ESRS G1-1 | 10 (b) | United Nations Convention against Corruption | X | | | | Yes | 138 |
| ESRS G1-1 | 10 (d) | Protection of whistleblowers | X | | | | Yes | 139 |
| ESRS G1-4 | 24 (a) | Fines for violation of anti- corruption and anti-bribery laws | X | | X | | Yes | 142 |
| ESRS G1-4 | 24 (b) | Standards of anti-corruption and anti-bribery | X | | | | Yes | 142 |

| Legislation | |
|---|---|
| SFDR | Sustainable Finance Disclosure Regulation |
| P3 | EBA Pillar 3 disclosure requirements |
| BMR | EU Benchmark Regulation |
| EUCL | EU Climate Law |

***To the Board of Directors of***
***Grand City Properties S.A.***
*37, boulevard Joseph II*
*L-1840 Luxembourg*
*Grand Duchy of Luxembourg*

# INDEPENDENT LIMITED ASSURANCE REPORT

## Limited Assurance Conclusion

We conducted a limited assurance engagement on the Consolidated Sustainability Statement of Grand City Properties S.A. (“the Company”) included in section “Consolidated Sustainability Statement" of the Board of Directors’ Report, including the information incorporated in the sustainability statement by reference (the “Consolidated Sustainability Statement”) as at 31 December 2024 and for the year then ended.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Consolidated Sustainability Statement is not prepared, in all material respects, in accordance with:

- the European Sustainability Reporting Standards (“ESRS”), including that the process carried out by the Company to identify the information reported in the Consolidated Sustainability Statement (the “Process”) is in accordance with the description set out in section 'IRO-1';
- the disclosures in section ‘EU Taxonomy Disclosures’ of the Consolidated Sustainability Statement with Article 8 of EU Regulation 2020/852 (the “Taxonomy Regulation”), altogether the “Criteria”.

## Basis for Limited Assurance Conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (revised) (“ISAE 3000”), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, established by the International Auditing and Assurance Standards Board (“IAASB”) as adopted for Luxembourg by the Institut des Réviseurs d’Entreprises (“IRE”).

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the Responsibilities of réviseur d’entreprises agréé’s section of our report.

We have complied with the independence and other ethical requirements of 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 “Commission de Surveillance du Secteur Financier” (CSSF), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management (”ISQM”) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements as adopted for Luxembourg by the CSSF and accordingly maintains a comprehensive system of quality control including the design, implementation and operate a system of quality management, of audits or reviews of financial statements, or other assurance and related services engagements.

## Emphasis of Matter

We draw attention to section 'General Information - ESRS 2 General Disclosures' of the Consolidated Sustainability Statement. This disclosure sets out that the Consolidated Sustainability Statement has been prepared in a context of new sustainability reporting standards requiring entity-specific and temporary interpretations and addressing inherent measurement or evaluation uncertainties. Additionally, the Table 1 and Table 2 in section 'BP-2' of the Consolidated Sustainability Statement identifies the metrics that are subject to measurement uncertainty and discloses information about the sources of measurement uncertainty and the assumptions, approximations and judgements the Company has made in measuring these in compliance with ESRS. The comparability of sustainability information between entities and over time may be affected by the lack of historical sustainability information in accordance with ESRS and by the absence of a uniform practice on which to draw, to evaluate and measure this information. This allows for the application of different, but acceptable, measurement techniques.

The section 'General Information ESRS 2 General Disclosures', explains the ongoing due diligence ('GOV 4') and double materiality assessment process ('IRO-1'), including robust engagement with affected stakeholders. Due diligence is an on-going practice that responds to and may trigger changes in the Company's strategy, business model, activities, business relationships, operating, sourcing and selling contexts. The double materiality assessment process may also be impacted in time by sector-specific standards to be adopted. The Consolidated Sustainability Statement may not include every impact, risk and opportunity or additional entity-specific disclosure that each individual stakeholder (group) may consider important in its own particular assessment.

Our conclusion is not modified in respect of this emphasis of matter.

## Other Matter - Corresponding information not subject to assurance procedures

No reasonable or limited assurance procedures have been performed on the Consolidated Sustainability Statement of prior year. Consequently, the corresponding sustainability information and thereto related disclosures for the year ended 31 December 2023 have not been subject to reasonable or limited assurance procedures.

The sustainability information and thereto related disclosures related to 2019 and included in section 'E1-4 – Targets related to climate change mitigation and adaptation' have not been subject to reasonable or limited assurance procedures.

Our conclusion is not modified in respect to this other matter.

## Responsibilities of the Board of Directors for the Consolidated Sustainability Statement

The Board of Directors of the Company is responsible for:

- the preparation of the sustainability information in the Consolidated Sustainability Statement in accordance with the Criteria.
- Designing, implementing and maintaining such internal control that determines is necessary to enable the preparation of the sustainability information in the Consolidated Sustainability Statement, in accordance with the Criteria, that is free from material misstatement, whether due to fraud or error.

This responsibility includes:

- developing and implementing a process to identify the information reported in the Consolidated Sustainability Statement in accordance with ESRS and for disclosing this process in section 'IRO-1' of the Consolidated Sustainability Statement.
- understanding the context in which the Company's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, Company's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates about individual sustainability disclosures that are reasonable in the circumstances.

The Board of Directors of the Company is further responsible for the preparation of the Consolidated Sustainability Statement, which includes the information identified by the Process, in accordance with the Criteria.

Those charged with governance are responsible for overseeing the Consolidated Sustainability Statement.

### Inherent limitations in preparing the Consolidated Sustainability Statement

In reporting forward looking information in accordance with ESRS, the of the Company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Company. Actual outcome is likely to be different since anticipated events frequently do not occur as expected.

In determining the disclosures in the Consolidated Sustainability Statement, the Board of Directors of the Company interprets undefined legal and other terms. Undefined legal and other terms may be interpreted differently, including the legal conformity of their interpretation and, accordingly, are subject to uncertainties.

The references to external sources or websites in the sustainability information are not part of the sustainability information as included in the scope of our assurance engagement. We therefore do not provide assurance on this information.

### Responsibilities of the réviseur d'entreprises agréé

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Consolidated Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Consolidated Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000, we exercise professional judgement and maintain professional skepticism throughout the engagement.

Our responsibilities in respect of the Consolidated Sustainability Statement, in relation to the Process, include:

- Performing procedures, including obtaining an understanding of internal control relevant to the engagement, to identify risks that the process to identify the information reported in the Consolidated Sustainability Statement does not address the applicable requirements of ESRS, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Designing and performing procedures to evaluate whether the Process to identify the information reported in the Consolidated Sustainability Statement is consistent with the Company's description of its Process as disclosed in section 'IRO-1'.

Our other responsibilities in respect of the Consolidated Sustainability Statement include:

- Performing risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Company's internal control;
- Designing and performing procedures responsive to where material misstatements are likely to arise in the Consolidated Sustainability Statement. 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.

### Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Consolidated Sustainability Statement. The procedures performed in a limited assurance engagement vary in nature and form, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. The nature, timing and extent of procedures selected depend on professional judgement, identification of disclosures where material misstatements are likely to arise in the Consolidated Sustainability Statement, whether due to fraud or error.

In conducting our limited assurance engagement, with respect of the Process, we among others:

- obtained an understanding of the Process by performing inquiries to understand the sources of the information used by management and reviewing the Company's internal documentation of its Process; and
- evaluated whether the evidence obtained from our procedures about the Process implemented by the Company was consistent with the description of the Process set out in section 'IRO-1' .

In conducting our limited assurance engagement, with respect to the Consolidated Sustainability Statement, we among others:

- obtained an understanding of the Company's reporting processes relevant to the preparation of its Consolidated Sustainability Statement by inquiring and inspecting with relevant staff responsible for the Process to gain an understanding of the Company's approach to identifying material and non-material sustainability matters and corresponding reporting boundaries relevant to the preparation of the Consolidated Sustainability Statement:

- evaluated whether all material information identified by the Process is included in the Consolidated Sustainability Statement;
- evaluated whether the structure and the presentation of the Consolidated Sustainability Statement is in accordance with the Criteria;
- evaluated the methods, assumptions and data for developing estimates and forward-looking information;
- obtained and read the Company's policies and processes to address sustainability matters and reporting, including the related IT systems;
- observed the performance of the policies and processes by the relevant staff responsible;
- inquired and inspected the processes for determining the sustainability statement content and related controls implemented;
- interviewed relevant staff responsible for providing and preparing the sustainability statement, inquiring and inspecting the related controls implemented and methodologies used, including the IT systems;
- performed analytical and substantive procedures based on a limited sample basis on selected disclosures in the Consolidated Sustainability Statements;
- reconciled selected disclosures in the Consolidated Sustainability Statement with the corresponding disclosures in the financial statements and Board of Directors' report;
- obtained an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Consolidated Sustainability Statement.

**Other information**

The of the Company is responsible for the other information. The other information comprises the information included in the consolidated Annual report but does not include the Consolidated Sustainability Statement and our assurance report thereon.

Our conclusion on the Consolidated Sustainability Statement does not cover the other information and we do not express any form of assurance conclusion thereon.

Luxembourg, 17 March 2025

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

Alessandro Raone
Partner

# BUSINESS PERFORMANCE & ANALYSIS

# Notes on business performance

| Consolidated income statement data | For the year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| | €'000 | |
| **Net rental income** | **422,693** | **411,313** |
| Operating and other income | 174,325 | 196,428 |
| **Revenue** | **597,018** | **607,741** |
| | | |
| Property revaluations and capital losses | 44,028 | (890,017) |
| Property operating expenses | (253,707) | (279,050) |
| Administrative and other expenses | (10,632) | (10,906) |
| Depreciation and amortisation | (6,311) | (9,323) |
| | | |
| Operating profit (loss) | 370,396 | (581,555) |
| **Adjusted EBITDA** | **335,010** | **319,647** |
| | | |
| Finance expenses | (58,845) | (56,814) |
| Other financial results | (11,245) | (86,088) |
| | | |
| Current tax expenses | (41,275) | (40,865) |
| Deferred tax income (expenses) | (16,900) | 127,254 |
| **Profit (loss) for the year** | **242,131** | **(638,068)** |
| | | |
| **FFO I** | **187,534** | **183,936** |
| **FFO II** | **205,177** | **255,708** |

## Revenue

| | For the year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| | €'000 | |
| **Net rental income** | **422,693** | **411,313** |
| Operating and other income | 174,325 | 196,428 |
| **Revenue** | **597,018** | **607,741** |

GCP's total revenues amounted to €597 million for the year 2024, a slight 2% decrease in relation to the €608 million recorded for the year 2023. Total revenues are composed of net rental income and operating and other income. The decrease is the result of lower operating and other income, as described below, partially offset by higher net rental income.

The Company recorded net rental income in the amount of €423 million in 2024, increasing by 3% as compared to the €411 million recorded in 2023 as operational growth, reflected also in a solid like-for-like rental growth, more than offset the impact of net disposals.

GCP continued to record strong like-for-like rental growth of 3.8% in 2024, primarily driven by in-place rental growth. The vacancy rate remained at a low level of 3.8% as of December 2024, stable compared to December 2023. The Company's strong operational platform continues to capture the upside potential from the robust fundamentals and a widening supply-demand imbalance in German metropolitan areas and in London, which continues to put upward pressure on market rents in GCP's locations and results in a high upside potential to market rental levels. Further details on the like-for-like rental growth are disclosed in the EPRA performance measures section of this report. As of December 2024, in-place rent for the portfolio reached €9.2/sqm, continuously increasing from €8.6/sqm in December 2023 and €8.2/sqm in December 2022. The annualised net rent of the portfolio amounted to €413 million as of the end of 2024, up 2% from €406 million in the end of 2023, due to the strong like-for-like growth which more than offset the net disposals during the year.

As part of GCP's prudent approach in 2024, the Company continued to dispose properties in order to strengthen its balance sheet. These disposals reduced the rental income, but improved leverage and reinforced the strong liquidity position. During 2024, GCP completed disposals of properties amounting to ca. €270 million, which only had a partial contribution to the rental income in 2024, while having a full contribution in 2023. The impact of disposals was partially offset by a small amount of acquisitions, amounting to €45 million, primarily comprising properties in London.

GCP recorded operating and other income amounting to €174 million, decreasing by 11% as compared to the €196 million recorded in 2023. This line item is mainly composed of income related to recoverable operational expenses from tenants related to utilities and services, such as heating and water. Accordingly, the decrease in utility costs, also reflected in a reduction in property operating expenses, were the main driver of this decrease. This reduction was further impacted by the effect of net disposals in the portfolio.

## Property Revaluations and Capital Losses

| | For the year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| | €'000 | |
| Property revaluations | 49,560 | (881,382) |
| Capital losses | (5,532) | (8,635) |
| **Property revaluations and capital losses** | **44,028** | **(890,017)** |

In 2024, GCP recorded positive property revaluations and a slight capital loss totalling together €44 million, compared to a loss of €890 million recorded for the year 2023. The line item is composed primarily of property revaluations, which are non-cash gains (or losses) related to the changes of the fair value of the investment property. The fair value of the investment property of GCP is independently assessed by certified external valuers. As part of this annual report, the Company conducted a full revaluation of its portfolio.

For the year 2024, GCP recorded a revaluation in the amount of €50 million. The slight positive revaluation for the year is the result of positive revaluation in the second half of the year driven by strong operational growth and supported by normalisation of interest rates, which offset the negative revaluation result recorded in the first half of the year, confirming that the bottom of valuations has been reached in the middle of 2024. GCP's portfolio is well diversified and located in key metropolitan areas of Germany and London, where it benefits from strong demand and supply fundamentals and solid economic drivers, positioning the Company well in the long term. This is further supported by the strong operational performance of the portfolio, reflected by 3.8% like-for-like rental growth, outpacing the negative impact of yield expansion. On a like-for-like basis, the portfolio value increased by 0.5% compared to December 2023. As of December 2024, the portfolio had an average value of €2,203/sqm and a rental yield of 4.9%, as compared to an average value of €2,109/sqm and a rental yield of 4.8% in December 2023, reflecting slight yield expansion year-over-year.

The second component of this line item, capital gains/losses, captures the premium or discount resulting from the disposal of properties against their book values. GCP completed disposals amounting to ca. €270 million in 2024, recording a capital loss of €5.5 million, reflecting a slight discount of 2% to book values. When compared to their acquisition costs including capex, the Company recorded a profit amounting to €18 million, which reflects a 7% profit margin.

## Disposal Analysis

| | For the year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| | €'000 | |
| Acquisition cost including capex of disposed properties | 248,528 | 234,192 |
| Total revaluation gains on disposed properties since acquisition | 23,175 | 80,407 |
| (A) Book value (IFRS) | 271,703 | 314,599 |
| Disposal value net of transaction costs | 266,171 | 305,964 |
| **(B) Capital losses** | **(5,532)** | **(8,635)** |
| **(B/A) Discount over net book value** | **-2%** | **-3%** |
| | | |
| (C) Disposal value net of transaction costs | 266,171 | 305,964 |
| Acquisition cost including capex of disposed properties | (248,528) | (234,192) |
| **(D) Result from disposal of properties** | **17,643** | **71,772** |
| **(C/D) Disposal profit margin on investment property** | **7%** | **31%** |

GCP has conducted several balance sheet strengthening measures in 2024, which included signing ca. €350 million and closing ca. €270 million in property disposals. As a result of the proactive deleveraging measures and the positive revaluation recorded in the second half of 2024, the LTV dropped to 33%, compared to 37% in December 2023. The primary locations of the disposed assets are London, NRW, Berlin and Hessen. Approximately €40 million of the disposals closed in 2024 were signed in 2023, while the remainder of the deals closed were signed in 2024. The closed disposals were completed at a slight discount of 2% and a rent multiple of 17x. As of December 2024, ca. €125 million of properties are signed but not closed.

## Property Operating Expenses

| | For the year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| | €'000 | |
| Purchased services | (177,434) | (200,384) |
| Maintenance and refurbishment | (22,953) | (22,187) |
| Personnel expenses | (26,246) | (26,342) |
| Other operating costs | (27,074) | (30,137) |
| **Property operating expenses** | **(253,707)** | **(279,050)** |

For the year 2024, GCP recorded property operating expenses in the amount of €254 million, 9% lower as compared to the €279 million recorded for the year 2023. The expenses recorded in this line item are primarily composed of purchased services, which are costs that are primarily recoverable from tenants, including heating, water, waste management and winter services. The line item additionally includes maintenance and refurbishment expenses, operational personnel costs and other operating expenses.

Property operating expenses decreased primarily as a result of the decrease in costs of purchased services, which was particularly impacted by lower heating costs. As most of these costs are borne by tenants, the decrease is mirrored in the decrease in operating and other income. While energy prices have reduced, the Company has continued to take actions in the direction of more efficient energy consumption, such as by providing easily accessible information for tenants on how to efficiently heat their apartment. The Company additionally undertook investments to enhance the energy efficiency of the portfolio. These include the renewal of heating systems, electrical installations and improving energy efficiency.

GCP has an ongoing commitment to maintain high levels of tenant satisfaction and build long term relationships with its tenants. These efforts included several initiatives such as tenant engagement activities and benefit programs. In 2024, the Company once again conducted its GCP Cinema Summer Festival, taking place in several locations. Throughout the year, GCP also organized further activities, such as related to the Easter and Christmas holidays. The GCP app and portal services received further enhancements, introducing new features to simplify tenant management. The app allows tenants to efficiently handle leases, upload documents, track energy consumption, and submit service requests. Recent upgrades have expanded its capabilities to include tenant communications, contract management, and rent reminders. Additionally, an AI-powered chatbot was integrated to decrease response times, improve accessibility, and streamline tenant support, ultimately boosting operational efficiency.

Also impacting property operating expenses are operational personnel expenses and other operating costs. GCP recorded personnel expenses in the amount of €26 million for the year 2024, stable compared to the €26 million recorded in 2023. Other operating costs are primarily constituted by expenses such as legal fees, communication expenses, marketing activities and transportation, and amounted to €27 million in 2024, slightly lower as compared to €30 million for the year 2023.

## Maintenance and Capex

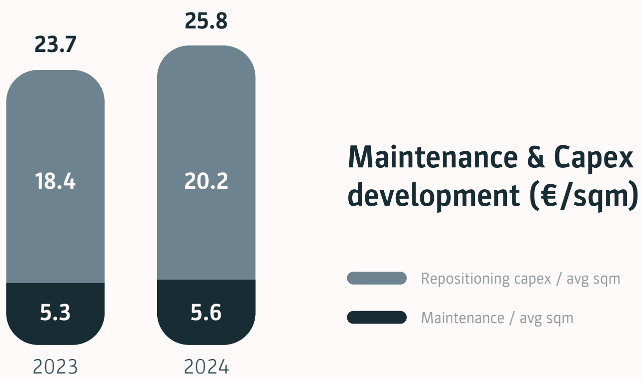
A key pillar of GCP's strategy is maintaining high levels of tenant satisfaction and to provide tenants with quality housing. To ensure this, GCP continuously assesses the quality of its properties and carries out a broad range of targeted maintenance and refurbishment projects aimed at the preservation of the quality of the assets. As a result of these projects, intended to deal with property-specific needs, the living quality of tenants is maintained, ensuring tenant satisfaction, which in turn decreases vacancies and increases reletting rents, giving place to higher and stable rental income. As such, in 2024 vacancy was kept at the low level of 3.8%.

In 2024, GCP recorded maintenance and refurbishment expenses in the amount of €23 million or €5.6 per average sqm, slightly higher as compared to the €22 million or €5.3 per average sqm recorded in 2023. GCP provides a fast and efficient way for tenants to place their requests through the GCP app and tenant service portal, from which they can also monitor the status of their maintenance and service requests and manage the process, as well as providing the option to contact GCP's tenant care agents through the GCP service center.

The Company's investments in repositioning capex amounted to €83 million or €20.2 per average sqm in 2024, as compared to €77 million or €18.4 per average sqm in 2023. Repositioning capex comprise targeted investments that increase the quality, safety and overall features of the assets in the portfolio, supporting the ability to capture higher rents. Examples of these investments include apartment renovations and preparation for letting, façade refurbishments and refits, and upgrades of corridors and staircases, among others. Also included in repositioning capex are improvements made to the property surroundings, which increases the value of the properties. Such projects include the renovation or construction of playgrounds, barbeque pits, and other common meeting areas, among others. The diverse repositioning capex projects support the value growth of the portfolio and the letting process, resulting in lower vacancies and higher rent potential. Additionally, as part of the repositioning capex, GCP carries investments aimed at improving the energy efficiency and $CO_2$ reduction.

The Company invested €25 million in pre-letting modifications, higher compared to the €15 million invested in 2023. Pre-letting modifications, relate to investment activities outside the scope of repositioning capex and include large refurbishment projects and the creation of new lettable areas, as well as the completion of properties acquired that are in the final stages of development, among others. These investments will be supportive of additional rent generation in future periods.

Additionally, GCP invested approximately €2.4 million in modernisation investments in 2024, lower compared to €10 million invested in 2023. Modernisation projects are carried out selectively. Examples of such projects include measures such as the instalment of elevators and balconies, as well as improvements in installations that ensure efficient use of power, water and heating. Modernisation investments also comprise energetic modernisation initiatives aimed at increasing energy efficiency such as the installation of green energy and heating systems and windows with better insulation. In addition to modernisation investments, the Company carries additional investments related to energy efficiency and $CO_2$ reduction, which are carried under repositioning capex and pre-let modification works.




**Maintenance & Capex development (€/sqm)**

## Administrative and Other Expenses

| | For the year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| | €'000 | |
| Personnel expenses | (4,613) | (4,441) |
| Audit and accounting costs | (3,037) | (2,818) |
| Legal and professional consultancy fees | (2,283) | (2,666) |
| Marketing and other expenses | (699) | (981) |
| **Administrative and other expenses** | **(10,632)** | **(10,906)** |

GCP recorded administrative and other expenses in the amount of €10.6 million in 2024, stable compared to the €10.9 million recorded in 2023. Administrative and other expenses are primarily composed of expenses related to administrative personnel, legal and professional consultancy fees, audit and accounting costs, marketing fees, and other expenses.

## Finance Expenses

| | For the year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| | €'000 | |
| **Finance expenses** | **(58,845)** | **(56,814)** |

For the year 2024, GCP recorded finance expenses in the amount of €59 million, slightly higher compared to the €57 million recorded in 2023. The slightly higher cost is mainly driven by the change in the interest rate environment, causing new debt to be raised at higher rates than the debt maturing. This was partially offset by hedging measures taken by the Company and the recent decrease in rates, which positively impacted the debt with variable and capped rates. Additionally, the higher finance expenses were further offset by the interest income earned on the Company's strong liquidity position.

In 2024, the Company has taken several proactive measures to strengthen its financial profile, but which have resulted in slightly higher total finance expense in 2024. These measures include the issuance of the €500 million Series Y bond, marking the return of GCP to capital markets with its first bond issuance since 2021, as well as securing €100 million in new bank financing. During the year, the Company redeemed ca. €300 million of bonds and bank loans and bought back bonds with notional amounts of ca. €270 million at a slight discount which had near term maturity dates, reducing the near-term debt maturities and extending the debt maturity profile. As of December 2024, GCP's cost of debt is 1.9% with an average debt maturity of 4.8 years, stable compared to the cost of debt of 1.9% with an average debt maturity of 5.3 years as of December 2023. Taking into account the liquidity position, the debt maturity is 6.3 years. GCP's hedging ratio stands at 95% as of December 2024, protecting the Company against potential rises in interest rates.

## Other Financial Results

| | For the year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| | €'000 | |
| Change in fair value of financial assets and liabilities, net | 3,876 | (67,015) |
| Finance-related costs | (15,121) | (19,073) |
| **Other financial results** | **(11,245)** | **(86,088)** |

In 2024, other financial results amounted to a negative €11 million, compared to a negative €86 million in 2023. This line item reflects changes in the fair value of financial assets and liabilities, traded securities, and derivative instruments, which are primarily influenced by capital markets volatility and interest rate fluctuations. The impact of change in fair value of financial assets and liabilities was positive in 2024 as compared to a negative impact in 2023. Other financial results also include expenses related to financial activities such as hedging fees, bank financing, and other costs related to debt optimisation.

## Taxation

| | For the year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| | €'000 | |
| Current tax expenses | (41,275) | (40,865) |
| Deferred tax income (expenses) | (16,900) | 127,254 |
| **Total tax income (expenses)** | **(58,175)** | **86,389** |

In 2024, GCP recorded total tax expense of €58 million, compared to total tax income of €86 million in 2023. Total tax income/expense include both current tax expenses and deferred tax income/expenses.

Current tax expenses amounted to €41 million in 2024, stable compared to €41 million in 2023. These expenses include corporate income tax and property taxes, which are influenced by the Company's underlying financial performance and the size and geographic distribution of its portfolio.

Deferred tax resulted in an expense of €17 million in 2024 compared to an income of €127 million in 2023. Deferred tax income/expenses primarily reflect non-cash tax adjustments related to theoretical tax liabilities on revaluation gains, with tax rates depending on asset locations. Additionally, deferred taxes are affected by revaluation changes in derivatives and carried-forward losses. In 2024, the Company recorded a deferred tax expense primarily as a result of the positive revaluation gains recorded in the year, while in 2023 the negative revaluation resulted in a deferred tax income.

## Profit (Loss) for the Year

| | For the year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| | €'000 | |
| **Profit (loss) for the year** | **242,131** | **(638,068)** |
| Profit (loss) attributable to the owners of the Company | 196,626 | (547,507) |
| Profit attributable to the perpetual notes investors | 42,362 | 33,700 |
| Profit (loss) attributable to non-controlling interests | 3,143 | (124,261) |

In 2024, the Company reported a net profit of €242 million, as compared to a net loss of €638 million in 2023. The change from a significant net loss in 2023 to a profit in 2024 marks the reversal of the negative trend in 2024, as valuations have reached trough levels and stabilized in 2024, after a period of negative valuations which more than offset the continuous positive operational results. The profit was driven by robust operational profits, supported by a high adjusted EBITDA and partially offset by higher finance expenses. Compared to 2023, the net profit in 2024 was further supported by lower negative other financial results.

Profit attributable to shareholders in 2024 was €197 million, compared to a loss of €548 million in 2023. Profit attributable to non-controlling interests was €3 million in 2024, compared to a loss of €124 million in 2023. The profit attributable to perpetual notes investors amounted to €42 million in 2024, higher compared to a profit of €34 million in 2023. The increase was mainly due to the reset of two perpetual note series in 2023, which had a full period impact in 2024, partially offset by the impact of perpetual notes exchanges and tender offers that the Company carried out in April and September 2024, which resulted in lower attribution going forward.

## Earnings per Share

| | For the year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| | €'000 | |
| Basic earnings (loss) per share (in €) | 1.14 | (3.18) |
| Diluted earnings (loss) per share (in €) | 1.14 | (3.17) |
| | | |
| Weighted average number of ordinary shares (basic) in thousands | 172,587 | 172,352 |
| Weighted average number of ordinary shares (diluted) in thousands | 172,874 | 172,633 |

In 2024, the Company reported basic earnings per share of €1.14 and diluted earnings per share of €1.14, compared to a basic loss per share of €3.18 and a diluted loss per share of €3.17 in 2023. The improvement was driven by the Company's operational profitability and supported by positive revaluation effects during the year.

The diluted earnings per share reflects the various dilutive effects. As the Company does not have dilutive instruments, the basic and diluted earnings per share are not materially different. The minimal difference in basic and diluted shares in 2024 primarily relate to the small impact from employees' share-based remunerations.

## Total Comprehensive Income

| | For the year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| | €'000 | |
| **Profit (loss) for the year** | **242,131** | **(638,068)** |
| Total other comprehensive income (loss) for the year, net of tax | 11,757 | (3,447) |
| **Total comprehensive income (loss) for the year** | **253,888** | **(641,515)** |

In 2024, GCP reported a total comprehensive income of €254 million, compared to a total comprehensive loss of €642 million in 2023. This increase was mainly driven by the profit recorded during the year and other comprehensive income of €12 million. The other comprehensive income primarily resulted from changes in forward and other derivative contracts, as well as foreign currency effects related to hedging activities, mainly associated with the London portfolio.

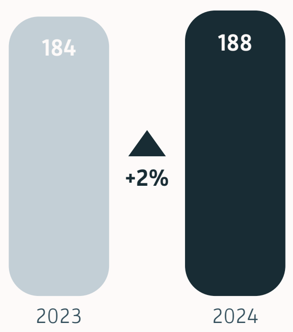
## Adjusted EBITDA and Funds from Operations

| | For the year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| | €'000 | |
| Operating profit (loss) | 370,396 | (581,555) |
| Depreciation and amortisation | 6,311 | 9,323 |
| **EBITDA** | **376,707** | **(572,232)** |
| Less: Property revaluations and capital losses | (44,028) | 890,017 |
| Equity settled share-based payments and other adjustments | 2,331 | 1,862 |
| **Adjusted EBITDA** | **335,010** | **319,647** |
| Finance expenses | (58,845) | (56,814) |
| Current tax expenses | (41,275) | (40,865) |
| Contribution to minorities | (4,994) | (4,332) |
| Adjustment for perpetual notes attribution | (42,362) | (33,700) |
| **FFO I** | **187,534** | **183,936** |
| Weighted average number of ordinary shares (basic) in thousands, including impact from share-based payments | 172,855 | 172,634 |
| **FFO I per share (in €)** | **1.08** | **1.07** |
| Result from disposal of properties | 17,643 | 71,772 |
| **FFO II** | **205,177** | **255,708** |

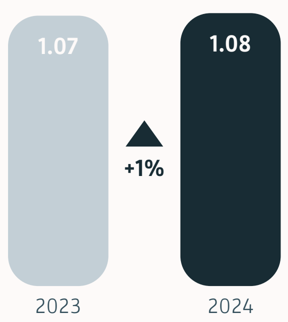
The adjusted EBITDA is an industry standard figure representing the Company's recurring operational profits before interest, tax expenses, depreciation, and amortisation. It excludes the effects of property revaluations, capital gains or losses, and other non-operational income statement items such as equity-settled share-based payments and other adjustments. The Company recorded an adjusted EBITDA of €335 million for the year 2024, an increase of 5% compared to €320 million in 2023. This increase was primarily due to the rise in net rental income generated from the Company's strong operational performance, as reflected in the solid like-for-like rent increase of 3.8%, additionally supported by improved operational efficiency.

Funds From Operations I (FFO I) is a widely used measure of the recurring operational cash flow of a real estate company and is considered a key industry performance indicator. FFO I is calculated by deducting from the adjusted EBITDA finance expenses, current tax expenses, the contribution to minority interests, and the share of profit attributable to the Company's perpetual notes investors. In 2024, GCP generated Funds From Operations I (FFO I) amounting to €188 million, higher compared to €184 million in 2023, and at the top of the updated 2024 guidance range of €180 million to €190 million. The FFO I in 2024 was mainly driven by the robust growth in adjusted EBITDA, which offset higher perpetual notes attribution and increased finance expenses. The increase in perpetual notes attribution resulted from the reset of two of GCP's perpetual note series in 2023. This higher attribution was partially offset by the exchange offers launched by GCP in April and September 2024, which reduced coupon payments by €2 million on an annualised basis.

**FFO I DEVELOPMENT**
(in € millions)




**FFO I PER SHARE ANNUAL DEVELOPMENT** (in €)




## FFO I per share

The Company recorded an FFO I per share of €1.08 for the year 2024, slightly higher compared to €1.07 in 2023, driven by the higher FFO I while the average number of outstanding shares remained broadly unchanged.

## FFO II

FFO II is a supplementary performance measure that includes disposal effects in addition to FFO I. The result from the disposal of properties reflects the amount by which the sale price exceeded the initial acquisition cost plus capex invested in the disposed properties. The Company reported an FFO II of €205 million in 2024, lower compared to €256 million in 2023. The lower result in the current year is due to the lower disposal margin and lower completed disposals in 2024 compared to 2023. GCP had disposals amounting to ca. €270 million generating gains of €18 million in 2024 over total cost, lower when compared to disposals of €306 million generating gains of €72 million in 2023.

## Adjusted Funds From Operations (AFFO)

| | For the year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| | €'000 | |
| **FFO I** | **187,534** | **183,936** |
| Repositioning capex | (82,892) | (76,610) |
| **AFFO** | **104,642** | **107,326** |

Adjusted Funds from Operations (AFFO) is another indicator for the Company's recurring operational cash flow and is derived by subtracting the repositioning capex from the Company's FFO I. The Company includes in the AFFO calculation repositioning capex which is targeted at value creation and improving the asset quality of the portfolio, which the Company deems as being relevant for its AFFO calculation. In 2024, the Company recorded AFFO of €105 million, compared to €107 million in 2023. The lower AFFO is primarily due to the increase in repositioning capex, which offset the slight increase in FFO I.

## Cash Flow

| | For the year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| | €'000 | |
| Net cash provided by operating activities | 284,461 | 249,407 |
| Net cash provided by investing activities | 52,020 | 147,796 |
| Net cash provided (used) by (in) financing activities | (93,374) | 405,304 |
| **Net increase in cash and cash equivalents** | **243,107** | **802,507** |
| | | |
| Changes in cash and cash equivalents held-for-sale and effect of foreign exchange rate changes | 576 | 1,734 |
| Cash and cash equivalents at the beginning of the period | 1,129,176 | 324,935 |
| **Cash and cash equivalents at the end of the period** | **1,372,859** | **1,129,176** |

In 2024, the Company generated net cash provided by operating activities amounting to €284 million, higher as compared to €249 million in 2023. The cash from operating activities during the reporting period was primarily attributable to the Company's strong operational performance, further supported by strong like-for-like rental growth of 3.8%. The increase compared to 2023 is mainly the result of higher operational costs during that period, which necessitated additional working capital in 2023, while in 2024, the pressure of higher operational cost has begun to ease, leading to reduced cash outflows in the current period.

The Company recorded net cash provided by investing activities amounting to €52 million in 2024, as compared to €148 million provided in 2023. This decrease was mainly due to a lower volume of property disposals, which amounted to ca. €270 million in 2024, net of €60 million in vendor loans provided. GCP also received €24 million in repayments from vendor loans. These cash inflows were partially offset by capex investments aimed at enhancing rental growth and, subsequently, operational cash flow in future periods.

The Company recorded net cash used in financing activities amounting to €93 million in 2024, compared to a net cash provided by financing activities of €405 million in 2023. The cash inflow from financing activities was mainly driven by new bank financing of €100 million and the €500 million Series Y bond issuance during the year. These inflows were offset by bond buybacks amounting to ca. €270 million in nominal value at a discount, as well as debt repayments and redemptions of ca. €300 million. GCP's proactive measures ensured a well-managed maturity profile, with cash and liquid assets sufficient to cover debt maturities until the end of 2027. As of December 2024, GCP maintained a hedging ratio of 95%, with a low cost of debt at 1.9% and an average debt maturity of 4.8 years. Payments to perpetual note investors, related to perpetual note exchanges and coupon payments, as well as interest payments, further impacted the cash flow. Lastly, in December 2024 the Company disposed most of its remaining treasury shares, resulting in ca. €45 million inflow of cash.

As a result, GCP recorded a net increase in cash and cash equivalents of €243 million in 2024, compared to €803 million in 2023. The increase in cash balances aligns with the Company's objective of maintaining high liquidity levels and stable leverage. GCP's strong liquidity position and conservative financial management ensure the Company is well prepared for future opportunities.

Munich

## Assets

| | Dec 2024 | Dec 2023 |
|---|---|---|
| | €'000 | |
| **Non-current assets** | **9,016,959** | **9,077,640** |
| Investment property | 8,628,962 | 8,629,083 |
| **Current assets** | **2,201,852** | **1,840,507** |
| Cash and liquid assets (including those recorded under held-for-sale) | 1,514,674 | 1,230,483 |
| **Total assets** | **11,218,811** | **10,918,147** |

The Company's total assets amounted to €11.2 billion as of December 2024, an increase of 3% compared to €10.9 billion as of December 2023.

### Non-current assets

As of December 2024, GCP recorded non-current assets amounting to €9.0 billion, stable compared to €9.1 billion at the end of 2023. Non-current assets primarily consist of investment property, which amounted to €8.6 billion as of December 2024, stable compared to €8.6 billion as of December 2023. The change in investment property is mainly due to disposals of investment properties and the reclassification of certain properties as assets held-for-sale, which was offset by positive revaluations recorded in the Company's portfolio, positive currency impacts on the London portfolio, and a small amount of acquisitions. GCP disposed of properties amounting to ca. €270 million during 2024, while acquiring €45 million of properties, primarily through gaining control of investment properties in London which were previously included under loans-to-own.

### Main valuation parameters

As part of its 2024 annual report, the Company conducted a full revaluation of its portfolio, carried out by certified external valuators. This resulted in a like-for-like revaluation of 0.5%, with a value per sqm of €2,203, slightly higher as compared to the €2,109 per sqm reported in December 2023, reflecting a rental yield of 4.9%, compared to 4.8% as of December 2023. This confirms the trough has been reached, recording the first positive revaluation since 2022. The below tables present the main average valuation parameters.

| | 2024 | 2023 |
|---|---|---|
| Value per sqm | €2,203 | €2,109 |
| Market rental growth p.a. | 1.8% | 1.9% |
| Management cost per unit p.a. | €322 | €303 |
| Ongoing maintenance cost per sqm | €11.5 | €11.1 |
| Average discount rate | 5.4% | 5.4% |
| Average cap rate | 4.2% | 4.1% |

| | Dec 2024 | Dec 2023 |
|---|---|---|
| | €'000 | |
| (A) end of period annualised net rental income (1) | 412,549 | 405,529 |
| (B) Investment property (1) | 8,441,342 | 8,478,502 |
| **(A/B) rental yield** | **4.9%** | **4.8%** |
| **(B/A) rent multiple** | **20.5x** | **20.9x** |

(1) excluding properties classified as development rights & invest

The non-current assets also include tenant deposits, which serve as security for rent payments, and which had a balance of €47 million as of December 2024. Long-term financial investments, including co-investments in promising deals aimed at long-term yield, which amounted to approximately €50 million, and approximately €50 million investments in minority stake in real estate portfolios as of December 2024.

### Current assets

The Company recorded current assets amounting to €2.2 billion as of December 2024, an increase of 20% compared to €1.8 billion as of December 2023. Current assets primarily consist of cash and liquid assets, which had a balance of €1.5 billion as of December 2024, an increase compared to €1.2 billion as of December 2023. The increase is a result of new bonds raised and bank financing obtained, cash flows from operating activities, proceeds from disposals and repayment of vendor loans. This increase was partially offset by debt repayments, bond buybacks, and capex. GCP's liquidity position remains strong, with cash and liquid assets totalling €1.5 billion, equivalent to 34% of total debt.

The current assets balance include vendor loans amounting to approximately €130 million as of December 2024. The vendor loan balance was transferred to the current assets balance as they are expected to be repaid in 2025, of which €66 million was repaid after the reporting date. The vendor loans were given to facilitate and optimize transactions as buyers can utilize the short-term flexibility in obtaining financing. In the first half of 2024, GCP provided ca. €60 million of vendor loans, in connection to a disposal in London, while in the second half of 2024, GCP received the repayment of a vendor loan of an amount of €24 million provided in December 2023. The loans are secured against the sold properties, typically with an average LTV ratio of about 60% at the time of disposal. In the event of default by a borrower, GCP could reclaim the assets at a discount and impose penalties on the defaulting party through a receivership process. The expected cash flows from the vendor loan repayments will reduce the Company's leverage but conservatively are not included in LTV calculations until payment is received.

The current assets balance also include trade and other receivables as well as assets held-for-sale. As of December 2024, trade and other receivables amounted to €449 million, of which approximately €194 million were operating cost receivables, reflecting payments for ancillary services provided to tenants. These receivables are settled annually against advances received from tenants, which are current liabilities recorded under trade and other payables.

The Company recorded assets held-for-sale in the amount of €233 million as of end of December 2024, compared to €196 million as of end of December 2023. Assets held-for-sale include properties which are intended to be sold within the next 12 months. The increase in this line is primarily due to reclassification of new properties which are expected to be disposed, partially offset by completed transactions. As of December 2024, approximately €125 million of assets held-for-sale were signed, but not yet completed, and the transactions are expected to be finalised in the coming periods.

## Liabilities

| | Dec 2024 | Dec 2023 |
|---|---|---|
| | €'000 | |
| Long and short-term loans and borrowings | 929,439 | 872,427 |
| Straight bonds and bond redemption | 3,505,860 | 3,559,897 |
| Deferred tax liabilities (including those under held-for-sale) | 706,395 | 671,896 |
| Other long-term liabilities and derivative financial instruments (1) | 314,030 | 268,940 |
| Current Liabilities (2) | 348,882 | 314,878 |
| **Total Liabilities** | **5,804,606** | **5,688,038** |

(1) including short-term derivative financial instruments
(2) excluding current liabilities included in the items above

As of December 2024, the Company's total liabilities amounted to €5.8 billion, an increase from €5.7 billion as of December 2023. Total liabilities primarily comprise straight bonds, loans and borrowings, deferred tax liabilities, other long-term liabilities, derivative financial instruments, and current liabilities. The increase in total liabilities was mainly driven by new debt raised. However, the impact of these increases was partially offset by debt repayments and bond buybacks at a discount. Other long-term liabilities and derivative financial instruments are also included in this category.

As a part of its deleveraging and debt optimisation strategy, GCP continued to strengthen its liquidity position, as reflected in its cash and liquid assets balance of €1.5 billion by the end of December 2024, compared to €1.2 billion in December 2023. During the year, the Company issued €500 million nominal amount of Series Y straight bonds, and additionally raised €100 million in new secured bank debt. It also redeemed and repurchased an aggregate nominal amount of ca. €540 million of straight bonds and repaid ca. €30 million of bank loans related to disposed properties, partially offsetting the increase in new debt.

The Company maintains the flexibility to secure additional bank financing in the future due to its high unencumbered asset ratio of 73%, representing a total value of €6.4 billion. As of December 2024, the cost of debt remained low at 1.9%, with most of the debt hedged against interest rate fluctuations indicated by the Company's 95% hedging ratio. The average debt maturity stood at 4.8 years.

Deferred tax liabilities at the end of December 2024 amounted to €706 million, an increase of 5% compared to €672 million as of December 2023. The increase was driven the revaluation gains recorded during the year, partially offset by disposals. Deferred tax liabilities reflect a hypothetical scenario where investment properties are sold in the form of asset transactions, with tax rates determined based on the location of each property.

Other non-current liabilities and derivative financial instruments totalled €314 million as of December 2024, representing an increase of approximately €45 million compared to the prior year.

Current liabilities amounted to €349 million as of December 2024, an increase from €315 million at the end of 2023. This line item includes trade and other payables, liabilities held-for-sale, and other current obligations. Current liabilities are mainly comprised of trade and other payables, which amounted to €279 million in the reporting year and are reflected on the asset side by corresponding operating cost receivables.

## Equity

| | Dec 2024 | Dec 2023 |
|---|---|---|
| | €'000 | |
| **Total Equity** | **5,414,205** | **5,230,109** |
| of which equity attributable to the owners of the Company | 3,700,201 | 3,477,627 |
| of which equity attributable to the perpetual notes investors | 1,212,444 | 1,236,693 |
| of which non-controlling interests | 501,560 | 515,789 |

As of December 2024, total equity amounted to €5.4 billion, higher compared to €5.2 billion at the end of December 2023. Total equity was mainly impacted by the Company's strong profit during the year, offset by the reduction in the balance of perpetual notes, resulting from the exchange and tender offers.

Shareholders equity amounted to €3.7 billion as of December 2024, higher compared to €3.5 billion as of December 2023, due to the profit attributed to shareholders as well as a disposal of most of the Company's remaining treasury shares, resulting in ca. €45 million increase in cash and equity. The sale of treasury shares was carried out in December 2024 at a price of €11.9 per share, reflecting the market share price at the time of sale. The treasury shares were sold to several international investors who approached the Company and were looking to obtain a relatively large stake in GCP. In 2024, GCP did not distribute a dividend for the 2023 financial year due to macroeconomic uncertainty and the Company's strategic focus on strengthening its liquidity and debt reduction.

Equity attributable to perpetual note investors stood at €1.21 billion as of December 2024, lower compared to €1.24 billion at the end of December 2023. In April and September 2024, the Company executed voluntary exchange and tender offers for two outstanding perpetual notes with nominal values of €200 million and €350 million, carrying coupons of 6.332% and 5.901%, respectively. The offers had a high combined acceptance rate of 85%, and the Company issued €431.7 million in new perpetual notes with a 6.125% coupon and a first call date in January 2030. The perpetual exchange and tender offers support credit metrics under S&P's methodology and resulted in a slight decrease in the balance of outstanding perpetual notes.

As of December 2024, non-controlling interests amounted to €502 million, decreasing from €516 million at the end of December 2023. The decrease was mainly due to dividends paid to non-controlling interests, partially offset by profits.

## Debt financing KPIs

| LOAN-TO-VALUE | Dec 2024 | Dec 2023 |
|---|---|---|
| | €'000 | |
| Investment Property (1) | 8,532,253 | 8,544,738 |
| Investment properties of assets held-for-sale (1) | 224,705 | 191,773 |
| **(A) Total value** | **8,756,958** | **8,736,511** |
| Total debt | 4,435,299 | 4,432,324 |
| Cash and liquid assets (including those under held-for-sale) | 1,514,674 | 1,230,483 |
| **(B) Net debt** | **2,920,625** | **3,201,841** |
| **(B/A) LTV** | **33%** | **37%** |

(1) including advanced payments and deposits and excluding right-of-use assets

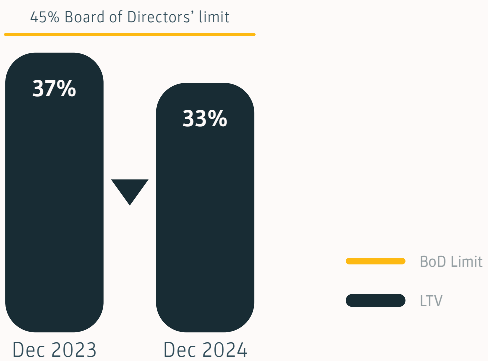
The Company maintains a conservative financial profile as a core aspect of its business strategy, reflected in key debt financing metrics such as a low LTV ratio, a high proportion of unencumbered assets, and strong coverage ratios.

The Company's LTV ratio stood at 33% as of December 2024, lower compared to 37% at the end of December 2023 and well below both the Company's internal board limit of 45% and the thresholds set by its bond covenants. The Company also maintained strong coverage ratios, which is reflected in its solid operational performance. In 2024, GCP recorded an interest coverage ratio (ICR) of 5.7x and a debt service coverage ratio (DSCR) of 5.2x, compared to 5.6x and 5.2x respectively in 2023, demonstrating the Company's ability to meet its debt obligations.

The pool of unencumbered assets, amounting to €6.4 billion and representing 73% of the total value of the investment property portfolio, provides significant financial flexibility thereby allowing the Company the option to raise secured financing if needed.

GCP's conservative financial profile, characterised by a low LTV ratio and high coverage ratios, ensures broad access to both public and private capital markets. This is further supported by the Company's investment-grade credit ratings, including a BBB+/Negative rating from S&P which was re-affirmed as of December 2024 and an unsolicited Baa1/Negative rating from Moody's.

Details regarding the EPRA LTV are included in the EPRA Performance Measures section of the report.




| Unencumbered assets | Dec 2024 | Dec 2023 |
|---|---|---|
| | €'000 | |
| (A) Unencumbered Assets | 6,449,256 | 6,606,947 |
| (B) Total Investment Property (including those under held-for-sale) | 8,853,667 | 8,824,724 |
| **(A/B) Unencumbered Assets Ratio** | **73%** | **75%** |

| | For the year ended 31 December | |
|---|---|---|
| Interest coverage ratio (ICR) | 2024 | 2023 |
| | €'000 | |
| (A) Adjusted EBITDA | 335,010 | 319,647 |
| (B) Finance Expenses | 58,845 | 56,814 |
| **(A/B) Interest Coverage Ratio** | **5.7x** | **5.6x** |

| | For the year ended 31 December | |
|---|---|---|
| Debt service coverage ratio (DSCR) | 2024 | 2023 |
| | €'000 | |
| (A) Adjusted EBITDA | 335,010 | 319,647 |
| (B) Finance Expenses | 58,845 | 56,814 |
| (C) Amortisation of loans from financial institutions | 5,958 | 4,417 |
| **[A/(B+C)] Debt Service Coverage Ratio** | **5.2x** | **5.2x** |

# EPRA Performance Measures

| | 2024 | 2023 |
|---|---|---|
| | In €'000 unless otherwise indicated | |
| EPRA NRV | 4,902,192 | 4,606,481 |
| EPRA NRV per share (in €) | 27.8 | 26.7 |
| EPRA NTA | 4,279,793 | 4,013,761 |
| EPRA NTA per share (in €) | 24.3 | 23.2 |
| EPRA NDV | 3,782,254 | 3,745,313 |
| EPRA NDV per share (in €) | 21.4 | 21.7 |
| EPRA Earnings(1) | 163,771 | 153,678(1) |
| EPRA Earnings per share(1) (in €) | 0.95 | 0.89(1) |
| EPRA Earnings (excl. perp.)(1) | 206,133 | 187,378 |
| EPRA Earnings (excl. perp.) per share(1) (in €) | 1.19 | 1.09 |
| EPRA LTV | 46% | 48% |
| EPRA LTV (including RETT) | 43% | 46% |
| EPRA Net initial yield (NIY) | 3.7% | 3.6% |
| EPRA "topped-up" NIY | 3.7% | 3.6% |
| EPRA Vacancy | 3.8% | 3.8% |
| EPRA Cost Ratio (incl. direct vacancy costs) | 21.3% | 22.7% |
| EPRA Cost Ratio (excl. direct vacancy costs) | 19.6% | 20.8% |
| EPRA Like-for-like rental growth | 3.8% | 3.3% |

(1) according to the updated EPRA methodology. Fore more details, refer to the EPRA Performance Measures section of the report, 2023 figures adjusted accordingly

The European Public Real Estate Association (EPRA) is the widely recognised market standard guidance and benchmark provider for the European real estate industry. EPRA's Best Practices Recommendations prescribe the ongoing reporting of a set of performance metrics which are meant to enhance the quality of reporting by bridging the gap between the regulated IFRS reporting presented and specific analysis relevant to the European real estate industry. These standardised EPRA Performance Measures provide additional perspective on earnings, balance sheet and operational metrics, and facilitate for the simple and effective comparison of performance-related information across different companies.

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## EPRA Net Asset Value Metrics

The Net Asset Value is a key performance measure used in the real estate industry. Due to the evolving nature of ownership structures, balance sheet financing as well as the inclusion of non-operating activities leading to entities being relatively more actively managed, EPRA has provided three different metrics to reflect this nature of property companies. The EPRA Net Asset Value Metrics are defined by EPRA and include the Net Reinstatement Value (NRV), Net Tangible Assets (NTA) and Net Disposal Value (NDV).

**EPRA Net Reinstatement Value (NRV)** assumes that entities never sell assets and aims to represent the value required to rebuild the entity. The EPRA NRV measure provides stakeholders with the value of net assets on a long-term basis and excludes assets and liabilities that are not expected to materialise. Furthermore, real estate transfer taxes are added back, since the intention of this metric is to reflect what would be required to reinstate the Company through existing investment markets and the Company's current capital and financing structures.

**EPRA Net Tangible Assets (NTA)** assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax. Therefore, the EPRA NTA measure excludes the value of intangible assets while also taking into consideration the fact that companies acquire and dispose assets and, in the process, realise certain levels of deferred tax liabilities.

**EPRA Net Disposal Value (NDV)** represents the shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax. Therefore, the EPRA NDV measure is meant to provide stakeholders with the net asset value in the scenario that all assets are disposed and/or liabilities are not held until maturity.

| in € '000 unless otherwise specified | EPRA NRV | EPRA NTA | EPRA NDV | EPRA NRV | EPRA NTA | EPRA NDV |
|---|---|---|---|---|---|---|
| | | Dec 2024 | | | Dec 2023 | |
| **Equity attributable to the owners of the Company** | **3,700,201** | **3,700,201** | **3,700,201** | **3,477,627** | **3,477,627** | **3,477,627** |
| Deferred tax liabilities on investment property (1) | 699,844 (2) | 585,864 (3) | - | 665,331 (2) | 559,911 (3) | - |
| Fair value measurements of derivative financial instruments (4) | (1,487) | (1,487) | - | (17,987) | (17,987) | - |
| Intangible assets and goodwill | - | (4,785) | - | - | (5,790) | - |
| Real estate transfer tax | 503,634 | - | - | 481,510 | - | - |
| Net fair value of debt | - | - | 82,053 | - | - | 267,686 |
| **NAV** | **4,902,192** | **4,279,793** | **3,782,254** | **4,606,481** | **4,013,761** | **3,745,313** |
| Basic number of shares including in-the-money dilution effects (in thousands) | | 176,349 | | | 172,640 | |
| **NAV per share (in €)** | **27.8** | **24.3** | **21.4** | **26.7** | **23.2** | **21.7** |

(1) including deferred tax liabilities on derivatives
(2) including balances held-for-sale
(3) excluding deferred tax liabilities on assets held-for-sale, non-core assets and development rights in Germany
(4) not including net change in fair value of derivative financial instruments related to currency effects

## EPRA NRV

As of December 2024, GCP's EPRA NRV stood at €4.9 billion, or €27.8 per share, compared to €4.6 billion and €26.7 per share at the end of 2023. The NRV metric reinstates the full amount of deferred tax and real estate transfer tax, assuming that assets are never sold and reflecting the estimated cost required to rebuild the Company. The increase in this metric was mainly due to the profit for the year, along with an increase in deferred tax, offset by lower negative adjustment for the fair value measurements of derivative financial instruments.

The EPRA NRV per share result, as well and the EPRA NTA and EPRA NDV per share results, have been slightly diluted by 3.7 million treasury shares sold in December 2024. The shares were sold to several international investors at market price.

## EPRA NTA

As of December 2024, GCP reported an EPRA NTA of €4.3 billion, or €24.3 per share, higher compared to €4 billion and €23.2 per share as of December 2023. This increase, similar to the EPRA NRV, was mostly driven by the profit recorded in 2024.

The EPRA NTA portrays the normal business environment where company's buy and sell assets thereby incurring a certain amount of unavoidable deferred tax of the properties sold. To represent this normal business environment, GCP has classified its portfolio into three categories of properties which it may not hold long-term, for which it conservatively excludes deferred tax liabilities. These three categories are outlined below:

- **Investment properties held-for-sale:** These properties are actively managed for sale and the Company expects to dispose them within 12 months.
- **Propertied classified in its portfolio as "Other":** This portfolio may be disposed on an opportunistic basis and is composed of assets located in cities which do not lie in GCP's core portfolio locations and therefore are conservatively classified as properties which may be disposed. On the other hand, it is also likely that they could remain in the portfolio for the long term. The Company will continue to evaluate the probability of these properties being disposed or held long term in upcoming periods and make the necessary adjustments.
- **Development rights in Germany:** As part of GCP's value creation process, the Company identifies development potential and works to obtain the relevant development rights. Once the development rights are granted, GCP decides whether to dispose the rights or to develop the projects. As GCP is expected to dispose a portion of the building rights on an opportunistic basis, the deferred tax regarding the building rights is not added back in the NTA calculation

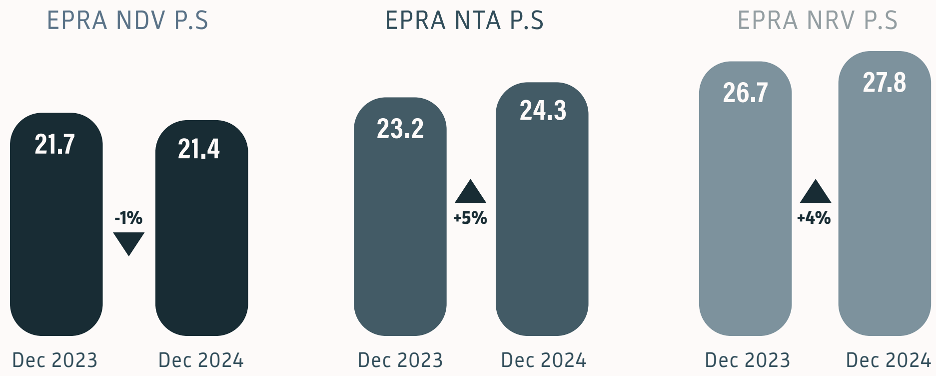
| Particulars | Fair Value in €'000 | as % of portfolio | % of deferred tax added back |
|---|---|---|---|
| Portfolio to be held long term* | 7,580,743 | 85.6% | 100% |
| Investment properties held-for-sale | 224,705 | 2.5% | 0% |
| Portfolio cities classified as "Others" | 896,173 | 10.1% | 0% |
| Development rights in Germany | 152,046 | 1.7% | 0% |
| **Total (including assets classified as held-for-sale)** | **8,853,667** | **100%** | |

* all investment properties, excluding investment properties held-for-sale, investment properties in cities classified as "Others" and development rights in Germany

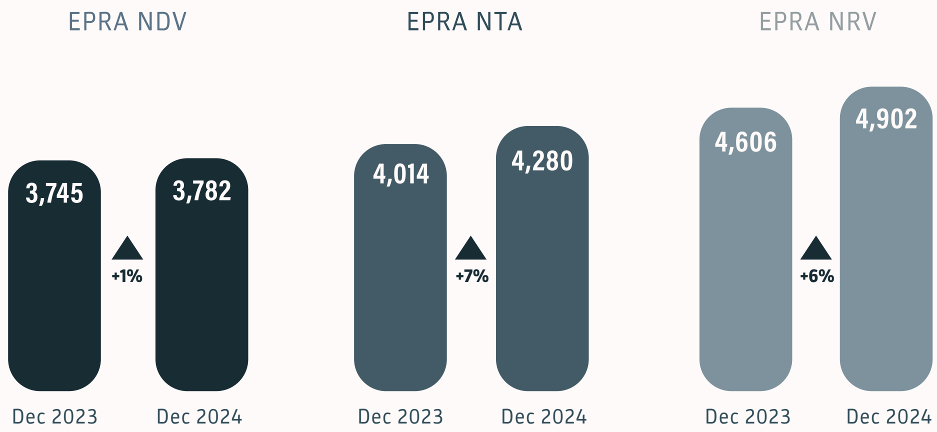
## EPRA NDV

As of December 2024, the Company recorded an EPRA NDV of €3.8 billion, or €21.4 per share, slightly higher compared to €3.7 billion or €21.7 per share at the end of 2023. The EPRA NDV reflects the net asset value under the assumption that all assets are sold, and all liabilities are settled, without reinstating deferred tax liabilities or real estate transfer tax. The increase in this metric was primarily driven by the higher equity position, which offset the impact resulting from the recovery of the market value of the Company's publicly traded debt securities in the capital markets which negatively impacts the EPRA NDV and offset the positive impact as a result of the profit for the year.

## EPRA NAV METRICS DEVELOPMENT (in €)




## EPRA NAV METRICS DEVELOPMENT (in € millions)



## EPRA Earnings*

| | For the year ended 31 December | | Excl. perp. | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | €'000 | | | |
| **Earnings per IFRS income statement** | **242,131** | **(638,068)** | **242,131** | **(638,068)** |
| Property revaluations and capital gains | (44,028) | 890,017 | (44,028) | 890,017 |
| Change in fair value of financial assets and liabilities, net | (3,876) | 67,015 | (3,876) | 67,015 |
| Adjustment for perpetual notes attribution | (42,362) | (33,700) | - | - |
| Deferred tax expenses | 16,900 | (127,254) | 16,900 | (127,254) |
| Contribution to minorities | (4,994) | (4,332) | (4,994) | (4,332) |
| **EPRA Earnings** | **163,771** | **153,678** | **206,133** | **187,378** |
| Weighted average number of ordinary shares (basic) in thousands | 172,587 | 172,352 | 172,587 | 172,352 |
| **EPRA Earnings per share (in €)** | **0.95** | **0.89** | **1.19** | **1.09** |
| | | | | |
| **Bridge to FFO I** | | | | |
| Add back: Depreciation | 6,311 | 9,323 | 6,311 | 9,323 |
| Add back: Finance-related costs | 15,121 | 19,073 | 15,121 | 19,073 |
| Add back: Equity settled share-based payments and other adjustments | 2,331 | 1,862 | 2,331 | 1,862 |
| Less: adjustment for perpetual notes attribution | - | - | (42,362) | (33,700) |
| **FFO I** | **187,534** | **183,936** | **187,534** | **183,936** |
| Weighted average number of ordinary shares (basic) in thousands, including impact from share-based payments | 172,855 | 172,634 | 172,855 | 172,634 |
| **FFO I per share (in €)** | **1.08** | **1.07** | **1.08** | **1.07** |

* EPRA BPR adjustments not disclosed have a zero value

EPRA Earnings serve as a key measure of a real estate company's underlying operational profitability and indicate the extent to which the Company's dividend distribution is covered by its operational income. GCP also provides a reconciliation of EPRA Earnings to FFO I, another widely recognised performance metric, as it considers FFO I to be a more accurate measure of recurring operational profits. This is further reflected in the Company's dividend payout policy, which is based on the FFO I metric.

In line with the updated EPRA methodology, GCP reports the revised EPRA Earnings KPI under "EPRA Earnings" while also presenting the previous calculation methodology under "EPRA Earnings (excl. perp.)", with the change coming from the inclusion of the adjustment for the perpetual notes in the updated EPRA Earnings. A detailed explanation of the changes in EPRA Earnings calculation is included in the APM section of the report.

GCP recorded EPRA Earnings of €164 million in 2024, representing an increase of 7% compared to €154 million in 2023. EPRA Earnings per share amounted to €0.95 in 2024, higher compared to €0.89 in 2023. Based on the old methodology, EPRA Earnings for the year 2024 amounted to €206 million, or €1.19 per share, compared to €187 million, or €1.09 per share for 2023.

The bridge to FFO I accounts for one-off expenses and non-cash charges not adjusted for in the EPRA Earnings. In 2024, GCP reported FFO I of €188 million, a slight increase of 2% compared to 2023, reflecting the strong operational performance.

## EPRA Loan to Value (LTV)*

Dec 2024

| €'000 | Consolidated (as reported) | Share of Joint Ventures | Share of material associates | Material non-controlling interests | Proportionate consolidation |
|---|---|---|---|---|---|
| Total debt | 4,435,299 | - | - | - | 4,435,299 |
| Equity attributable to perpetual notes investors | 1,212,444 | - | - | - | 1,212,444 |
| Net foreign currency derivatives on debt | (7,921) | - | - | - | (7,921) |
| **EPRA Gross Debt** | **5,639,822** | **-** | **-** | **-** | **5,639,822** |
| Less: | | | | | |
| Cash and liquid assets (including those under held-for-sale) | (1,514,674) | - | - | - | (1,514,674) |
| **(A) EPRA Net Debt** | **4,125,148** | - | - | - | **4,125,148** |
| | | | | | |
| Owner occupied property | 47,488 | - | - | - | 47,488 |
| Investment property [(1)] | 8,532,253 | - | - | - | 8,532,253 |
| Investment properties of assets held-for-sale [(1)] | 224,705 | - | - | - | 224,705 |
| Intangible assets | 4,785 | - | - | - | 4,785 |
| Financial assets | 143,890 | - | - | - | 143,890 |
| Net receivables | 99,705 | - | - | - | 99,705 |
| **(B) EPRA Net Assets** | **9,052,826** | - | - | - | **9,052,826** |
| Real Estate Transfer Tax (RETT) | 503,634 | - | - | - | 503,634 |
| **(C) EPRA Net Assets (including RETT)** | **9,556,460** | - | - | - | **9,556,460** |
| | | | | | |
| **(A/B) EPRA LTV** | **46%** | | | | **46%** |
| **(A/C) EPRA LTV (including RETT)** | **43%** | | | | **43%** |

(1) including advanced payments and deposits and excluding right-of-use assets

* EPRA BPR adjustments not disclosed have a zero value

Dec 2023

| €'000 | Consolidated (as reported) | Share of Joint Ventures | Share of material associates | Material non-controlling interests | Proportionate consolidation |
|---|---|---|---|---|---|
| Total debt | 4,432,324 | - | - | - | 4,432,324 |
| Equity attributable to perpetual notes investors | 1,236,693 | - | - | - | 1,236,693 |
| Net foreign currency derivatives on debt | (50,124) | - | - | - | (50,124) |
| **EPRA Gross Debt** | **5,618,893** | **-** | **-** | **-** | **5,618,893** |
| Less: | | | | | |
| Cash and liquid assets (including those under held-for-sale) | (1,230,483) | - | - | - | (1,230,483) |
| **(A) EPRA Net Debt** | **4,388,410** | - | - | - | **4,388,410** |
| | | | | | |
| Owner occupied property | 47,577 | - | - | - | 47,577 |
| Investment property [(1)] | 8,544,738 | - | - | - | 8,544,738 |
| Investment properties of assets held-for-sale [(1)] | 191,773 | - | - | - | 191,773 |
| Intangible assets | 5,790 | - | - | - | 5,790 |
| Financial assets | 129,079 | - | - | - | 129,079 |
| Net receivables | 152,896 | - | - | - | 152,896 |
| **(B) EPRA Net Assets** | **9,071,853** | **-** | **-** | **-** | **9,071,853** |
| Real Estate Transfer Tax (RETT) | 481,510 | - | - | - | 481,510 |
| **(C) EPRA Net Assets (including RETT)** | **9,553,363** | **-** | **-** | **-** | **9,553,363** |
| | | | | | |
| **(A/B) EPRA LTV** | **48%** | | | | **48%** |
| **(A/C) EPRA LTV (including RETT)** | **46%** | | | | **46%** |

(1) including advanced payments and deposits and excluding right-of-use assets

* EPRA BPR adjustments not disclosed have a zero value

The EPRA Loan-To-Value (LTV) is a metric which aims to assess the leverage of the shareholder equity within a real estate company. The greatest difference between the EPRA LTV and the Company calculated LTV metric is the wider categorization of liabilities in EPRA gross debt and assets in EPRA net assets with the greatest impact coming from the inclusion of the perpetual notes considered as debt. Under IFRS the Company's perpetual notes are accounted for as equity as a result of having no maturity date, being deeply subordinated and protective to all debt types, and not carrying any covenants and is considered as 100% equity also for the bond covenant calculations. EPRA LTV also adds net foreign currency derivatives on debt and working capital adjustments, such as net payables, if applicable to EPRA Gross Debt and the fair value of intangible assets, financial assets, and net receivables if applicable to EPRA net assets. Furthermore, EPRA LTV (including RETT) is further adjusted by adding back the Real Estate Transfer Taxes to the EPRA Net Assets. In its own LTV calculation, the Company does not make such adjustments.

GCP views its LTV calculation as a better measure of leverage and the debt position which is closer aligned with the bond covenant calculations. However, for enhanced transparency the Company presents both LTV metrics.

As of December 2024, EPRA LTV stood at 46%, down from 48% as of December 2023. EPRA LTV (including RETT) amounted to 43% as of December 2024, down from 46% in December 2023. The change was mainly driven by a relative increase in EPRA net assets due to positive revaluations in 2024. EPRA net debt also declined, primarily because of operational profits and property disposals, which strengthened the Company's liquidity position, as well as the perpetuals notes exchanges and buyback of debt at slight discount.

## EPRA Net Initial Yield (NIY) and EPRA "Topped-Up" NIY*

| | Dec 2024 | Dec 2023 |
|---|---|---|
| | €'000 | |
| Investment property | 8,628,962 | 8,629,083 |
| Investment properties of assets held-for-sale | 224,705 | 195,641 |
| Less: Classified as development rights and new buildings | (187,692) | (182,199) |
| **Complete property portfolio** | **8,665,975** | **8,642,525** |
| Allowance for estimated purchaser's costs | 651,269 | 634,036 |
| **(A) Gross up complete property portfolio valuation** | **9,317,244** | **9,276,561** |
| End of period annualised net rental income (including impact from assets held-for-sale) | 423,986 | 412,452 |
| Operating costs (1) | (79,625) | (82,851) |
| **(B) Annualised net rent, after non-recoverable costs** | **344,361** | **329,601** |
| Notional rent expiration of rent-free periods or other lease incentives | N/A | N/A |
| **(C) Topped-up net annualised rent** | **344,361** | **329,601** |
| **(B/A) EPRA NIY** | **3.7%** | **3.6%** |
| **(C/A) EPRA "topped-up" NIY** | **3.7%** | **3.6%** |

(1) to reach annualised operating costs, cost margins were used for each respective period
* EPRA BPR adjustments not disclosed have a zero value

The EPRA Net Initial Yield (NIY) is intended to serve as a standardised portfolio valuation indicator. It is calculated by subtracting the passing non-recoverable operating costs from the passing net rental income as of the end of the period and dividing the result by the fair value of the full property portfolio (including held-for-sale properties and excluding the value of properties classified as development rights and new buildings, as these are non-income generating assets), plus an allowance for estimated purchasers' costs. EPRA 'topped-up' NIY is an additional calculation that factors into consideration the effects of rent-free periods and other lease incentives.

As of December 2024, the Company's portfolio recorded an EPRA Net Initial Yield (NIY) of 3.7%, increasing slightly compared to December 2023 as a result of increased annualised net rental income period over period. EPRA 'topped-up' NIY was also 3.7%, as GCP did not record material rent-free periods and other lease incentives.

## EPRA Vacancy

| | Dec 2024 | Dec 2023 |
|---|---|---|
| | €'000 | |
| (A) Estimated rental value (ERV) of vacant space | 16,196 | 16,179 |
| (B) December annualised net rent including vacancy rented at ERV | 428,745 | 421,708 |
| **(A/B) EPRA Vacancy Rate** | **3.8%** | **3.8%** |

EPRA Vacancy is an operational measure that calculates a real estate company's economic vacancy rate as based on the prevailing market rental rates, as opposed to in-place rents and physical vacancy. It is calculated by dividing the estimated market rental value of the vacant spaces in the portfolio by the market rental value of the entire portfolio, including vacancy rented at market rents.

As of December 2024, the Company's portfolio recorded an EPRA Vacancy of 3.8%, remaining stable compared to 3.8% in December 2023. The continued low vacancy rate in 2024 was primarily driven by strong letting performance, reflecting sustained demand in the Company's portfolio locations.

## EPRA Cost Ratios*

| | For the year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| | €'000 | |
| Property operating expenses, net (1) | 56,429 | 60,435 |
| Maintenance and refurbishment | 22,953 | 22,187 |
| Administrative and other expenses | 10,632 | 10,906 |
| Depreciation and amortisation | 6,311 | 9,323 |
| Exclude: | | |
| Depreciation and amortisation | (6,311) | (9,323) |
| **(A) EPRA Costs (including direct vacancy costs)** | **90,014** | **93,528** |
| Direct vacancy costs | (7,196) | (8,072) |
| **(B) EPRA Costs (excluding direct vacancy costs)** | **82,818** | **85,456** |
| | | |
| Revenue | 597,018 | 607,741 |
| Less: operating and other income | (174,325) | (196,428) |
| **(C) Rental income, net** | **422,693** | **411,313** |
| | | |
| **(A/C) EPRA Cost Ratio (including direct vacancy costs)** | **21.3%** | **22.7%** |
| **(B/C) EPRA Cost Ratio (excluding direct vacancy costs)** | **19.6%** | **20.8%** |

(1) net of operating and other income, excluding maintenance and refurbishment

* EPRA BPR adjustments not disclosed have a zero value

The EPRA Cost Ratios provide a detailed analysis of a Company's operating costs structure and provides for increased comparability across companies. The cost ratio is derived by dividing the Company's direct administrative expenses and property operating expenses (including non-recoverable service charges as well as share-based payments) by the rental income for the year, excluding ground rents. The ratio is calculated both including and excluding the direct vacancy costs.

As of 2024, GCP's EPRA Cost Ratios, including and excluding direct vacancy costs, were 21.3% and 19.6%, respectively, compared to 22.7% and 20.8% in 2023. The decrease in the EPRA Cost Ratio, including direct vacancy costs, was mainly driven by solid operational growth and a relative reduction in property operating expenses.

## EPRA Capital Expenditure

| | For the year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| | €'000 | |
| Acquisitions | 45,337 | 10,079 |
| Investment Properties: | | |
| Pre-letting modifications and others | 25,358 | 14,792 |
| Repositioning capex | 82,892 | 76,610 |
| Modernisation | 2,400 | 9,647 |
| **EPRA property-related capex** | **155,987** | **111,128** |

* EPRA BPR adjustments not disclosed have a zero value

The Company recorded EPRA property-related capex in the amount of €156 million in 2024, compared to €111 million in 2023. EPRA property-related capex includes expenditures pertaining to acquisitions, pre-letting modifications and other costs, repositioning investments, and modernisation projects. The increase in EPRA property-related capex was primarily due to larger volume of acquisitions as well as cost inflation in 2024 as compared to 2023.

In 2024, GCP acquired properties amounting to €45 million, primarily through gaining control of investment properties in London which were previously included under loans-to-own.

GCP recorded €25 million in pre-letting modifications and others in 2024, higher compared to €15 million in 2023. Pre-letting modifications, relate to investment activities outside the scope of repositioning capex and include large refurbishment projects and the creation of new lettable areas as well as the completion of properties acquired that are in the final stages of development. These investments will be supportive of additional rent generation in future periods.

The Company invested €83 million in repositioning capex in 2024. Repositioning capex comprise targeted investments that increase the quality, safety and overall features of the assets in the portfolio, supporting the ability to capture higher rents. Examples of these investments include apartment renovations and preparation for letting, façade refurbishments and refits, and upgrades of corridors and staircases, among others. Also included in repositioning capex are improvements made to the property surroundings, which increases the value of the properties. Such projects include the renovation or construction of playgrounds, barbeque pits, and other common meeting areas, among others. The diverse repositioning capex projects support the value growth of the portfolio and the letting process, resulting in lower vacancies and higher rent potential. Additionally, as part of the repositioning capex, GCP carries investments aimed at improving the energy efficiency and $CO_2$ reduction.

The Company invested €2.4 million in modernisation projects in 2024, relatively lower compared to €10 million in 2023. Modernisation projects are carried out selectively. Examples of such projects include measures such as the instalment of elevators and balconies, as well as improvements in installations that ensure efficient use of power, water and heating. Modernisation investments also comprise energetic modernisation initiatives aimed at increasing energy efficiency such as the installation of green energy and heating systems and windows with better insulation. As a result of the modernisation and repositioning capex, the Company enhances its portfolio which allows for an increase in rental rates. In addition to modernisation investments, the Company carries additional investments related to energy efficiency and $CO_2$ reduction, which are carried under repositioning capex and pre-let modification works.

## EPRA Like-for-like rental growth

EPRA like-for-like rental growth is a non-financial operational performance measure that the Company discloses for enhanced transparency. The Company recorded 3.8% EPRA like-for-like rental growth ("Like-for-like rental growth"), which reflects an increase of €15 million for the December 2024 annualised rent of the like-for-like portfolio to the comparable number in December 2023. The like-for-like rental growth as at December 2024 reflects an increase compared to 3.3% as at December 2023, resulting from stronger in-place rental growth. The like-for-like rental growth can be broken down further to 3.6% like-for-like rental growth from the German portfolio and 4.6% from London. Like-for-like rental growth reflects the growth in the annualised net rent of the portfolio between two periods and is derived from the like-for-like portfolio, which includes properties held in both December 2024 and December 2023, excluding properties held-for-sale and development rights & invest and which, as of December 2024, comprises €8.4 billion of investment property reflecting 99% of the portfolio by value, with the remainder primarily related to acquisitions carried in 2024 and therefore not part of the like-for-like portfolio. Foreign currencies are accounted for at constant rates and therefore the impact of currency fluctuations is excluded from the calculation, with FX rates applied as of December 2024 (see note 2.4 of the notes to the financial statements).

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# Alternative Performance Measures

In this section, GCP provides an overview of the use of its alternative performance measures.
For enhanced transparency and more industry specific comparative basis, the Company provides market and industry standard performance indicators. GCP provides a set of measures that can be utilised to assess the Company's operational earnings, net asset value of the Company, leverage position, debt and interest coverage abilities as well as liquidity headroom. The following measurements apply to the real estate industry's specifications and include adjustments where necessary that are in compliance with the standards.

## Adjusted EBITDA

The adjusted EBITDA is an industry standard figure indicative of the Company's recurring operational profits before interest and tax expenses, excluding the effects of capital gains, revaluations, and other non-operational income statement items such as profits from disposal of buildings, share of profit from investment in equity-accounted investees and other adjustments. GCP starts from its *Operating profit* and adds back the item *Depreciation and amortisation* to arrive at the *EBITDA* value. Non-recurring and non-operational items are deducted such as the *Property revaluations and capital gains, Result on the disposal of buildings and Share of profit from investment in equity-accounted investees.* Further adjustments are labelled as *Equity settled share-based payment and other adjustments,* which are subtracted since these are non-cash expenses.

| Adjusted EBITDA reconciliation |
|---|
| Operating Profit |
| (+) Depreciation and amortisation |
| **(=) EBITDA** |
| (+/-) Property revaluations and capital gains |
| (+/-) Result on the disposal of buildings |
| (+/-) Share of profit from investment in equity-accounted investees |
| (+/-) Equity settled share-based payments and other adjustments |
| **(=) Adjusted EBITDA** |

## Funds From Operations I (FFO I)

Funds From Operations I (FFO I) is an industry-wide standard measure of the recurring operational cash flow of a real estate company, often utilised as a key industry performance indicator. It is calculated by deducting the *Finance expenses, Current tax expenses, Contribution to minorities, Adjustment for perpetual notes attribution and adding the Contribution from joint ventures* if applicable, to the *Adjusted EBITDA.* To arrive at the *FFO I per share* the *FFO I* is divided by the *Weighted average number of ordinary shares (basic) in thousands, including impact from share-based payments,* which reflects the impact of the *Equity settled share-based payments* adjustment in the *Adjusted EBITDA.*

| FFO I reconciliation |
|---|
| Adjusted EBITDA |
| (-) Finance expenses |
| (-) Current tax expenses |
| (-) Contribution from/(to) joint ventures and minorities, Net |
| (-) Adjustment for perpetual notes attribution [1] |
| **(=) (A) FFO I [2]** |
| (B) Weighted average number of ordinary shares (basic) in thousands, including impact from share-based payments |
| **(=) (A/B) FFO I per share** |

(1) named as "Adjustment for accrued perpetual notes attribution" in FY 2017,2018, 2019
(2) named "FFO I after perpetual notes attribution" prior to FY 2020

## Funds From Operations II (FFO II)

FFO II additionally incorporates on top of the *FFO I* the r*esults from asset disposals*, calculated as the difference between the disposal values and the property acquisition costs plus capex, reflecting the economic profit generated on the sale of the assets. Although, property disposals are non-recurring, disposal activities provide further cash inflow that increase the liquidity levels. As a result, this measure is an indicator to evaluate operational cash flow of a company including the effects of disposals.

| FFO II reconciliation |
|---|
| FFO II |
| FFO I |
| (+/-) Result from disposal of properties [1] |
| **(=) FFO II** |

(1) the excess amount of the sale price, net of transaction costs and total costs (cost price and capex of the disposed properties)

## Adjusted Funds From Operations (AFFO)

The Adjusted Funds From Operations (AFFO) is an additional measure of comparison which factors into the FFO I, the Company's repositioning capex, which targets value enhancement and quality increase in the portfolio. Modernisation and pre-letting capex are not included in the AFFO as it is considered as an additional investment program, similar to the property acquisitions, which is conducted at the Company's discretion. Therefore, in line with the industry practices, GCP deducts the *Repositioning capex* from the *FFO I* to arrive at the *AFFO*. As a result, AFFO is another widely used indicator which tries to assess residual cash flow for the shareholders by adjusting FFO I for recurring expenditures that are capitalised.

| AFFO reconciliation |
|---|
| FFO I |
| (-) Repositioning capex |
| **(=) AFFO** |

## Rental Yield and Rent Multiple

The rental yield and rent multiple are industry standard measures that indicate the rent generation potential of a property portfolio relative to the value of that property portfolio and are generally used as key valuation indicators by market participants.

The *rental yield* is derived by dividing the *end of period annualised net rental income*, by the *Investment property*. The *end of period annualised net rental income* represents the annualised monthly in-place rent of the related *investment property* as at the end of the period. The rent multiple reflects the inverse of the rental yield and is derived by dividing the *Investment property* by the *end of period annualised net rental income*. As the Company's assets classified as *development rights & invest* do not generate material rental income, these are excluded from the calculation for enhanced comparability.

GCP additionally reports rental yield and/or rent multiple on a more granular basis, such as in its portfolio breakdown or in relation to specific transactions, to provide enhanced transparency and comparability on its property portfolio in specific locations and/or in relation to transaction activity.

| Rental yield and rent multiple reconciliation |
|---|
| (A) end of period annualised net rental income (1) |
| (B) Investment property (1) |
| **= (A/B) rental yield** |
| **= (B/A) rent multiple** |

(1) excluding properties classified as development rights & invest

## Loan-to-Value (LTV)

LTV ratio is an acknowledged measurement of the leverage position of a given firm in the real estate industry. This ratio highlights to which extent financial liabilities are covered by the Company's real estate asset value as well as how much headroom of the fair value of real estate portfolio is available compared to the net debt. Following the industry specifications, GCP calculates the LTV ratio by dividing the total net debt to the total value at the balance sheet date. Total value of the portfolio is a combination of the *Investment property* which includes the *Advanced payments and deposits, inventories - trading properties, Investment properties of assets held-for-sale and the investment in equity-accounted investees and excludes right-of-use assets*. For the calculation of net debt, total *Cash and liquid assets* are deducted from the *Straight bonds, Convertible Bonds and Total loan and borrowings*. Total loan and borrowings include the *Short-term loans and borrowings, debt redemption,* and *Financial debt held-for-sale* while Straight bonds and Convertible bonds include *Bond redemption*. Cash and liquid assets is the sum of *Cash and cash equivalents, Financial assets at fair value through profit and loss,* and *Cash and cash equivalents held-for-sale.*

| Loan-to-Value reconciliation |
|---|
| (+) Investment property(1) |
| (+) Investment properties of assets held-for-sale(2) |
| (+) Investment in equity-accounted investees |
| **(=) (A) Total value** |
| (+) Total debt(3) |
| (-) Cash and liquid assets(4) |
| **(=) (B) Net debt** |
| **(=) (B/A) LTV** |

(1) including advanced payments and deposits, inventories - trading properties and excluding right-of-use assets
(2) excluding right-of-use assets
(3) including loans and borrowings held-for-sale
(4) including cash and cash equivalents held-for-sale

## Unencumbered Assets Ratio

The unencumbered assets ratio is a liquidity measure as it reflects the Company's ability to raise secure debt over these assets and thus provides an additional layer of financial flexibility and liquidity. Moreover, the unencumbered assets ratio is important for unsecured bondholders, providing them with an asset backed security. Hence, the larger the ratio is, the more flexibility a firm has in terms of headroom and comfort to its debtholders. Unencumbered assets ratio is calculated by dividing the *Unencumbered investment property* of the portfolio by the *Total investment properties* which is the sum of *Investment property, Inventories - trading property* and *Investment properties of assets held-for-sale.*

| Unencumbered Assets Ratio reconciliation |
|---|
| (A) Unencumbered assets |
| (B) Total investment properties* |
| **(=) (A/B) Unencumbered Assets Ratio** |

* including investment properties, investment properties of assets held-for-sale and inventories - trading property

## ICR and DSCR

Two widely recognised debt metrics Interest Coverage Ratio (ICR) and Debt Service Coverage Ratio (DSCR) are utilised to demonstrate the strength of GCP's credit profile. These metrics are often used to see the extent to which interest and debt servicing are covered by recurring operational profits and provides implications on how much of cash flow is available after debt obligations. Therefore, ICR is calculated by dividing the *Adjusted EBITDA* by the *Finance expenses* and DSCR is calculated by dividing the *Adjusted EBITDA* by the *Finance expenses* plus the *Amortisation of loans from financial institutions.* With this ratio, GCP is able to show that with its high profitability and long-term oriented conservative financial structure, GCP consistently exhibits high debt cover ratios.

| ICR reconciliation |
|---|
| (A) Adjusted EBITDA |
| (B) Finance expenses |
| **(=) (A/B) ICR** |

| DSCR reconciliation |
|---|
| (A) Adjusted EBITDA |
| (B) Finance expenses |
| (C) Amortisation of loans from financial institutions |
| **(=) [A/(B+C)] DSCR** |

## Net Reinstatement Value according to EPRA (EPRA NRV)

The Net Reinstatement Value measure provides stakeholders with the value of net assets on a long-term basis and excludes assets and liabilities that are not expected materialise. Furthermore, real estate transfer taxes are added back, since the intention of this metric is to reflect what would be required to reinstate the Company through existing investment markets and the Company's current capital and financing structures.

The reconciliation of the EPRA NRV starts from the *Equity attributable to the owners of the Company* and adds back *Deferred tax liabilities on investment property fair value measurements of derivative financial instruments.* Further, the EPRA NRV includes *real estate transfer tax* in order to derive the *EPRA NRV* and provide the reader with a perspective of what would be required to reinstate the Company at a given point of time. To arrive at the *EPRA NDV per share* the *EPRA NDV* is divided by the *Basic number of shares including in-the-money dilution effects (in thousands).*

| EPRA NRV reconciliation |
|---|
| Equity attributable to the owners of the Company |
| (+) Deferred tax liabilities(1) |
| (+/-) Fair value measurements of derivative financial instruments, net(2) |
| (+) Real Estate Transfer Tax(1) |
| **(=) (A) EPRA NRV** |
| (B) Basic number of shares including in-the-money dilution effects (in thousands) |
| **(=) (A/B) EPRA NRV per share** |

(1) including balances held-for-sale, and including deferred tax liabilities on derivatives
(2) not including net change in fair value of derivative financial instruments related to currency effect

## Net Tangible Assets according to EPRA (EPRA NTA)

The Net Tangible Assets measure excludes the value of intangible assets while also taking into consideration the fact that companies acquire and dispose assets and, in the process, realise certain levels of deferred tax liabilities.

The reconciliation of the EPRA NTA begins at the *Equity attributable to the owners of the Company* and adds back *Deferred tax liabilities on investment property* excluding deferred tax liabilitiesw related to the assets which are considered non-core, assets expected to be disposed within the following 12 months and the development rights in Germany. In addition, *intangible assets as per the IFRS Balance sheet* is subtracted and *fair value measurements of derivative financial instruments* are considered for this measure of valuation by EPRA. To arrive at the *EPRA NTA per share* the *EPRA NTA* is divided by the *Basic number of shares including in-the-money dilution effects (in thousands).*

| EPRA NTA reconciliation |
|---|
| Equity attributable to the owners of the Company |
| (+) Deferred tax liabilities[1] |
| (+/-) Fair value measurements of derivative financial instruments, net[2] |
| (-) Intangible assets and goodwill |
| **(=) (A) EPRA NTA** |
| (B) Basic number of shares including in-the-money dilution effects (in thousands) |
| **(=) (A/B) EPRA NTA per share** |

(1) excluding deferred tax liabilities on non-core assets, assets held-for-sale and development rights in Germany, including deferred tax liabilities on derivatives
(2) not including net change in fair value of derivative financial instruments related to currency effect

## Net Disposal Value according to EPRA (EPRA NDV)

The Net Disposal Value measure is meant to provide stakeholders with the net asset value in the scenario that all assets are disposed and/or liabilities are not held until maturity. In this measure of net asset value, deferred tax liabilities, fair value measurements of financial instruments and certain other adjustments are considered to the full extent of their liabilities, without including any optimisation of real estate transfer tax.

Accordingly, to arrive at the EPRA NDV the starting point is the *Equity attributable to the owners of the Company* and includes the *Net fair value of debt.* The adjustment is the difference between the market value of debt and book value of debt. To arrive at the *EPRA NDV* per share the *EPRA NDV* is divided by the *Basic number of shares including in-the-money dilution effects (in thousands).*

| EPRA NDV reconciliation |
|---|
| Equity attributable to the owners of the Company |
| (+/-) Net fair value of debt |
| **(=) (A) EPRA NDV** |
| (B) Basic number of shares including in-the-money dilution effects (in thousands) |
| **(=) (A/B) EPRA NDV per share** |

## EPRA Earnings

The EPRA Earnings indicator is intended to serve as a key indicator of the underlying operational profits for the year in the context of a real estate company, intended to measure the extent to which the Company's dividend distribution is covered by its operational income. GCP computes EPRA Earnings by excluding from its IFRS Earnings, *Property revaluations and capital gains, Result on the disposal of buildings, Changes in the fair value of financial assets and liabilities (net), Deferred tax expenses, its Share of profit from investment in equity-accounted investees, Contribution to minorities and adding the Contribution from joint ventures.* EPRA updated the BPR guidelines in September 2024, introducing an updated methodology for calculating *EPRA Earnings*. The updated methodology includes now an *Adjustment for perpetual notes attribution*, starting FY 2024. To arrive at the *EPRA Earnings per share* the *EPRA Earnings* is divided by the *Weighted average number of ordinary shares (basic) in thousands.*

In accordance with the EPRA guidelines, GCP reports the updated EPRA Earnings KPI under *EPRA Earnings* while also providing the previous calculation methodology under *EPRA Earnings (excl. perp.)* for reference.

GCP also provides a reconciliation of the EPRA Earnings to the FFO I, another widely-recognized and key performance measure, as it believes it to be a better measure of recurring operational profits and given that its dividend payout policy is based on the FFO I, supporting its importance and relevance. In-line with the updated *EPRA Earnings* methodology, which now includes the *Adjustment for perpetual notes attribution*, such adjustment is no longer required in the bridge.

## EPRA Earnings reconciliation*

| EPRA Earnings |
|---|
| Earnings per IFRS income statement |
| Excluding: |
| (+/-) Property revaluations and capital gains |
| (+/-) Result on the disposal of buildings |
| (+/-) Change in fair value of financial assets and liabilities, net |
| (+) Deferred tax expenses |
| (-) Adjustments for perpetual notes attribution [(1)] |
| (+/-) Share in profit from investment in equity-accounted investees |
| (+/-) Contribution from joint ventures |
| (+/-) Contribution to minorities |
| **(=) (A) EPRA Earnings** |
| (B) Weighted average number of ordinary shares (basic) in thousands |
| **(=) (A/B) EPRA Earnings per share** |

## Bridge to FFO I

| |
|---|
| Excluding: |
| (+) Depreciation |
| (+) Finance-related costs |
| (+/-)Equity settled share-based payments and other adjustments |
| (-) Adjustment for perpetual notes attribution [(1)] |
| **(=) (C) FFO I** |
| (D) Weighted average number of ordinary shares (basic) in thousands, including impact from share-based payments |
| **(=) (C/D) FFO I per share** |

(1) following EPRA methodology update Adjustment for perpetual notes attribution is included in the EPRA Earnings calculation starting FY 2024

* EPRA BPR adjustments not disclosed have a zero value

## EPRA Loan-To-Value (EPRA LTV)

The EPRA Loan-To-Value (EPRA LTV) is a key metric which aims to assess the leverage of the shareholder equity within a real estate company. The main difference between the EPRA LTV and the Company calculated LTV metric is the wider categorization of liabilities in EPRA gross debt and assets in EPRA net assets with the largest impact coming from the inclusion of the perpetual notes as debt. The *EPRA LTV* is calculated by dividing the *EPRA Net debt* by *EPRA Net Assets*. *EPRA Net debt* is composed of *EPRA Gross Debt* subtracted by *Cash and liquid assets*. *EPRA Gross Debt* is calculated from *Total financial debt* which is the sum of the current and non-current portions of *Loans and borrowings*, *Convertible Bonds, Straight Bonds* and adds to this *Foreign currency derivatives, Equity attributable to perpetual notes investors,* and *Net Payables* (if applicable). *EPRA Net Assets* is calculated by adding together *Owner-occupied property, Investment property* and *Investment properties of assets held-for-sale* (each excluding right-of-use assets), *Intangible assets, Financial Assets* and *Net receivables* (if applicable).

*Net receivables* or *Net payables* are *Payables* net of *Receivables*, and whichever item is greater is applicable to the calculation.

Additional items which are included in the calculation, but are currently not applicable to GCP include *Share of net debt of joint ventures* (in EPRA Gross Debt), *Share of Investment properties of joint ventures* (in EPRA Gross Assets), and the *Net minority impact of material minorities* (applicable to both assets and liabilities) which would be added to the EPRA LTV calculation if applicable.

EPRA updated the BPR guidelines in September 2024, introducing an updated methodology which includes *EPRA LTV (incl. RETT)*. *EPRA LTV (incl. RETT)* adds back *Real Estate Transfer Tax (RETT)* to the EPRA Net Assets.

## EPRA Loan-To-Value (EPRA LTV) reconciliation*

| | |
|---|---|
| (+) Total financial debt(1) | |
| (+) Foreign currency derivatives | |
| (+) Equity attributable to perpetual notes investors | |
| (+) Net Payables(3) | |
| **(=) EPRA Gross Debt** | |
| (-) Cash and liquid assets(1) | |
| **(=) (A) Net debt** | |
| (+) Owner-occupied property | |
| (+) Investment property(2) | |
| (+) Investment properties of assets held-for-sale(2) | |
| (+) Intangible assets | |
| (+) Financial assets | |
| (+) Net receivables(3) | |
| **(=) (B) EPRA Net Assets** | |
| **(=) (A/B) EPRA LTV** | |
| (+) Real Estate Transfer Tax (RETT) | |
| **(=) (C) EPRA Net Assets (including RETT)** | |
| **(=) (A/B) EPRA LTV** | |
| **(=) (A/C) EPRA LTV (including RETT)** | |

(1) including balances held-for-sale
(2) including advance payments and deposits and excluding right of use assets
(3) net receivables to be used when receivables are greater than payables and net payables to be used when payables are greater than receivables

* EPRA BPR adjustments not disclosed have a zero value

## EPRA Net Initial Yield (NIY) and EPRA, topped-up' NIY

The EPRA Net Initial Yield (NIY) is intended to serve as a standardised portfolio valuation indicator. It is calculated by subtracting the passing non-recoverable operating costs from the passing net rental income as of the end of the period, and dividing the result by the fair value of the full property portfolio (including held-for-sale properties and inventories – trading properties) plus an allowance for estimated purchasers' costs. EPRA 'topped-up' NIY is an additional calculation that factors into consideration the effects of rent-free periods and other lease incentives.

The fair value of the full property portfolio is the sum of *investment property, share of investment properties in equity accounted investees, investment properties from assets held-for-sale as well as the inventories - trading properties.* Properties classified as development rights & invest are subtracted, as these are non-income generating assets and therefore not relevant to the NIY calculation. In addition, this sum is grossed up with an *allowance for estimated purchaser's cost.* The *annualised net rental income* is arrived by subtracting *non-recoverable property operating costs* based on cost margins for comparability.

## EPRA NIY and 'topped-up' NIY reconciliation*

| EPRA Net Initial Yield (NIY) and EPRA 'topped-up' NIY |
|---|
| (+) Investment property |
| (+) Investment properties – share of JV |
| (+) Investment properties of assets held-for-sale |
| (+) Inventories - trading properties |
| (-) Classified as development rights & invest (1) |
| **(=) Complete property portfolio** |
| (+) Allowance for estimated purchasers' costs |
| **(=) (A) Gross up complete property portfolio valuation** |
| (+) End of period annualised net rental income(2) |
| (-) Operating costs(3) |
| **(=) (B) Annualised net rent, after non-recoverable costs** |
| (+) Notional rent expiration of rent-free periods or other lease incentives |
| **(=) (C) Topped-up net annualised rent** |
| **(=) (B/A) EPRA NIY** |
| **(=) (C/A) EPRA "topped-up" NIY** |

(1) named as "Classified as development rights and new buildings" in FY 2018 and 2019 prior to that, such classification did not exist.
(2) including net rental income from assets held-for-sale and GCP's share in equity-accounted investees
(3) to reach annualised operating costs, cost margins were used for each respective period

* EPRA BPR adjustments not disclosed have a zero value

## EPRA Vacancy rate

EPRA Vacancy rate is a key disclosure that provides for the comparable and consistent reporting of vacancy across companies. EPRA Vacancy rate is expressed as a percentage, being the *Estimated Rental Value (ERV) of vacant space* divided by the *annualised rental value of the portfolio, including vacancy rented at ERV, for a given month.*

## EPRA Vacancy rate reconciliation

| |
|---|
| (A) ERV of vacant space, for a given month |
| (B) annualised rental value of the portfolio, including vacancy rented at ERV, for a given month |
| **(=) (A/B) EPRA Vacancy rate** |

## EPRA Cost Ratios

EPRA Cost Ratio is a key measure to enable meaningful measurement of the changes in a company's operating costs as well as comparability between companies. EPRA Costs (including direct vacancy costs) is the sum of non-recoverable *operational expenses, maintenance and refurbishment, administrative expenses* and the *share of expenses from investments in equity accounted investees* related to the above. EPRA Costs (excluding direct vacancy costs) eliminate direct vacancy costs from the EPRA Costs (including direct vacancy costs).

### EPRA Cost Ratios reconciliation

| **EPRA Cost Ratios** |
|---|
| (+) Property operating expenses, net |
| (+) Maintenance and refurbishment |
| (+) Administrative and other expenses |
| (+) Share of expenses from investments in equity accounted investees* |
| **(=) (A) EPRA Costs (including direct vacancy costs)** |
| (-) Direct vacancy costs |
| **(=) (B) EPRA Costs (excluding direct vacancy costs)** |
| |
| Revenue |
| (-) Operating and other income |
| (+) Share of net rental income from equity-accounted investees |
| **(=) (C) Rental income, net** |
| **(=) (A/C) EPRA Cost Ratio (including direct vacancy costs)** |
| **(=) (B/C) EPRA Cost Ratio (excluding direct vacancy costs)** |

* including share of operating expenses recovered from tenants

## EPRA capital expenditure

The EPRA capital expenditure disclosure is based on EPRA guidelines, which aims to provide a detailed analysis of the Company's capital expenditures.

*Acquisitions* represent the amount spent for the purchase of investment properties including capitalized transaction costs.

*Pre-letting modifications and others* refer to costs related to snagging and the final preparation of new buildings as well as re-opening of converted/refurbished buildings prior to leasing.

*Repositioning Capex* comprise of costs involved in improving the long-term asset quality.

*Modernisation* refers to capex carried on a targeted basis aimed at further improving the quality of the portfolio and increasing rents.

### EPRA capital expenditure reconciliation*

| |
|---|
| (+) Acquisitions |
| Investment Properties: |
| (+) Pre-letting modifications and others |
| (+) Repositioning Capex |
| (+) Modernisation |
| **(=) EPRA property-related capex** |

* EPRA BPR adjustments not disclosed have a zero value

Hamburg

# 02 **CONSOLIDATED FINANCIAL STATEMENTS**

# Consolidated statement of profit or loss

| | Note | Year ended 31 December 2024 Audited | 2023 Audited |
|---|---|---|---|
| | | €'000 | |
| **Revenue** | 6 | **597,018** | **607,741** |
| | | | |
| Property revaluations and capital losses | 7 | 44,028 | (890,017) |
| Property operating expenses | 8 | (253,707) | (279,050) |
| Administrative and other expenses | 9 | (10,632) | (10,906) |
| Depreciation and amortisation | 14 | (6,311) | (9,323) |
| **Operating profit (loss)** | | **370,396** | **(581,555)** |
| | | | |
| Finance expenses | 10.1 | (58,845) | (56,814) |
| Other financial results | 10.2 | (11,245) | (86,088) |
| | | | |
| **Profit (loss) before tax** | | **300,306** | **(724,457)** |
| | | | |
| Current tax expenses | 11.2 | (41,275) | (40,865) |
| Deferred tax income (expenses) | 11.3 | (16,900) | 127,254 |
| | | | |
| **Profit (loss) for the year** | | **242,131** | **(638,068)** |
| | | | |
| **Profit (loss) attributable to:** | | | |
| Owners of the Company | | 196,626 | (547,507) |
| Perpetual notes investors | | 42,362 | 33,700 |
| Non-controlling interests | | 3,143 | (124,261) |
| | | **242,131** | **(638,068)** |
| | | | |
| **Net earnings (loss) per share attributable to the owners of the Company (in euro):** | | | |
| Basic earnings (loss) per share | 12.1 | 1.14 | (3.18) |
| Diluted earnings (loss) per share | 12.2 | 1.14 | (3.17) |

# Consolidated statement of comprehensive income

| | Year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| | Audited | Audited |
| | €'000 | |
| **Profit (loss) for the year** | **242,131** | **(638,068)** |
| | | |
| **Other comprehensive income:** | | |
| | | |
| **Items that will not be reclassified to profit or loss in subsequent periods, net of tax:** | | |
| Gain (loss) on owner-occupied property revaluation | 731 | (5,087) |
| | | |
| **Items that may be reclassified to profit or loss in subsequent periods, net of tax:** | | |
| Foreign currency translation, net of investment hedges of foreign operations | 28,198 | 16,244 |
| Cash flow hedges and cost of hedging | (17,172) | (14,604) |
| **Total other comprehensive income (loss) for the year, net of tax** | **11,757** | **(3,447)** |
| | | |
| **Total comprehensive income (loss) for the year** | **253,888** | **(641,515)** |
| | | |
| **Total comprehensive income (loss) attributable to:** | | |
| Owners of the Company | 205,573 | (550,529) |
| Perpetual notes investors | 42,362 | 33,700 |
| Non-controlling interests | 5,953 | (124,686) |
| | **253,888** | **(641,515)** |

# Consolidated statement of financial position

| | Note | As at 31 December 2024 Audited | 2023 Audited |
|---|---|---|---|
| | | €'000 | |
| **ASSETS** | | | |
| Investment property | 15 | 8,628,962 | 8,629,083 |
| Owner-occupied property | 14 | 47,488 | 47,577 |
| Equipment | 14 | 11,772 | 10,561 |
| Intangible assets and goodwill | 14 | 4,785 | 5,790 |
| Deposits and advance payments | | 21,081 | 20,770 |
| Derivative financial assets | 26 | 33,592 | 48,076 |
| Other non-current assets | 13 | 184,855 | 249,794 |
| Deferred tax assets | 11.3 | 84,424 | 65,989 |
| **Non-current assets** | | **9,016,959** | **9,077,640** |
| | | | |
| Cash and cash equivalents | | 1,372,859 | 1,129,176 |
| Financial assets at fair value through profit or loss | | 141,439 | 101,307 |
| Trade and other receivables | 16 | 449,374 | 391,076 |
| Derivative financial assets | 26 | 5,486 | 23,307 |
| Assets held-for-sale | 24.2 | 232,694 | 195,641 |
| **Current assets** | | **2,201,852** | **1,840,507** |
| | | | |
| **Total assets** | | **11,218,811** | **10,918,147** |
| | | | |
| **EQUITY** | | | |
| Share capital | 17.1 | 17,619 | 17,619 |
| Treasury shares | 17.3 | (1,920) | (83,226) |
| Share premium and other reserves | 17.4/17.5 | 240,439 | 260,298 |
| Retained earnings | | 3,444,063 | 3,282,936 |
| **Total equity attributable to the owners of the Company** | | **3,700,201** | **3,477,627** |
| Equity attributable to perpetual notes investors | 17.7 | 1,212,444 | 1,236,693 |
| **Total equity attributable to the owners of the Company and perpetual notes investors** | | **4,912,645** | **4,714,320** |
| Non-controlling interests | 17.8 | 501,560 | 515,789 |
| **Total equity** | | **5,414,205** | **5,230,109** |

# Consolidated statement of financial position

| | Note | As at 31 December 2024 Audited | 2023 Audited |
|---|---|---|---|
| | | €'000 | |
| **LIABILITIES** | | | |
| Loans and borrowings | 19.1 | 917,223 | 862,619 |
| Straight bonds | 19.2 | 3,247,615 | 3,270,975 |
| Derivative financial liabilities | 26 | 49,953 | 38,931 |
| Other non-current liabilities | 21 | 192,899 | 199,747 |
| Deferred tax liabilities | 11.3 | 691,637 | 662,034 |
| **Non-current liabilities** | | **5,099,327** | **5,034,306** |
| | | | |
| Current portion of long-term loans | 19.1 | 12,216 | 9,808 |
| Bond redemption | 19.2 | 258,245 | 288,922 |
| Trade and other payables | 20 | 279,230 | 253,966 |
| Derivative financial liabilities | 26 | 71,178 | 30,262 |
| Tax payable | | 18,270 | 17,006 |
| Provisions for other liabilities and charges | 22 | 46,360 | 40,039 |
| Liabilities held-for-sale | 24.2 | 19,780 | 13,729 |
| **Current liabilities** | | **705,279** | **653,732** |
| | | | |
| **Total liabilities** | | **5,804,606** | **5,688,038** |
| | | | |
| **Total equity and liabilities** | | **11,218,811** | **10,918,147** |

the Board of Directors of Grand City Properties S.A. authorised these consolidated financial statements to be issued on 17 March 2025.

**Mr. Christian Windfuhr**
Chairman and member of the Board of Directors

**Ms. Simone Runge-Brandner**
Member of the Board of Directors

**Mr. Markus Leininger**
Member of the Board of Directors

# Consolidated statement of changes in equity

| | Equity attributable to the owners of the Company | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| €'000 | Share capital | Treasury shares | Share premium | Cash flow hedge and cost of hedge reserves, net | Foreign exchange translation reserves, net | Revaluation surplus reserve, net | Other reserves | Retained Earnings | Total equity attributableto the owners of the Company | Equity attributable to perpetual notes investors | Equity attributable to owners of the Company and perpetual notes investors | Non-controlling interests | Total Equity |
| **Balance as at 31 December 2023 (audited)** | **17,619** | **(83,226)** | **322,860** | **5,497** | **(49,155)** | **2,342** | **(21,246)** | **3,282,936** | **3,477,627** | **1,236,693** | **4,714,320** | **515,789** | **5,230,109** |
| Profit for the year | - | - | - | - | - | - | - | 196,626 | 196,626 | 42,362 | 238,988 | 3,143 | 242,131 |
| Other comprehensive income (loss) for the year | - | - | - | (17,172) | 25,828 | 291 | - | - | 8,947 | - | 8,947 | 2,810 | 11,757 |
| **Total comprehensive income (loss) for the year** | **-** | **-** | **-** | **(17,172)** | **25,828** | **291** | **-** | **196,626** | **205,573** | **42,362** | **247,935** | **5,953** | **253,888** |
| Share-based payment [1] | - | 878 | - | - | - | - | (1,661) | - | (783) | - | (783) | - | (783) |
| Disposal of treasury shares [2] | - | 80,428 | - | - | - | - | - | (36,953) | 43,475 | - | 43,475 | - | 43,475 |
| Deconsolidation, transactions with non-controlling interests and dividend distributions to non-controlling interests [3] | - | - | - | - | - | - | - | 1,454 | 1,454 | - | 1,454 | (20,182) | (18,728) |
| Payments to perpetual notes investors | - | - | - | - | - | - | - | - | - | (24,645) | (24,645) | - | (24,645) |
| Repayment to perpetual notes investors [4] | - | - | - | - | - | - | (27,145) | - | (27,145) | (470,893) | (498,038) | - | (498,038) |
| Issuance of perpetual notes [4] | - | - | - | - | - | - | - | - | - | 428,927 | 428,927 | - | 428,927 |
| **Balance as at 31 December 2024 (audited)** | **17,619** | **(1,920)** | **322,860** | **(11,675)** | **(23,327)** | **2,633** | **(50,052)** | **3,444,063** | **3,700,201** | **1,212,444** | **4,912,645** | **501,560** | **5,414,205** |

(1) see note 17.3 and 18
(2) see note 17.3
(3) see note 5 and 24.1
(4) see note 17.7

# Consolidated statement of changes in equity

| €'000 | Share capital | Treasury shares | Share premium | Cash flow hedge and cost of hedge reserves, net | Foreign exchange translation reserves, net | Revaluation surplus reserve, net | Other reserves | Retained Earnings | Total equity attributable to the owners of the Company | Equity attributable to perpetual notes investors | Equity attributable to owners of the Company and perpetual notes investors | Non-controlling interests | Total Equity |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Equity attributable to the owners of the Company | | | | | | | | | | | | |
| **Balance as at 31 December 2022 (audited)** | **17,619** | **(83,872)** | **322,356** | **20,101** | **(67,561)** | **4,367** | **(20,654)** | **3,828,417** | **4,020,773** | **1,227,743** | **5,248,516** | **665,639** | **5,914,155** |
| Profit (loss) for the year | - | - | - | - | - | - | - | (547,507) | (547,507) | 33,700 | (513,807) | (124,261) | (638,068) |
| Other comprehensive income (loss) for the year | - | - | - | (14,604) | 13,607 | (2,025) | - | - | (3,022) | - | (3,022) | (425) | (3,447) |
| **Total comprehensive income (loss) for the year** | **-** | **-** | **-** | **(14,604)** | **13,607** | **(2,025)** | **-** | **(547,507)** | **(550,529)** | **33,700** | **(516,829)** | **(124,686)** | **(641,515)** |
| Share-based payment | - | 646 | 504 | - | - | - | (592) | - | 558 | - | 558 | - | 558 |
| Initial consolidation, deconsolidation, transactions with non-controlling interests and dividend distributions to non-controlling interests | - | - | - | - | - | - | - | 2,026 | 2,026 | - | 2,026 | (25,164) | (23,138) |
| Disposal of foreign operation | - | - | - | - | 4,799 | - | - | - | 4,799 | - | 4,799 | - | 4,799 |
| Payments to perpetual notes investors | - | - | - | - | - | - | - | - | - | (24,750) | (24,750) | - | (24,750) |
| **Balance as at 31 December 2023 (audited)** | **17,619** | **(83,226)** | **322,860** | **5,497** | **(49,155)** | **2,342** | **(21,246)** | **3,282,936** | **3,477,627** | **1,236,693** | **4,714,320** | **515,789** | **5,230,109** |

# Consolidated statement of cash flows

| | | Year ended 31 December | |
|---|---|---|---|
| | | 2024 | 2023 |
| | | Audited | Audited |
| | Note | €'000 | |
| **CASH FLOWS FROM OPERATING ACTIVITIES:** | | | |
| **Profit (loss) for the period** | | **242,131** | **(638,068)** |
| | | | |
| **ADJUSTMENTS FOR THE PROFIT (LOSS):** | | | |
| Depreciation and amortisation | 14 | 6,311 | 9,323 |
| Property revaluations and capital losses | 7 | (44,028) | 890,017 |
| Net finance expenses | 10 | 70,090 | 142,902 |
| Tax and deferred tax expenses (income) | 11.4 | 58,175 | (86,389) |
| Equity settled share-based payment | 18.2 | 2,331 | 1,862 |
| Change in working capital | | (9,898) | (38,014) |
| Tax paid | | (40,651) | (32,226) |
| **Net cash provided by operating activities** | | **284,461** | **249,407** |
| | | | |
| **CASH FLOWS FROM INVESTING ACTIVITIES:** | | | |
| Acquisition of equipment and intangible assets, net | 14 | (2,635) | (2,547) |
| Acquisition of investment property, capex and advance payments | 15.1 | (109,319) | (114,887) |
| Disposal of investment property, net | 24.1 | 77,454 | 166,292 |
| Disposal of investees, net of cash disposed | 24.1 | 125,341 | 47,215 |
| Disposal of (investment in) financial and other assets, net | | (38,821) | 51,723 |
| **Net cash provided by investing activities** | | **52,020** | **147,796** |

# Consolidated statement of cash flows

| | | Year ended 31 December | |
|---|---|---|---|
| | | 2024 | 2023 |
| | | Audited | Audited |
| | Note | €'000 | |
| **CASH FLOWS FROM FINANCING ACTIVITIES:** | | | |
| Amortisation of loans from financial institutions | 19.3 | (5,958) | (4,417) |
| Proceeds (repayments) of loans from (to) financial institutions and others, net | 19.3 | 63,728 | 583,861 |
| Proceeds from straight bonds, net | 19.3 | 486,036 | - |
| Redemption and buy-back of straight bond | 19.3 | (506,280) | (83,334) |
| Proceeds (payment) from (to) perpetual notes investors, net | 17.7 | (93,756) | (24,750) |
| Disposal of treasury shares | 17.3 | 43,475 | - |
| Transactions with non-controlling interests and dividends paid to non-controlling interests | 5 | (15,609) | (17,021) |
| Interest and other financial expenses, net | 19.3 | (65,010) | (49,035) |
| **Net cash provided (used) by (in) financing activities** | | **(93,374)** | **405,304** |
| | | | |
| **Net increase in cash and cash equivalents** | | **243,107** | **802,507** |
| Change in cash and cash equivalents held-for-sale | 24.2 | (376) | 1,763 |
| Cash and cash equivalents at the beginning of the year | | 1,129,176 | 324,935 |
| Effect of foreign exchange rate changes | | 952 | (29) |
| **Cash and cash equivalents at the end of the year** | | **1,372,859** | **1,129,176** |

# Notes to the consolidated financial statements

## 1. GENERAL

### 1.1. INCORPORATION AND PRINCIPAL ACTIVITIES

Grand City Properties S.A. ("the Company") was incorporated in Grand Duchy of Luxembourg on 16 December 2011 as a Société Anonyme (public limited liability company). Its registered office is at 37, Boulevard Joseph II, L-1840 Luxembourg.

The Company is a specialist in residential real estate, investing in value-add opportunities in densely populated areas, predominantly in Germany as well in London. The Company's strategy is to improve its properties through targeted investment and intensive tenant management, and create value by subsequently raising occupancy and rental levels.

These consolidated financial statements for the year ended 31 December 2024 comprise the Company and its investees ("the Group" or "GCP").

### 1.2. LISTING ON THE FRANKFURT STOCK EXCHANGE

Since 2012, the Company's shares are listed on the Frankfurt Stock Exchange. On 9 May 2017 the Company's shares were uplisted to the Prime Standard of the Frankfurt Stock Exchange.

The Company's shares are included in the SDAX index of the Deutsche Börse.

As at 31 December 2024 the issued share capital consists of 176,187,899 shares with a par value of euro 0.10 per share, of which 90,340 shares with suspended voting rights are held in treasury. For additional information see note 17.3.

### 1.3. CAPITAL INCREASE, PERPETUAL NOTES AND BOND ISSUANCES

Since 2012, the Company undertook several capital market transactions which included the issuance of straight bonds, convertible bonds, perpetual notes and equity.

In addition, the Company established Euro Medium Term Notes Programme ("the EMTN programme").

For more information see notes 17 and 19.2.

### 1.4. GROUP RATING

As at 31 December 2024, the Group has the following credit ratings from credit rating agencies:

| | S&P | Moody's |
|---|---|---|
| Long-term corporate credit rating of the Company | BBB+ (negative outlook) | Baa1 (negative outlook) |
| Senior unsecured debt of the Company | BBB+ (negative outlook) | Baa1 (negative outlook) |
| Subordinated perpetual notes | BBB- (negative outlook) | Baa3 (negative outlook) |

Since 2021 Moody's maintains its public rating the Company on an unsolicited basis.

### 1.5. DEFINITIONS

In these consolidated financial statements:

| | |
|---|---|
| **The Company** | Grand City Properties S.A. |
| **The Group** | The Company and its investees |
| **Ultimate controlling party** | Aroundtown SA |
| **The parent company** | Edolaxia Group Ltd |
| **Subsidiaries** | Companies that are controlled by the Company (as defined in IFRS 10) and whose financial statements are consolidated with those of the Company |
| **Associates** | Companies over which the Company has significant influence (as defined in IAS 28) and that are not subsidiaries. The Company's investment therein is included in the consolidated financial statements of the Company using equity method of accounting |
| **Investees** | Subsidiaries, jointly controlled entities and associates |
| **Related parties** | As defined in IAS 24 |

## 2. BASIS OF PREPARATION

### 2.1. STATEMENT OF COMPLIANCE

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union.

The consolidated financial statements were authorised for issue by the Company's Board of Directors on 17 March 2025.

### 2.2. BASIS OF MEASUREMENT

The consolidated financial statements have been prepared on a going concern basis, applying the historical cost convention, except for the measurement of the following:

- Financial assets at fair value through profit or loss;
- Investment properties are measured at fair value;
- Owner-occupied properties are measured at fair value;
- Derivative financial assets and liabilities;
- Assets and liabilities classified as held for sale;
- Deferred tax liability on fair value gain on investment property, Owner-occupied property and derivative financial instruments.

### 2.3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of consolidated financial statements in accordance with IFRS requires from management the exercise of judgment, to make estimates and assumptions that influence the application of accounting principles and the related amounts of assets and liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are deemed to be reasonable based on current knowledge available at that time. Actual results may differ from such estimates.

The estimates and underlying assumptions are revised on a regular basis. Revisions in accounting estimates are recognised in the period during which the estimate is revised, if the estimate affects only that period, or in the period of the revision and future periods, if the revision affects the present as well as future periods.

**Judgements**

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

> **Leases**

- **Property lease classification (the Group as lessor)** - The Group has entered into property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease terms not constituting a major part of the economic life of the properties and the present value of the minimum lease payments not amounting to substantially all of the fair value of the properties, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

> **Revenue from contracts with customers**

- **Determination of performance obligations** - In relation to the services provided to tenants of investment property as part of the lease agreements into which the Group enters as a lessor, the Group has determined that the performance obligation is the overall property management service and that the service performed each day is distinct and substantially the same. Although the individual activities that comprise the performance obligation vary significantly throughout the day and from day to day, the nature of the overall promise to provide management service is the same from day to day. Therefore, the Group has concluded that the services to tenants represent a series of daily services that are individually satisfied over time, using a time-elapsed measure of progress, because tenants simultaneously receive and consume the benefits provided by the Group. With respect to the sale of property, the Group concluded that the goods and services transferred in each contract constitute a single performance obligation.
- **Principal versus agent considerations (services to tenants)** - The Group arranges for certain services provided to tenants of investment property included in the contract the Group enters into as a lessor, to be provided by third parties. The Group has determined that it controls the services before they are transferred to tenants, because it has the ability to direct the use of these services and obtain the benefits from them. In making this determination, the Group has considered that it is primarily responsible for fulfilling the promise to provide these specified services because it directly deals with tenants' complaints and it is primarily responsible for the quality or suitability of the services. Therefore, the Group has concluded that it is the principal in these contracts. In addition, the Group has concluded that it transfers control of these services over time, as services are rendered by the third-party service providers, because this is when tenants receive and, at the same time, consume the benefits from these services.
- **Determining the timing of revenue recognition on the sale of property** - The Group has evaluated the timing of revenue recognition on the sale of property based on a careful analysis of the rights and obligations under the terms of the contract and legal advice from the Group's external counsels in various jurisdictions. The Group has generally concluded that contracts relating to the sale of completed property are recognised at a point in time when control transfers. For unconditional exchanges of contracts, control is generally expected to transfer to the customer together with the legal title. For conditional exchanges, this is expected to take place when all the significant conditions are satisfied.

> **Business combinations**

- The Group acquires subsidiaries that own real estate. At the time of acquisition, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Group accounts for an acquisition as a business combination where an integrated set of activities and assets, including property, is acquired. More specifically, consideration is given to the extent to which significant processes are acquired and, in particular, the extent of services provided by the subsidiary. When the acquisition of subsidiaries does not represent a business combination, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognised.

**Estimates and assumptions**

The key assumptions concerning future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

> **Valuation of investment property** - The Group uses external valuation reports issued by independent professionally qualified valuers to determine the fair value of its investment properties. The fair value measurement of investment property requires valuation experts and the Company's management to use certain assumptions regarding rates of return on the Group's assets, future rent, occupancy rates, contract renewal terms, the probability of leasing vacant areas, asset operating expenses, the tenants' financial stability and the implications of any investments made for future development purposes in order to assess the future expected cash flows from the assets. Any change in the assumptions used to measure the investment property could affect its fair value.

> **Valuation of financial assets and liabilities** - Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

- **Taxes** - Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. Significant judgement is also applied for deferred tax liabilities related to the investment property. Deferred tax liabilities consider the theoretical disposal of investment properties in the form of asset deals with a tax rate applied based on the nominal rate in the jurisdiction of the property.
- **Impairment of financial assets measured at amortised cost** - When measuring expected credit loss (ECL) the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.
- **Property leases - estimating the incremental borrowing rate** - The Group cannot readily determine the interest rate implicit in leases where it is the lessee, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available.

## 2.4. FUNCTIONAL AND PRESENTATION CURRENCY

The Group's consolidated financial statements are presented in euro, which is also the Company's functional currency, and rounded to the nearest thousand (€'000) unless stated otherwise.

For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

### Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss, with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, liability, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

### Group companies

On consolidation, the assets and liabilities of foreign operations are translated into euros at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during the period, in which case the exchange rates prevailing at the dates of the transactions are used. The exchange differences arising on translation for consolidation are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

The Group's main foreign exchange rates versus the euro were as follows:

| | EUR/GBP | EUR/HKD | EUR/CHF | EUR/JPY |
|---|---|---|---|---|
| As of 31 December 2024 | 0.829 | 8.069 | 0.941 | 163.060 |
| As of 31 December 2023 | 0.869 | 8.631 | 0.926 | 156.330 |
| Change (%) | (4.6)% | (6.5)% | 1.6% | 4.3% |
| Average exchange rate during the year | 0.847 | 8.445 | 0.953 | 163.852 |

# 3. MATERIAL ACCOUNTING POLICIES

## 3.1. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted and methods of computation followed are consistent with those of the previous financial year, except for items disclosed below.

There were several new and amendments to standards and interpretations which are applicable for the first time in 2024, but either not relevant or do not have a material impact on the consolidated financial statements of the Group.

The following amendments were adopted for the first time in these consolidated financial statements, with effective date of 1 January 2024:

> **Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback**

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed.

These amendments had no material impact on the consolidated financial statements of the Group.

> **Amendments to IAS 1 Presentation of Financial Statements**

- Classification of Liabilities as Current or Non-current (issued on 23 January 2020);
- Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 15 July 2020); and
- Non-current Liabilities with Covenants (issued on 31 October 2022)

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

These amendments had no material impact on the consolidated financial statements of the Group.

> **Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (issued on 25 May 2023)**

The amendments relate to disclosure requirements in connection with supplier financing arrangements - also known as supply chain financing, financing of trade payables or reverse factoring arrangements.

The new requirements supplement those already included in IFRS standards and include disclosures about:

- Terms and conditions of supplier financing arrangements.
- The amounts of the liabilities that are the subject of such agreements, for which part of them the suppliers have already received payments from the financiers, and under which item these liabilities are shown in the balance sheet
- The ranges of due dates
- Information on liquidity risk

These amendments had no material impact on the consolidated financial statements of the Group.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. See also note 3.23.

### 3.2. BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date it ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity attributed to owners of the Company.

When the Group loses control over a subsidiary, profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests and other components of equity, and is recognised in the consolidated statement of profit or loss under 'Property revaluation and capital gains'.

When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable IFRS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments or IAS 28 Investments in Associates and Joint Ventures.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied by all entities in the Group. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group.

### 3.3. PROPERTY ACQUISITIONS AND BUSINESS COMBINATIONS

Where property is acquired, via corporate acquisitions or otherwise, management considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents the acquisition of a business. Where such acquisitions are not determined to be an acquisition of a business, they are not treated as business combinations. Rather, the cost to acquire the corporate entity or assets and liabilities is allocated between the identifiable assets and liabilities of the entity based on their relative values at the acquisition date. Such a transaction or event does not give rise to goodwill.

### 3.4. BUSINESS COMBINATIONS AND GOODWILL

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that, together, significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation, at fair value or at the proportionate share of the acquiree's identifiable net assets. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date and included as part of the consideration transferred in a business combination. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share based payment arrangements of the acquiree or share based payment arrangements of the Group entered into to replace share based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share based Payment at the acquisition date; and
- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGUs) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Acquisition-related costs are expensed as incurred and included in administrative expenses.

### 3.5. REVENUE RECOGNITION

The Group's key sources of income include:

- Rental income
- Revenue from contracts with customers:
  - Services to tenants including management charges and other expenses recoverable from tenants
  - Sale of properties

The accounting for each of these elements is discussed below:

#### Rental income

The Group earns revenue from acting as a lessor in operating leases which do not transfer substantially all of the risks and rewards incidental to ownership of an investment property.

Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease term and is included in revenue in the consolidated statement of profit or loss due to its operating nature, except for contingent rental income which is recognised when it arises. Initial direct costs incurred in negotiating and arranging an operating lease are capitalised to the investment property and recognised as an expense over the lease term on the same basis as the lease income.

Lease incentives that are paid or payable to the lessee are deducted from lease payments. Accordingly, tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the term of the lease. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the Group is reasonably certain that the tenant will exercise that option.

#### Revenue from services to tenants

For investment property held primarily to earn rental income, the Group enters as a lessor into lease agreements that fall within the scope of IFRS 16. These agreements include certain ancillary services offered to tenants (i.e., customers). The consideration charged to tenants for these services includes fees and reimbursement of certain expenses incurred. These services are specified in the lease agreements and separately invoiced. The Group has determined that these services constitute distinct non-lease components (transferred separately from the right to use the underlying asset) and are within the scope of IFRS 15. The Group allocates the consideration in the contract to the separate lease and revenue (non-lease) components on a relative stand-alone selling price basis.

In respect of the revenue component, these services represent a series of daily services that are individually satisfied over time because the tenants simultaneously receive and consume the benefits provided by the Group. The Group applies the time elapsed method to measure progress.

The Group arranges for third parties to provide certain of these services to its tenants. The Group concluded that it acts as a principal in relation to these services as it controls the specified services before transferring them to the customer. Therefore, the Group records revenue on a gross basis.

#### Sale of property

The Group enters into contracts with customers to sell properties that are either complete or under development.

The sale of completed property constitutes a single performance obligation and the Group has determined that this is satisfied at the point in time when control transfers. For unconditional exchange of contracts, this generally occurs when legal title transfers to the customer. For conditional exchanges, this generally occurs when all significant conditions are satisfied.

For contracts relating to the sale of properties under development, the Group is responsible for the overall management of the project and identifies various goods and services to be provided. In such contracts, the goods and services are not distinct and are generally accounted for as a single performance obligation. Depending on the terms of each contract, the Group determines whether control is transferred at a point in time or over time.

The Group has elected to make use of the following practical expedients:

- Contract costs incurred related to contracts with an amortization period of less than one year have been expensed as incurred.
- The Group applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about remaining performance obligations for contracts in which the Group has a right to consideration from tenants in an amount that corresponds directly with the value to the tenant of the Group's performance completed to date.
- The Group does not adjust the transaction price for the effects of significant financing component since at contract inception it is expected that the period between when the entity transfers the services to tenants and when the tenants pay for these services will be one year or less.

## 3.6. FINANCE INCOME AND EXPENSES AND OTHER FINANCIAL RESULTS

Finance income comprises interest income on funds invested.

Finance expenses comprise interest expense on bank loans, third party borrowings and bonds.

Other financial results represent changes in the time value of provisions, changes in the fair value of traded securities, gains or losses on derivative financial instruments, borrowing and redemption costs, loan arrangement fees, dividend income and other one-off payments.

Financial expenses are recognised as they are incurred in the consolidated statement of profit or loss, using the effective interest method.

## 3.7. TAXES

### Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in other comprehensive income or equity is recognised in other comprehensive income (OCI) or in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax also includes taxes on the holding of real estate property and construction.

### Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss. In such case, no deferred tax liability is recognized either at initial recognition or in subsequent periods, even if the temporary difference reverses over time.
- In respect of taxable temporary differences associated with investments in subsidiaries, branches and associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. In such case, no deferred tax liability is recognized either at initial recognition or in subsequent periods, even if the temporary difference reverses over time
- In respect of deductible temporary differences associated with investments in subsidiaries, branches and associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

In accounting for the deferred tax relating to the lease, the Group considers both the lease asset and liability separately. The Group separately accounts for the deferred taxation on the taxable temporary difference and the deductible temporary difference, which upon initial recognition, are equal and offset to zero. Deferred tax is recognised on subsequent changes to the taxable and temporary differences.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if there is new information about changes in facts and circumstances. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if, and only if, it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

### 3.8. PROPERTY AND EQUIPMENT

Owner-occupied properties are measured at fair value less accumulated depreciation and impairment losses recognised after the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

A revaluation surplus is recorded in other comprehensive income and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

Equipment includes furniture, fixtures and office equipment and is measured at cost less accumulated depreciation and impairment losses.

Depreciation is recognised in profit or loss using the straight line method over the useful lives of each part of an item of equipment.

The annual depreciation rates used for the current and comparative periods are as follows:

| | % |
|---|---|
| **Furniture, fixtures and office equipment** | **7.33** |
| **Property** | **3** |

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Expenditure for repairs and maintenance is charged to profit or loss of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated statement of profit and loss.

### 3.9. INTANGIBLE ASSETS AND GOODWILL

Expenditure on research activities is recognised in profit or loss as incurred.

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss.

The estimated useful lives for current and comparative periods are as follows:

| | % |
|---|---|
| **Software** | **20-30** |

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

### 3.10. DEFERRED INCOME

Deferred income represents income which relates to future periods.

- **Prepayments**

  The Group receives prepayments from tenants for ancillary services and other charges on a monthly basis. Once a year, the prepayments received from tenants are settled against the operating cost receivables.

- **Tenancy deposits**

  Tenancy deposits are paid to ensure the tenant occupied real estate is returned in good condition. The tenancy deposits can also be used if a loss of rent occurs.

### 3.11. INVESTMENT PROPERTY

Investment property comprises property that is held, to earn rentals or for capital appreciation or both. Property held under a lease is classified as investment property when it is held to earn rentals or for capital appreciation or both, rather than for sale in the ordinary course of business or for use in production or administrative functions.

Investment property comprises principally properties that are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These buildings are substantially rented to tenants and not intended to be sold in the ordinary course of business.

Investment property is measured initially at cost, including directly attributable expenditure such as transfer taxes, professional fees for legal services and other transaction costs.

Subsequent to initial recognition, investment property is stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment property are included in profit or loss in the period in which they arise, including the corresponding tax effect.

Transfers are made to (or from) investment property only when there is evidence of a change in use (such as commencement of development or inception of an operating lease to another party). For a transfer from investment property to inventories, the deemed cost for subsequent accounting is the fair value at the date of change in use. If an inventory property becomes an investment property, the difference between the fair value of the property at the date of transfer and its previous carrying amount is recognised in profit or loss. The Group considers as evidence the commencement of development with a view to sale (for a transfer from investment property to inventories) or inception of an operating lease to another party (for a transfer from inventories to investment property).

Investment property is derecognised either when it has been disposed of (i.e., at the date the recipient obtains control of the investment property in accordance with the requirements for determining when a performance obligation is satisfied in IFRS 15) or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in “Property revaluations and capital gains” in the consolidated statement of profit or loss in the period of derecognition. In determining the amount of consideration to be included in the gain or loss arising from the derecognition of investment property, the Group considers the effects of variable consideration, the existence of a significant financing component, noncash consideration, and consideration payable to the buyer (if any) in accordance with the requirements for determining the transaction price in IFRS 15.

### 3.12. NON-CURRENT AS ASSETS HELD FOR SALE

The Group classifies non-current assets (principally investment property) and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale (except for investment property measured at fair value) are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale is expected to be completed within one year from the date of the classification.

Investment property held for sale continues to be measured at fair value. Assets and liabilities classified as held for sale are presented separately in the statement of financial position.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

### 3.13. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives right to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### I. FINANCIAL ASSETS

#### i. Initial recognition and measurement

Financial assets are classified at initial recognition as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial assets' contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. See note 3.5.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

#### ii. Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified in four categories:

1. Financial assets at amortised cost (debt instruments)
2. Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
3. Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon de-recognition (equity instruments)
4. Financial assets at fair value through profit or loss

*Financial assets at amortised cost (debt instruments)*

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains or losses are recognised in profit or loss when the asset is derecognised, modified or impaired refer to expected credit loss model in determined impairment.

*Financial assets at fair value through OCI (debt instruments)*

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in consolidated statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon de-recognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

*Financial assets at fair value through OCI (equity instruments)*

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other financial results in the consolidated statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

*Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of profit or loss.

Dividends on listed equity instruments are also recognised as other financial results in the consolidated statement of profit or loss when the right of payment has established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the term of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified entirely as a financial asset at fair value through profit or loss.

**iii. De-recognition**

Financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on the basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

### iv. Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from defaults events that are possible within the next 12 months (a 12 month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). The Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group or when there is a breach of financial covenants by the debtor. Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

## II. FINANCIAL LIABILITIES

### i. Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

### ii. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

*Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

*Financial liabilities at amortised cost*

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised as well as through the EIR amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

### iii. De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

#### III. INTERBANK OFFERED RATES (IBOR) REFORM

IBOR reform Phase 2 requires, as a practical expedient, for changes to the basis for determining contractual cash flows that are necessary as a direct consequence of IBOR reform to be treated as a change to a floating rate of interest, provided the transition from IBOR to a risk-free rate (RFR) takes place on a basis that is 'economically equivalent'. To qualify as 'economically equivalent', the terms of the financial instrument must be the same before and after transition except for the changes required by IBOR reform. For changes that are not required by IBOR reform, the Group applies judgement to determine whether they result in the financial instrument being derecognised. Therefore, as financial instruments transition from IBOR to RFRs, the Group applies judgement to assess whether the transition has taken place on an economically equivalent basis. In making this assessment, the Group considers the extent of any changes to the contractual cash flows as a result of the transition and the factors that have given rise to the changes, with consideration of both quantitative and qualitative factors. Factors of changes that are economically equivalent include: changing the reference rate from an IBOR to a RFR; changing the reset days between coupons to align with the RFR; adding a fallback to automatically transition to an RFR when the IBOR ceases; and adding a fixed credit spread adjustment based on that calculated by the International Swaps and Derivatives Association (ISDA) or which is implicit in the market forward rates for the RFR.

#### IV. OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

#### V. SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

#### VI. TREASURY SHARES

When shares recognised as equity are repurchased, the amount of the consideration paid including acquisition direct costs is recognized as a deduction from equity. Repurchased shares are classified as treasury shares, presented in the treasury share reserve and are not revalued after the acquisition. When treasury shares are subsequently sold or reissued, the amount received is recognized as an increase in equity and the resulting surplus or deficit on the transaction is presented in the equity.

#### VII. PERPETUAL NOTES

Perpetual notes have no maturity date and may be redeemed by the Company, at its sole discretion, on certain dates. The Perpetual notes are recognised as equity attributable to its holders, which forms part of the total equity of the Group. The Company may, at its sole discretion, elect to defer the payment of interest on the notes (referred to as Arrears of Interest). Arrears of Interest must be paid by the Company upon the occurrence of certain events, including but not limited to, dividends, distributions or other payments made to instruments such as the Company's ordinary shares, which rank junior to the Perpetual notes. Upon occurrence of such an event, any Arrears of Interest would be re-classified as a liability in the Group's consolidated financial statements. The deferred amounts shall not bear interest.

### 3.14. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

**Initial recognition and subsequent measurement**

The Group uses derivative financial instruments, such as forward currency contracts and options, interest rate swap and cross-currency swap contracts, to hedge its foreign currency risks, interest rate risks and fair value risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised commitment.
- Cash flow hedges when hedging the exposures to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ration is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedge item. Hedges that meet all the qualifying criteria for hedge accounting are accounted for and further described below:

> **Fair value hedges**

The change in the fair value of a hedging instrument is recognised in the consolidated statement of profit or loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the consolidated statement of profit or loss.

Where the Group designates only the spot element as a hedging instrument, the forward element is recognised in OCI and accumulated in a separate component of equity under cost of hedging reserve as time period related element and amortised to the consolidated statement of profit or loss over the hedged period.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

> **Cash flow hedges**

The effective portion of the gain or loss on the hedging instrument is recognized in OCI and accumulated in the hedge reserves, while any ineffective portion is recognized immediately in the consolidated statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The forward element is recognized in OCI and accumulated in a separate component of equity under other reserve.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognized in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently become a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the cash flows hedge occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

> **Hedge of net investments in foreign operations**

Hedges of a net investment in a foreign operation, including a hedge of monetary item that is accounted for as part of the net investment, are accounted for as follows:

- The Group designates only the spot element as a hedging instrument. The forward element is recognised in OCI and accumulated in a separate component of equity under cost of hedging reserve as time period related element and amortised to the consolidated statement of profit or loss over the hedged period.
- Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as OCI while any gains or losses relating to the ineffective portion are recognised in the consolidated statement of profit or loss.
- On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the consolidated statement of profit or loss.

### Interbank offered rates (IBOR) reform

The Group applies the temporary reliefs provided by the IBOR reform Phase 1 amendments, which enable its hedge accounting to continue during the period of uncertainty, before the replacement of an existing interest rate benchmark with an risk-free rate (RFR). For the purpose of determining whether a forecast transaction is highly probable, the reliefs require it to be assumed that the IBOR on which the hedged cash flows are based is not altered as a result of IBOR reform. The reliefs end when the Group judges that the uncertainty arising from IBOR reform is no longer present for the hedging relationships that are referenced to IBORs. This applies when the hedged item has already transitioned from IBOR to an RFR.

## 3.15. CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the consolidated statement of financial position and in the consolidated statement of cash flow comprise cash at banks and on hand and short-term highly liquid deposits with an original maturity up to three months, that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

## 3.16. PROPERTY OPERATING EXPENSES

This item includes operating costs that can be recharged to the tenants and direct management costs of the properties. Maintenance expenses for the upkeep of the property in its current condition, as well as expenditure for repairs are charged to the consolidated income statement. Refurbishment that takes place subsequent to the property valuation, thus excluded in its additional value, will also be stated in this account, until the next property valuation.

## 3.17. OPERATING SEGMENTS

An operating segment is a component of the Group that meets the following three criteria:

- Is engaged in business activities from which it may earn revenues and incur expenses, including revenues and expenses relating to intragroup transactions;
- whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and
- For which separate financial information is available.

The Group has one reportable operating segment which refers to rental income from owned investment properties.

## 3.18. COMPARATIVES

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current period.

## 3.19. EARNINGS PER SHARE

Earnings per share are calculated by dividing the net profit attributable to owners of the Company by the weighted number of Ordinary shares outstanding during the period. Basic earnings per share only include shares that were actually outstanding during the period. Potential Ordinary shares (convertible securities such as convertible debentures, warrants and employee options) are only included in the computation of diluted earnings per share when their conversion decreases earnings per share or increases loss per share from continuing operations. Further, potential Ordinary shares that are converted during the period are included in diluted earnings per share only until the conversion date and from that date in basic earnings per share. The Company's share of earnings of investees is included based on the earnings per share of the investees multiplied by the number of shares held by the Company.

## 3.20. SHARE-BASED PAYMENT TRANSACTIONS

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised 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 recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

## 3.21. PROVISIONS FOR OTHER LIABILITIES AND CHARGES

Provisions are recognised when there is a present obligation, either legal or constructive, vis-à-vis third parties as a result of a past event, if it is probable that a claim will be asserted, and the probable amount of the required provision can be reliably estimated. Provisions are reviewed regularly and adjusted to reflect new information or changed circumstances.

Provisions include provisions for operating and administrative liabilities, as well as accruals of interest on straight and convertible bonds which have not become payable as at the reporting date.

## 3.22. LEASED ASSETS

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### I) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Initially, the right-of-use assets are measured at cost and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

In addition, the Group leases properties that meet the definition of investment property. The right-of-use assets are classified and presented as part of the line item 'Investment property' in the statement of financial position and subsequently measured at fair value.

#### II) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. IFRS 16 requires certain adjustments to be expensed, while others are added to the cost of the related right-of-use asset.

The Group presents cash payments for interest portion of lease liabilities under "interest and other financial expenses, net" in the consolidated statement of cash flows.

#### III) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### Group as a lessor

Refer to accounting policies on rental income in note 3.5.

## 3.23. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below, if they are expected to have an impact on the Group's financial statements. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

The following amendments were adopted by the EU, but not yet effective in 2024:

- **Amendments to IAS 21 The effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023)**

  In August 2023, the IASB amended IAS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not.

  These amendments are not expected to have a material impact on the consolidated financial statements of the Group.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

## 4. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The following table presents the Group's financial assets and financial liabilities measured and recognised at fair value at 31 December 2024 and 31 December 2023 on a recurring basis:

| | As at 31 December 2024 | | | | | As at 31 December 2023 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Fair value measurement using | | | | | Fair value measurement using | | |
| | Carrying amount | Total fair value | Quoted prices in active market (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Carrying amount | Total fair value | Quoted prices in active market (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| | €'000 | | | | | | | | | |
| **FINANCIAL ASSETS** | | | | | | | | | | |
| Financial assets at fair value through profit or loss(*) | 244,311 | 244,311 | 97,878 | 95,013 | 51,420 | 185,408 | 185,408 | 89,451 | 61,804 | 34,153 |
| Derivative financial assets | 39,078 | 39,078 | - | 39,078 | - | 71,383 | 71,383 | - | 71,383 | - |
| **Total financial assets** | **283,389** | **283,389** | **97,878** | **134,091** | **51,420** | **256,791** | **256,791** | **89,451** | **133,187** | **34,153** |
| | | | | | | | | | | |
| **FINANCIAL LIABILITIES** | | | | | | | | | | |
| Derivative financial liabilities | 121,131 | 121,131 | - | 121,131 | - | 69,193 | 69,193 | - | 69,193 | - |
| **Total financial liabilities** | **121,131** | **121,131** | **-** | **121,131** | **-** | **69,193** | **69,193** | **-** | **69,193** | **-** |

(*) including non-current financial assets at fair value through profit or loss, see note 13

The Group also has a number of financial instruments which are not measured at fair value in the consolidated statement of financial position. For the majority of these instruments, the fair values are not materially different to their carrying amounts, since interest receivable/payable is either close to current market rates or the instruments are short-term in nature. Significant differences were identified for the following instruments as at 31 December 2024 and 31 December 2023:

| | As at 31 December 2024 | | | | | As at 31 December 2023 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Fair value measurement using | | | | | Fair value measurement using | | |
| | Carrying amount | Total fair value | Quoted prices in active market (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Carrying amount | Total fair value | Quoted prices in active market (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| | €'000 | | | | | | | | | |
| **FINANCIAL LIABILITIES** | | | | | | | | | | |
| Loans and borrowings[(1)] | 929,439 | 928,767 | - | 928,767 | - | 872,427 | 878,281 | - | 878,281 | - |
| Straight bonds[(2)] | 3,505,860 | 3,397,216 | 3,213,409 | 183,807 | - | 3,559,897 | 3,197,414 | 3,030,389 | 167,025 | - |
| **Total financial liabilities** | **4,435,299** | **4,325,983** | **3,213,409** | **1,112,574** | **-** | **4,432,324** | **4,075,695** | **3,030,389** | **1,045,306** | **-** |

(1) including current portion of long-term loans
(2) including bond redemption

### Fair value hierarchy

**Level 1:** the fair value of financial instruments traded in active markets (such as debt and equity securities) is based on quoted market prices at the end of the reporting period.

**Level 2:** the fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant input required to fair value of financial instrument are observable, the instrument is included in level 2.

**Level 3:** if one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between level 1, level 2 and level 3 during the year.

When the fair value of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flows (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of input such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments and is discussed further below.

**Valuation techniques used to determine fair values:**

The following methods and assumptions were used to estimate the fair values:

- The fair values of the quoted bonds are based on price quotations at the reporting date. The fair value of unquoted bonds is measured using the discounted cash flows method with observable inputs.
- There's an active market for the Group's listed equity investments and quoted debt instruments.
- For the fair value measurement of investments in unlisted funds, the net asset value is used as a valuation input and an adjustment is applied for lack of marketability and restrictions on redemptions as necessary. This adjustment is based on management judgment after considering the period of restrictions and the nature of the underlying investments.
- The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Interest rate and foreign exchange swap and forward, collar and cap contracts are valued using valuation techniques, which employ the use of market observable inputs. The most frequently applied valuation technique includes forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves.

## 5. ACQUISITIONS AND DISPOSALS OF NON-CONTROLLING INTERESTS

During the year, the Group changed its holdings rates in subsidiaries without losing control. The carrying amount of the Group's interest and non-controlling interests was adjusted to reflect the changes in their relative interest in the subsidiaries. During the year the Company acquired, disposed and distributed dividend to non-controlling interests in the amount of euro 5.7 million, euro 5.7 million and 17.1 million respectively. The results of the transactions of euro 1.5 million are recognised directly in equity attributed to the owners of the Company. In addition, the Group deconsolidated non-controlling interests of euro 3.1 million as part of disposals - see note 24.1.

## 6. REVENUE

| | Year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| | €'000 | |
| Net rental income | 422,693 | 411,313 |
| Operating and other income | 174,325 | 196,428 |
| | **597,018** | **607,741** |

The Group is not exposed to significant revenue derived from an individual customer.

During the year, approximately 77% (2023: 77%) of the Group's net rental income derive from Germany, 22% (2023: 22%) derive from the United Kingdom and 1% (2023: 1%) from other countries.

## 7. PROPERTY REVALUATIONS AND CAPITAL LOSSES

| | Year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| | €'000 | |
| Property revaluations (see note 15.1) | 49,560 | (881,382) |
| Capital losses (see note 24.1) | (5,532) | (8,635) |
| | **44,028** | **(890,017)** |

## 8. PROPERTY OPERATING EXPENSES

| | Year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| | €'000 | |
| Purchased services | (177,434) | (200,384) |
| Maintenance and refurbishment | (22,953) | (22,187) |
| Personnel expenses | (26,246) | (26,342) |
| Other operating costs | (27,074) | (30,137) |
| | **(253,707)** | **(279,050)** |

As of 31 December 2024, the Group had 769 Full-Time Equivalent employees (FTE) (2023: 767 FTE). On an annual average, the Group had 759 FTE (2023: 802 FTE).

## 9. ADMINISTRATIVE AND OTHER EXPENSES

| | Year ended 31 December 2024 | 2023 |
|---|---|---|
| | €'000 | |
| Personnel expenses | (4,613) | (4,441) |
| Audit and accounting costs | (3,037) | (2,818) |
| Legal and professional consultancy fees | (2,283) | (2,666) |
| Marketing and other expenses | (699) | (981) |
| | **(10,632)** | **(10,906)** |

During the year, the Group recorded euro 1.4 million (2023: euro 1.7 million) and euro 1.6 million (2023: euro 1.2 million) related to audit and audit-related fees provided by KPMG audit firms and other audit firms, respectively, and less than euro 0.1 million (2023: less than euro 0.1 million) and euro 0.4 million (2023: euro 0.3 million) related to tax and consultancy services provided by KPMG audit firms and other audit firms, respectively.

## 10. FINANCE EXPENSES

| | Year ended 31 December 2024 | 2023 |
|---|---|---|
| | €'000 | |
| **10.1. FINANCE EXPENSES** | | |
| Finance expenses from financial institutions and third parties, net | (3,852) | (8,755) |
| Finance expenses from straight bonds, net | (54,993) | (48,059) |
| | **(58,845)** | **(56,814)** |
| | | |
| **10.2. OTHER FINANCIAL RESULTS** | | |
| Changes in fair value of financial assets and liabilities, net | 3,876 | (67,015) |
| Finance-related costs | (15,121) | (19,073) |
| | **(11,245)** | **(86,088)** |

## 11. TAXATION

### 11.1. TAX RATES APPLICABLE TO THE GROUP

The Company is subject to taxation under the laws of Luxembourg. The corporation tax rate for Luxembourg companies is 24.94% (2023: 24.94%).

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 will decrease from 15% to 14%, and for companies with taxable income exceeding euro 200,000, it will decrease from 17% to 16%. These changes will impact 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 will be effective from 1 January 2025 and the new corporation tax rate for Luxembourg companies will be 23.87% .

The German subsidiaries with property are subject to taxation under the laws of Germany. Income taxes are calculated using a federal corporate tax of 15% as of 31 December 2024 (2023: 15%), plus an annual solidarity surcharge of 5.5% (2023: 5.5%) on the amount of federal corporate taxes payable (aggregated tax rate: 15.825%).

German property taxation includes taxes on the holding of real estate property.

The Cypriot subsidiaries are subject to taxation under the laws of Cyprus. The corporation tax rate for Cypriot companies is 12.5% (2023: 12.5%).

Under certain conditions interest income of the Cypriot companies may be subject to defense contribution at the rate of 17% (2023: 30%). In such cases this interest will be exempt from corporation tax.

In certain cases, overseas dividend income of Cyprus tax resident companies may be subject to special defense contribution at a flat rate of 17%. In such case, this dividend income will be exempt from Cyprus income (corporation) tax. Under certain conditions, dividend income earned from Cyprus tax resident companies is exempt from special defense contribution and Cyprus income (corporation) tax.

The United Kingdom subsidiaries with property are subject to taxation under the laws of the United Kingdom. Income taxes are calculated using a federal corporate tax (that includes capital gains) of 25% for 31 December 2024 (2023: 25%).

Subsidiaries in other jurisdictions are subject to corporate tax rate of up to 27.9% (2023: 27.9%).

The OECD's Pillar Two framework, which introduces a global minimum tax of 15%, became effective in 2024 in several jurisdictions where the Group operates. The Group's consolidated revenue does not exceed euro 750 million, meaning it does not independently meet the applicability threshold of the Pillar Two rules.

However, as the Group's ultimate parent company exceeds the threshold, the Group may be subject to top-up tax assessments at the parent level or through jurisdictional-level implementations of Pillar Two rules.

In line with the amendments to IAS 12 (Income Taxes) issued in May 2023, the Group has applied the temporary exception to recognizing deferred taxes related to Pillar Two. The Group does not expect a material top-up tax charge under these rules for the 2024 financial year.

Among the jurisdictions in which the Group operates, Cyprus currently has a statutory corporate tax rate of 12.5%, below the 15% minimum threshold. However, based on the Group's current assessment, the impact of Pillar Two is expected to be immaterial.

The Group continues to monitor legislative developments and will provide further disclosures in future reporting periods as additional guidance and implementation details become available.

## 11.2. CURRENT TAX IN CONSOLIDATED STATEMENT OF PROFIT OR LOSS

| | Year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| | €'000 | |
| Corporate income tax | (27,456) | (26,112) |
| Property tax | (13,819) | (14,753) |
| Charge for the year | **(41,275)** | **(40,865)** |

## 11.3. MOVEMENT IN DEFERRED TAX ASSETS (LIABILITIES) NET

| | Investment property | Owner-occupied property | Derivative financial instruments, net | Losses carried forward | Others | Total |
|---|---|---|---|---|---|---|
| | €'000 | | | | | |
| **BALANCE AS AT 1 JANUARY 2023** | **(768,710)** | **(7,696)** | **(2,479)** | **53,774** | **(9,720)** | **(734,831)** |
| Credit (charge) to profit or loss for the year | 96,114 | 174 | (7,100) | 15,802 | 22,264 | 127,254 |
| Credit (charge) to other comprehensive income for the year | (1,083) | 956 | 6,762 | 139 | - | 6,774 |
| Deconsolidation | 1,158 | - | - | (144) | - | 1,014 |
| Transfers | 19,870 | - | - | (3,582) | (12,544) | 3,744 |
| **BALANCE AS AT 31 DECEMBER 2023** | **(652,651)** | **(6,566)** | **(2,817)** | **65,989** | **-** | **(596,045)** |
| | | | | | | |
| Credit (charge) to profit or loss for the year | (38,949) | 151 | 1,973 | 19,925 | - | (16,900) |
| Credit (charge) to other comprehensive income for the year | (2,377) | (136) | 826 | 48 | - | (1,639) |
| Deconsolidation | 3,850 | - | (18) | (720) | - | 3,112 |
| Transfers | 5,077 | - | - | (818) | - | 4,259 |
| **BALANCE AS AT 31 DECEMBER 2024** | **(685,050)** | **(6,551)** | **(36)** | **84,424** | **-** | **(607,213)** |

As at 31 December 2024 the Group has unused tax losses for which no deferred tax assets have been recognised as it is not considered probable that there will be future taxable profits available. These deferred tax assets which have not been recognised amounted to approximate euro 83 million (2023: 79 million). The unused tax losses as at 31 December 2024 amounted to euro 346 million (2023: euro 316 million) and can be carried forward for up to 17 years starting from 2035 until 2040.

The Group has applied the initial recognition exception on acquisitions of investment property which did not meet the definition of business combination. As at 31 December 2024, the deferred tax liabilities which have not been recognised in the consolidated financial statement of financial position amounted to euro 102 million (2023: 106 million).

### 11.4. RECONCILIATION OF EFFECTIVE TAX RATE

| | Year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| | €'000 | |
| Profit (loss) before tax | 300,306 | (724,457) |
| | | |
| Statutory tax rate | 24.94% | 24.94% |
| | | |
| Tax computed at the statutory tax rate | 74,896 | (180,680) |
| | | |
| **Decrease in taxes on income resulting from the following factors:** | | |
| Effect of different tax rates of subsidiaries operating in other jurisdictions | (4,353) | 56,861 |
| Effect of deferred tax assets not recognised in prior years | (11,688) | - |
| Effect of permanent differences | 2,767 | 40,663 |
| Others | (3,447) | (3,233) |
| **Tax and deferred tax expenses (income)** | **58,175** | **(86,389)** |

Berlin

## 12. NET EARNINGS (LOSS) PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

### 12.1. BASIC EARNINGS (LOSS) PER SHARE

The calculation of basic earnings per share as of 31 December 2024 is based on the profit attributable to ordinary shareholders of euro 196,626 thousand (2023: euro 547,507 thousand loss), and a weighted average number of ordinary shares outstanding of 172,587 thousand (2023: 172,352 thousand), calculated as follows:

| | Year ended 31 December | |
|---|---|---|
| **PROFIT (LOSS) ATTRIBUTED TO ORDINARY SHAREHOLDERS (BASIC)** | 2024 | 2023 |
| | €'000 | |
| Profit (loss) for the year, attributable to the owners of the Company | 196,626 | (547,507) |

| | Year ended 31 December | |
|---|---|---|
| **WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES (BASIC)** | 2024 | 2023 |
| | Thousand of shares | |
| Issued ordinary shares, net of treassury shares on January 1 | 172,356 | 172,326 |
| Share based payment | 19 | 26 |
| Disposal of treasury shares (see note 17.3) | 212 | - |
| **Weighted average number of ordinary shares as at 31 December** | **172,587** | **172,352** |
| | | |
| **Basic earnings (loss) per share (euro)** | **1.14** | **(3.18)** |

### 12.2. DILUTED EARNINGS (LOSS) PER SHARE

The calculation of diluted earnings per share at 31 December 2024 is based on the profit attributable to ordinary shareholders of euro 196,626 thousand (2023: euro 547,507 thousand loss), and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 172,874 thousand (2022: 172,633 thousand), calculated as follows:

| | Year ended 31 December | |
|---|---|---|
| **PROFIT (LOSS) ATTRIBUTED TO ORDINARY SHAREHOLDERS (DILUTED)** | 2024 | 2023 |
| | €'000 | |
| Profit (loss) for the year, attributable to the owners of the Company (basic) | 196,626 | (547,507) |
| **Profit (loss) for the year, attributable to the owners of the Company (diluted)** | **196,626** | **(547,507)** |

| | Year ended 31 December | |
|---|---|---|
| **WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES (DILUTED)** | 2024 | 2023 |
| | Thousand of shares | |
| Issued ordinary shares, net of treassury shares on January 1 | 172,356 | 172,326 |
| Share based payment | 19 | 26 |
| Disposal of treasury shares (see note 17.3) | 212 | - |
| Effect of equity settled share-based payment | 287 | 281 |
| **Weighted average number of ordinary shares as at 31 December** | **172,874** | **172,633** |
| **Diluted earnings (loss) per share (euro)** | **1.14** | **(3.17)** |

## 13. OTHER NON-CURRENT ASSETS

| | As at 31 December | |
|---|---|---|
| | 2024 | 2023 |
| | €'000 | |
| Tenancy deposit[(1)] | 46,622 | 46,523 |
| Investment in other long-term assets[(2)] | 21,155 | 106,075 |
| Financial assets at fair value through profit and loss[(3)] | 102,872 | 84,101 |
| Others | 14,206 | 13,095 |
| | **184,855** | **249,794** |

(1) tenancy deposits mainly include 1-3 months net rent from the tenants which are paid at the beginning of the lease. The deposits are considered as a security payment by the tenant and the Group can use those funds mainly if the tenant has unpaid debts or causes damages to the property. Past experience shows that the majority of the leases are long term and therefore the deposits are presented as long term assets.

(2) include non-current investments and vendor loans. The change in the balance is mainly related to the reclassification of vendor loan to other short-term assets - see note 16.

(3) investment in various equity and debt instruments as well as investment as minority stakes without significant influence, all connected with the real estate sector.

## 14. PROPERTY AND EQUIPMENT, INTANGIBLE ASSETS AND GOODWILL

| | Owner-occupied property[(*)] | Furniture, fixtures and office equipment | Goodwill, softwares and other intangible assets | Total |
|---|---|---|---|---|
| | €'000 | | | |
| **COST** | | | | |
| Balance as at 1 January 2023 | 56,010 | 32,380 | 25,730 | 114,120 |
| Additions, net | - | 2,474 | 73 | 2,547 |
| Revaluation adjustment | (6,043) | - | - | (6,043) |
| Transfer to held-for-sale | - | (284) | - | (284) |
| Deconsolidation | - | (177) | - | (177) |
| **Balance as at 31 December 2023** | **49,968** | **34,392** | **25,803** | **110,163** |
| | | | | |
| Additions, net | - | 4,894 | 799 | 5,693 |
| Revaluation adjustment | 868 | - | - | 868 |
| Deconsolidation | - | (133) | - | (133) |
| **Balance as at 31 December 2024** | **50,836** | **39,153** | **26,602** | **116,591** |
| | | | | |
| **DEPRECIATION/AMORTISATION** | | | | |
| Balance as at 1 January 2023 | 1,290 | 20,894 | 14,728 | 36,912 |
| Depreciation/Amortisation for the year | 1,101 | 2,937 | 5,285 | 9,323 |
| **Balance as at 31 December 2023** | **2,391** | **23,831** | **20,013** | **46,235** |
| | | | | |
| Depreciation/Amortisation for the year | 957 | 3,550 | 1,804 | 6,311 |
| **Balance as at 31 December 2024** | **3,348** | **27,381** | **21,817** | **52,546** |
| | | | | |
| **CARRYING AMOUNTS** | | | | |
| **Balance as at 31 December 2024** | **47,488** | **11,772** | **4,785** | **64,045** |
| **Balance as at 31 December 2023** | **47,577** | **10,561** | **5,790** | **63,928** |

(*) owner-occupied property measured at fair value less accumulated depreciation and impairment losses and classified in accordance with the fair value hierarchy (see note 4). Since one or more of the significant inputs is not based on observable market data, the fair value measurement is included in level 3.

## 15. INVESTMENT PROPERTY

### 15.1. RECONCILIATION OF INVESTMENT PROPERTY

| | Year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| | Level 3[1] | Level 3[1] |
| | €'000 | |
| **As at 1 January** | **8,629,083** | **9,529,608** |
| Plus: investment property classified as held-for-sale [2] | 195,641 | 330,853 |
| **Total investment property** | **8,824,724** | **9,860,461** |
| Acquisitions of investment property [3] | 45,337 | 10,079 |
| Capital expenditure on investment property | 110,650 | 101,049 |
| Disposals of investment property [4] | (271,703) | (314,599) |
| Fair value adjustment | 49,560 | (881,382) |
| Effect of foreign currency exchange differences | 95,099 | 49,116 |
| **Total investment property** | **8,853,667** | **8,824,724** |
| Less: investment property classified as held-for-sale [2] | (224,705) | (195,641) |
| **As at 31 December** | **8,628,962** | **8,629,083** |

(1) classified in accordance with the fair value hierarchy (see note 4). Since one or more of the significant inputs is not based on observable market data, the fair value measurement is included in level 3.
(2) see note 24.2
(3) In 2024, the Group obtained control over properties in London of approximately euro 40 million, which previously were classified as asset-backed loan and presented under trade and other receivables. Upon obtaining control, these properties were reclassified as investment property.
(4) see note 24.1

As at 31 December 2024 and 2023, the fair values of the properties are based on valuations performed by accredited independent valuers.

### 15.2. GEOGRAPHICAL INFORMATION

| | As at 31 December | |
|---|---|---|
| | 2024 | 2023 |
| | €'000 | |
| **Investment property** (*) | | |
| Germany | 6,904,804 | 6,935,405 |
| United Kingdom | 1,770,263 | 1,738,452 |
| Others | 178,600 | 150,867 |
| | **8,853,667** | **8,824,724** |

(*) including assets held-for-sale

### 15.3. MEASUREMENT OF FAIR VALUE

The fair value of the properties of the Group is determined at least once a year by external, independent and certified valuators, who are specialist in valuing real estate properties. As at 31 December 2024, the full portfolio of the Group has been revalued. The prime valuator, responsible for the major part of the portfolio is Jones Lang LaSalle GmbH (JLL) and is considered as one of the market leading valuators in the European real estate market. The fair value of the properties was prepared in accordance with the RICS Valuation - Professional Standards (current edition) published by the Royal Institution of Chartered Surveyors (RICS) as well as the standards contained within the TEGoVA European Valuations Standards, and in accordance with IVSC International Valuation Standard (IVS), the International Accounting Standard (IAS), International Financial Reporting Standards (IFRS) as well as the current guidelines of the European Securities and Market Authority (ESMA) based on the Market Value. This is included in the General Principles and is adopted in the preparation of the valuations reports of the valuators. Therefore, the valuation is based on internationally recognized standards.

As part of the engagement, the Company and the valuators confirm that there is no actual or potential conflict of interest that may have influenced the valuators status as external and independent. The valuation fee is determined on the scope and complexity of the valuation.

As of 31 December 2024, 96% (2023: 97%) of investment property have been valued using the discounted cash flows method, 3% (2023: 2%) comparable approach and 1% (2023: 1%) residual value approach.

› **Discounted cash flow (DCF) method**

Under the DCF method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, an appropriate, market derived discount rate is applied to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, and refurbishment. The appropriate durations are typically driven by market behaviour that is a characteristic of the class of real property.

Periodic cash flows are typically estimated as gross income less vacancy, non-recoverable expenses, collection losses on future rents, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

The key assumptions used to determine the fair value of the investment properties under the DCF method, which account for 96% (2023: 97%) of the investment property, are further discussed below.

| | Rent growth p.a. (%) | | Long-term vacancy rate (%) | | Discount rate (%) | | Capitalization rate (%) | |
|---|---|---|---|---|---|---|---|---|
| | As at 31 December | | | | | | | |
| **Regions** | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | Range (weighted average) | | | | | | | |
| Berlin | 1.2 - 2.5 (1.9) | 1.3 - 2.6 (2.0) | 0.8 - 4.0 (2.5) | 0.6 - 7.0 (3.4) | 3.3 - 7.6 (5.0) | 3.3 - 7.7 (5.0) | 2.2 - 6.9 (3.9) | 2.1 - 7.0 (3.9) |
| NRW | 1.1 - 2.5 (1.8) | 1.2 - 2.4 (1.9) | 1.0 - 3.0 (2.5) | 0.6 - 3.0 (2.3) | 3.3 - 9.0 (5.4) | 3.4 - 9.0 (5.3) | 2.1 - 7.5 (4.1) | 2.1 - 7.5 (4.0) |
| Dresden/Leipzig/Halle | 0.6 - 2.2 (1.6) | 1.2 - 2.4 (1.8) | 1.0 - 3.9 (2.4) | 1.0 - 6.0 (2.4) | 4.6 - 8.3 (5.2) | 4.5 - 8.3 (5.1) | 3.1 - 6.5 (3.9) | 3.0 - 6.5 (3.8) |
| Mannheim/KL/Frankfurt/Mainz | 1.2 - 2.0 (1.6) | 1.2 - 2.4 (1.7) | 2.0 - 3.9 (2.8) | 2.0 - 5.1 (3.4) | 4.6 - 7.2 (5.3) | 4.5 - 7.4 (5.3) | 3.2 - 5.7 (4.1) | 3.0 - 6.4 (4.1) |
| Nuremberg/Furth/Munich | 1.4 - 2.4 (1.7) | 1.5 - 2.4 (1.8) | 1.0 - 4.4 (3.9) | 1.0 - 5.8 (4.2) | 4.5 - 9.2 (5.3) | 4.4 - 5.5 (5.0) | 3.0 - 7.0 (3.8) | 2.9 - 3.7 (3.4) |
| Hamburg/Bremen | 1.2 - 2.4 (1.8) | 1.2 - 2.4 (1.8) | 1.0 - 4.0 (2.3) | 1.0 - 4.0 (3.1) | 4.4 - 8.2 (5.4) | 4.3 - 8.5 (5.4) | 2.6 - 7.0 (4.5) | 2.6 - 7.0 (4.4) |
| London | 2.0 - 3.1 (2.9) | 1.3 - 3.0 (2.2) | 2.7 -2.7 (2.7) | 2.7 - 2.7 (2.7) | 6.3 - 8.5 (6.7) | 6.2 - 8.5 (6.7) | 4.5 - 6.8 (5.0) | 4.2 - 6.8 (4.9) |
| Others | 0.6 - 2.5 (1.6) | 0.6 - 3.0 (1.8) | 0.2 - 4.5 (3.1) | 0.2 - 7.8 (3.2) | 3.8 - 9.4 (5.7) | 4.6 - 12.0 (6.2) | 3.3 - 8.3 (4.8) | 3.1 - 8.3 (5.1) |
| **Total** | **0.6 - 3.1 (1.8)** | **0.6 - 3.0 (1.9)** | **0.2 - 4.6 (2.7)** | **0.2 - 4.6 (2.8)** | **3.3 - 9.4 (5.4)** | **3.3 - 12.0 (5.4)** | **2.1 - 8.3 (4.2)** | **2.1 - 8.3 (4.1)** |

Significant increases (decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher (lower) fair value of the properties. Significant increases (decreases) in the long-term vacancy rate and discount rate (and exit yield) in isolation would result in a significantly lower (higher) fair value.

Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum and discount rate (and exit yield), and an opposite change in the long-term vacancy rate.

## Sensitivity analysis

The table below shows the percentage impact on values (under the DCF method) in the event of a change in the valuation parameters:

| Regions | Rent growth p.a. +50bps / -50bps | Long-term vacancy rate -1% / +1% Void period -3M / +3M | Discount Rate -25bps / +25bps | Capitalization rate -25bps / +25bps |
|---|---|---|---|---|
| | As at 31 December 2024 | | | |
| Berlin | 3.5 / - 4.8 | 1.1 / - 1.0 | 2.2 / - 2.2 | 5.4 / - 4.7 |
| NRW | 11.6 / - 11.1 | 2.6 / - 4.2 | 2.0 / - 2.0 | 5.0 / - 4.4 |
| Dresden/Leipzig/Halle | 11.4 / - 13.7 | 2.0 / - 2.8 | 2.1 / - 2.1 | 5.1 / - 4.5 |
| Mannheim/KL/ Frankfurt/Mainz | 8.9 / - 12.4 | 1.7 / - 1.7 | 2.2 / - 2.1 | 5.1 / - 4.6 |
| Nuremberg/ Furth/Munich | 4.6 / - 8.0 | 0.8 / - 0.9 | 2.2 / - 2.2 | 5.5 / - 4.8 |
| Hamburg/Bremen | 9.3 / - 9.9 | 2.5 / - 3.5 | 2.0 / - 2.0 | 4.5 / - 3.9 |
| London | 4.0 / - 3.9 | 1.3 / - 1.3 | 1.9 / - 1.9 | 3.5 / - 3.2 |
| Others | 9.1 / - 10 | 2.0 / - 3.1 | 2.1 / - 2.1 | 3.8 / - 3.5 |
| **Total** | **8.0 / - 9.1** | **1.8 / - 2.5** | **2.1 / - 2.1** | **4.9 / - 4.3** |

## Comparable approach

Under the market comparable approach, a property's fair value is estimated based on comparable transactions. The market comparable approach is based upon the principle of substitution under which a potential buyer will not pay more for the property than it will cost to buy a comparable substitute property. The unit of comparison applied by the Group is the price per square meter (sqm).

In general, enquiries have been made of the valuers and public databases, local sales offices and recent transactions. The main components of the valuation are the location of the property, the condition of the property with its units; provision of concierge and residents facilities, provision and layout of accommodation, as well as market sentiment and how the individual units would be received by the market. The most recent sales data for individual units within the subject property and comparable evidence within the immediate area will be taken into account and adjusted by premium according to the specifics of the property and its units. The achieved market sales price per sqm will be multiplied by the area of the property to achieve the property specific market value.

The key assumptions used to determine the fair value of the investment properties under the comparable approach, which account for 3% (2023: 2%) of the investment property, are further discussed below:

| Valuation technique | Significant unobservable inputs | As at 31 December | |
|---|---|---|---|
| | | 2024 | 2023 |
| **Market comparable approach** | Price per sqm (in euro) | 5,500 - 13,900 (9,200) | 6,800 - 12,800 (10,800) |

## Residual value approach

The residual value assesses the various factors associated with a conversion or a new development of a property. The goal of this method is to calculate an objective value for the site, which is either undeveloped or suboptimally utilised. The residual value is determined by first calculating the net capital value of the property after completion of the planned development project. This figure is derived by subtracting the non-recoverable operating costs (e.g. maintenance and management costs) from the potential gross sale value. In order to determine the net capital value, the purchaser's costs have to be deducted. The costs for the assumed development are subtracted from the net capital value, resulting in the remainder (residuum). These costs include building fees as well as other required fees, which are necessary for the construction of a building, depending on its type of use.

The additional construction costs are also part of the total development costs. The following additional costs are common for constructions: planning, construction, official review and approval costs as well as financing required immediately for construction. The amount of additional construction costs depends on the type of building, its finishes and the location. All of the construction and additional building costs as well as other project costs including financing costs and developer's profit are subtracted from the calculated gross sale value of the completed development. The difference of the gross sale value and the development costs results in the remainder (residuum). In order to acquire the residual value, financing and additional purchasing costs for the property are deducted from this remainder. The residual value represents the amount, which an investor would spend for the development of the property under specific economic conditions.

The key assumptions used to determine the fair value of the investment properties under the residual value approach, which account for 1% (2023: 1%) of the investment property, are further discussed below:

| Valuation technique | Significant unobservable inputs | As at 31 December | |
|---|---|---|---|
| | | 2024 | 2023 |
| **Residual value approach** | Sale price per sqm (in euro) | 3,400 – 7,900 (5,400) | 3,400 – 7,500 (4,600) |
| | Rent price per sqm (in euro) | 18.8 – 21.0 (19.2) | 16.6 – 28.0 (22.3) |
| | Development cost per sqm (in euro) | 1,300 - 5,200 (3,000) | 1,300 - 3,500 (2,800) |
| | Developer margin (%) | 5.0 – 12.7 (10.4) | 7.5 – 10.0 (9.7) |

### Highest and best use

As at 31 December 2024, the current use of all investment property is considered the highest and best use, except for 2% (2023: 1%) of the investment properties, for which the Group determined that fair value based on the development and the sale of such properties is the highest and best use. These properties are currently being used to earn rental income, in line with the Group's business model of buying and holding investment property to earn rental income. By increasing the rental income and improving these properties, the value of these properties will grow and reach the level of properties being sold.

## 16. TRADE AND OTHER RECEIVABLES

| | As at 31 December | |
|---|---|---|
| | 2024 | 2023 |
| | €'000 | |
| Operating cost receivables [(1)] | 193,832 | 215,594 |
| Rent and other receivables | 79,211 | 91,685 |
| Prepaid expenses | 8,992 | 8,631 |
| Other short-term assets [(2)] | 167,339 | 75,166 |
| | **449,374** | **391,076** |

(1) operating costs receivables represent a right to consideration in exchange for ancillary services that the Group has transferred to tenants and other charges billed to tenants. Once a year, the operating cost receivables are settled against advances received from tenants (see note 20).

(2) include prepayments, Group's vendor loans, as well as loans connected with future real estate transactions, short term investment and deposits. The increase in the balance is mainly related to vendor loans provided as part of disposal of investment property during the years 2023-2024. See note 24.1 and 32.

During the year, the Group recognised a loss allowance for expected credit losses on trade and other receivables for a total amount of euro 3,493 thousand (2023: euro 6,669 thousand).

## 17. EQUITY

### 17.1 SHARE CAPITAL

| | As at 31 December | | | |
|---|---|---|---|---|
| | 2024 | | 2023 | |
| | Number of shares | €'000 | Number of shares | €'000 |
| **Authorised** | | | | |
| Ordinary shares of euro 0.10 each | 400,000,000 | 40,000 | 400,000,000 | 40,000 |
| | | | | |
| **Issued and fully paid** | | | | |
| Balance as at 1 January | 176,187,899 | 17,619 | 176,187,899 | 17,619 |
| Balance as at 31 December | **176,187,899** | **17,619** | **176,187,899** | **17,619** |

### 17.2. AUTHORISED CAPITAL

The Company's authorised share capital as of 31 December 2024 amounts to euro 40,000,000.

### 17.3. TREASURY SHARES

As at 31 December 2024, the Group holds 90,340 (2023: 3,831,666) shares in treasury which represent 0.1% (2023: 2.2%) out of the total ordinary shares. These shares do not have voting rights.

| | Year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| | Thousand of shares | |
| As at 1 January | 3,832 | 3,862 |
| Disposal of shares [(*)] | (3,700) | - |
| Share based payment | (42) | (30) |
| As at 31 December | **90** | **3,832** |

(*) in December 2024, the Company sold most of its shares held in treasury to several investors for total amount of euro 43.5 million

### 17.4. SHARE PREMIUM

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

### 17.5. OTHER RESERVES

The other reserves include shareholder loans that have been converted to equity and therefore can be distributed at any time, and proceeds from financial instruments and share-based payments reserves which temporarily cannot be distributed.

In addition, the other reserves include results on buy-back and redemption of perpetual notes.

### 17.6. RESOLUTION OF DIVIDEND DISTRIBUTION

As part of the shareholders' annual meetings it was resolved upon the distribution of cash dividend for the following years:

| For the year | Amount per share (in cents) | Gross amount (€'000) | Ex-date | Payment date |
|---|---|---|---|---|
| 2014 | 20.00 | 24,344 | 25 June 2015 | 3 July 2015 |
| 2015 | 25.00 | 38,447 | 30 June 2016 | 1 July 2016 |
| 2016 | 68.25 | 112,468 | 29 June 2017 | 1 July 2017 |
| 2017 | 73.00 | 120,296 | 30 June 2018 | 17 July 2018 |
| 2018 | 77.35 | 129,002 | 27 June 2019 | 22 July 2019 |
| 2019 | 82.38 | 138,407 | 25 June 2020 | 14 July 2020 |
| 2020 | 82.32 | 136,433 | 1 July 2021 | 20 July 2021 |
| 2021 | 83.40 | 137,580 | 30 June 2022 | 19 July 2022 |

The Company has decided not to recommend a dividend payment for 2023 and 2022, following the increase in macro-economic uncertainty and volatility and preserve further liquidity.

### 17.7. PERPETUAL NOTES

| Composition (€'000) | Nominal amount outstanding (€'000) | Placement date | Coupon | Next call date | Next reset date | Coupon as of next reset date |
|---|---|---|---|---|---|---|
| Perpetual notes 200,000 | 48,400 | Sep-16 | 6.332% | Jan-25 | Jan-28 | 3.887% over five-year mid swap rate |
| Perpetual notes 350,000 | 25,100 | Apr-18 | 5.901% | Oct-25 | Oct-28 | 2.682% over five-year mid swap rate |
| Perpetual notes 700,000 | 700,000 | Dec-20 | 1.5% | Mar-26 | Jun-26 | 2.184% over five-year mid swap rate |
| Perpetual notes 431,713 | 431,713 | Apr-24<br>Sep-24 | 6.125% | Jan-30 | Apr-30 | 3.508% over five-year mid swap rate |

**Movement during 2023-2024**

**17.7.1.** In September 2023, the Company announced its decision not to call the euro 350 million of perpetual notes which had its first call date in October 2023.

**17.7.2.** On 2 April 2024, the Board of Directors approved a voluntary exchange and tender offer targeting the holders of two outstanding perpetual notes, with nominal values of euro 200 million and euro 350 million, 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 10 September 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 2 April 2024 and closed on 9 April 2024. The second offer period commenced on 10 September 2024 and closed on 18 September 2024.

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

On 16 April 2024, Grand City Properties Finance S.à r.l, a wholly-owned subsidiary of the Company (the "Perpetual Notes Issuer") issued euro 410 million in new perpetual notes and the Company repurchased euro 34 million of the existing perpetual notes through the tender offer. On 26 September 2024, an additional euro 22 million in new perpetual notes were issued, and euro 1.6 million of Existing Perpetual Notes were repurchased via the tender offer.

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 16 April 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:

- 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.

These perpetual notes are presented in the consolidated statement of financial position as equity reserve attributable to its holders, which is part of the total equity of the Group. The coupon is deferrable until payment resolution of a dividend to the shareholders. The deferred amounts shall not bear interest.

### 17.8. NON-CONTROLLING INTERESTS

The majority of the non-controlling interests is held indirectly by Aroundtown S.A. through a Luxembourgish minority fund. See note 5 and 24.1.

## 18. SHARE-BASED PAYMENT AGREEMENTS

### 18.1. DESCRIPTION OF SHARE-BASED PAYMENT ARRANGEMENTS

As of 31 December 2024, the Group had the following share-based payment arrangements:

- **Incentive Share plan**

  On 25 June 2014, the Annual General Meeting has approved to authorize the Board of Directors to issue up to one million shares for an incentive program for the directors, key management personnel and senior employees. The incentive plan has up to four years vesting period with target to enhance employees's long-term commitment to the Company's strategic targets.

- **The key terms and conditions related to the programs are as follows:**

| Vesting period | Number of shares | Weighted vesting period | Contractual life of the shares |
|---|---|---|---|
| 1 July 2021 – 30 June 2028 | 483 thousands | 2.08 years | Up to 4 years |

### 18.2. RECONCILIATION OF OUTSTANDING SHARE OPTIONS

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

| | 2024 | 2023 |
|---|---|---|
| | Number of shares | Number of shares |
| | '000 | |
| Outstanding as at January 1 | 558 | 434 |
| Granted during the year | 156 | 245 |
| Exercised during the year (*) | (231) | (121) |
| **Outstanding as at 31 December** | **483** | **558** |

(*) of which 41 thousand (2023: 30 thousand) shares have been transferred from the Company's shares held in treasury.

During the year, the total amount recognised as share-based payment was euro 2,331 thousand (2023: euro 1,862 thousand). It was presented as Property operating expenses and as Administrative and other expenses in the consolidated statement of profit or loss and as share-based payment reserve in the consolidated statement of changes in equity.

## 19. LOANS AND BORROWINGS AND STRAIGHT BONDS

### 19.1. LOANS AND BORROWINGS

| | Weighted average interest rate (*) | Maturity | As at 31 December | |
|---|---|---|---|---|
| | | | 2024 | 2023 |
| | | | €'000 | |
| **Non-current** | | | | |
| Bank loans | 2.6% | 2027-2082 | 917,223 | 862,619 |
| **Total non-current** | | | **917,223** | **862,619** |
| | | | | |
| **Current** | | | | |
| Current portion of long-term loans | 2.6% | 2025 | 12,216 | 9,808 |
| **Total current** | | | **12,216** | **9,808** |

(*) as at 31 December 2024, including hedging impact, where applicable

The bank loans are in general non-recourse loans with the related assets serving, among others, as a security. Approx. euro 2.4 billion (2023: euro 2.2 billion) of investment properties are encumbered.

The financial covenants under the existing loan agreements include, among others, Debt-Service Coverage Ratio (DSCR) of 105-120% and LTV of 50-70%. As at 31 December 2024, the Group is compliant with its financial covenants to the financing banks.

During the year the Group drew euro 100 million in new secured debt and early repaid euro 30 million in bank loans. The Group holds undrawn credit lines from several banks in the amount of euro 300 million, the financial covenants of which being aligned with the Group's bond covenants and not subject to a material adverse effect clause.

During the year the Group signed but did not draw a euro 58.4 million bank loans.

## 19.2. STRAIGHT BONDS

| Composition | Note | Nominal amount outstanding | Effective coupon (1) | Placement | Maturity | As at 31 December | |
|---|---|---|---|---|---|---|---|
| | | | | | | 2024 | 2023 |
| | | '000 | | | | €'000 | |
| **STRAIGHT BONDS** | | | | | | | |
| | | | | | | | |
| **Non-current** | | | | | | | |
| Straight bond series G | (a) (e) (f) | EUR 407,300 | 1.38% | Aug-17 | Aug-26 | 404,288 | 570,487 |
| Straight bond series H | | EUR 255,000 | 2.00% | Oct-17 | Oct-32 | 246,491 | 245,400 |
| Straight bond series I | | HKD 900,000 | 4.1475% | Feb-18 | Feb-28 | 102,752 | 95,489 |
| Straight bond series J | (e) (f) | EUR 583,300 | 1.50% | Feb-18 | Feb-27 | 579,974 | 663,829 |
| Straight bond series K | | CHF 125,000 | 0.96% | Mar-18 | Sep-26 | 132,641 | 134,714 |
| Straight bond series L | | JPY 7,500,000 | 1.20% | Jun-18 | Jun-38 | 43,087 | 45,541 |
| Straight bond series M | | EUR 47,000 | 2.18% | Jul-18 | Jul-33 | 48,677 | 48,864 |
| Straight bond series N | | EUR 88,000 | 1.71% + 3M Euribor | Feb-19 | Feb-39 | 62,606 | 60,111 |
| Straight bond series O | | EUR 15,000 | 1.68% + 3M Euribor | Feb-19 | Feb-34 | 12,010 | 11,647 |
| Straight bond series P | | HKD 290,000 | 4.30% | Mar-19 | Mar-29 | 31,486 | 29,452 |
| Straight bond series R | | EUR 40,000 | 2.50% | Jun-19 | Jun-39 | 39,833 | 39,821 |
| Straight bond series V | | EUR 70,000 | 2.293% | Aug-19 | Aug-34 | 66,778 | 67,816 |
| Straight bond series X | | EUR 1,000,000 | 0.125% | Jan-21 | Jan-28 | 989,742 | 986,347 |
| Straight bond series Y | (d) | EUR 500,000 | 4.375% | Jul-24 | Jan-30 | 487,250 | - |
| Straight bond series E | | | | | | - | 191,520 |
| Straight bond series U | | | | | | - | 79,937 |
| | | | | | | **3,247,615** | **3,270,975** |
| **Current** | | | | | | | |
| Straight bond series E (2) | (a) (e) (f) | EUR 178,900 | 1.50% | Apr-15 | Apr-25 | 178,268 | - |
| Straight bond series U (2) | | EUR 80,000 | 0.75% | Jul-19 | Jul-25 | 79,977 | - |
| Straight bond series Q | (c) | | 0.57% | Jun-19 | Jun-24 | - | 140,329 |
| Straight bond series W | (a) (b) | | 1.70% | Apr-20 | Apr-24 | - | 148,593 |
| Accrued interest straight bonds (3) | | | | | | 32,577 | 26,303 |
| | | | | | | **290,822** | **315,225** |
| **Total straight bonds and accrued interest** | | | | | | **3,538,437** | **3,586,200** |

(1) including hedging impact, where applicable
(2) presented in bond redemption in the consolidated statement of financial position
(3) presented in provisions for other liabilities and other charges in the consolidated statement of financial position

As of 31 December 2024, the weighted average interest rate on the outstanding loans, borrowings and bonds, after taking into account hedging impact, is 1.9% (2023: 1.9%).

As of 31 December 2024, the Company has maintained a euro 10 billion EMTN programme. Notes issued under the EMTN programme are the direct obligation of the Company.

**Movement during 2023-2024**

(a) During 2023, the Group bought back euro 11.2 million, euro 55.9 million and euro 22.6 million principal amount of straight bond series E, W and G respectively for a cumulative amount of euro 89.7 million.

(b) On 9 April 2024, the Company redeemed euro 148.8 million principal amount of straight bond series W.

(c) On 24 June 2024, the Company redeemed CHF 130 million principal amount of straight bond series Q.

(d) On 9 July 2024 under EMTN program, the Company issued euro 500 million of straight bond series Y due 2030, at an issue price of 97.774% of the principal amount with euro coupon 4.375%.

(e) On 1 July 2024, the Board of Directors decided to invite holders of three outstanding straight bonds euro 667.6 million, euro 600 million, and euro 550 million, series J, G, and E respectively to tender the notes for purchase by the Company for cash. The offer was open until 8 July 2024. As a result of the tender offer, on 10 July 2024, the Company repurchased euro 74.3 million, euro 149.5 million, and euro 14.5 million principal amount of straight bond series J, G, and E respectively, excluding any accrued interest.

(f) During the reporting period and in addition to the offer to the holder, the Company bought back euro 1 million, euro 20.6 million and euro 10 million principal amount of straight bond series E, G and J respectively for a cumulative amount of euro 31.6 million.

## COVENANTS

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.

The Company's Series E bonds contain a substantially similar negative pledge.

Under its outstanding bond series, the Company has covenanted, among other things, the following (capitalised 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) ((in case of bonds other than the series E bonds) 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)/ ((in case of the Series E bonds) the purchase price of any Real Estate Property acquired or contracted for acquisition by the Group 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 (excluding the Series E Bonds and less Cash and Cash Equivalents) as at the Last Reporting Date; and (ii) the Net Secured Indebtedness (excluding the Series E Bonds and 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) ((in case of bonds other than the Series E bonds) 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/ ((in case of Series E bonds) the purchase price of any Real Estate Property acquired or contracted for acquisition by the Group 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 the Series E bonds, 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 consolidated interim financial statements (including the management report) of the Company, in each case as published by the Issuer Company as at the Last Reporting Date and prepared in accordance with IFRS.

As at 31 December 2024 under its outstanding bond series the Group is compliant with its financial covenants.

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### 19.3. RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOW ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities from financing activities after hedging impact, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows, or future cash flows will be, classified in the Group's consolidated statement of cash flows from financing activities.

| | | Finance cash flows | | Non-cash changes | | | | |
|---|---|---|---|---|---|---|---|---|
| €'000 | 31 Dec 2023 | Finance expenses paid(6) | Other cash flows(1) | Change in liabilities held-for-sale | Foreign exchange effect | Other non-cash(2) | Other changes(3) | 31 Dec 2024 |
| Straight bonds (4) | 3,586,200 | (45,376) | (20,244) | - | - | 10,578 | 7,279 | 3,538,437 |
| Loans and borrowings(5) | 872,427 | (37,160) | 57,770 | - | - | 4,882 | 31,520 | 929,439 |
| Lease liabilities | 105,115 | (5,637) | - | 3,868 | 2,841 | 6,132 | 5,471 | 117,790 |
| | **4,563,742** | **(88,173)** | **37,526** | **3,868** | **2,841** | **21,592** | **44,270** | **4,585,666** |

| | | Finance cash flows | | Non-cash changes | | | |
|---|---|---|---|---|---|---|---|
| €'000 | 31 Dec 2022 | Finance expenses paid(6) | Other cash flows(1) | Foreign exchange effect | Other non-cash(2) | Other changes(3) | 31 Dec 2023 |
| Straight bonds (4) | 3,638,862 | (46,295) | (83,334) | 5,833 | 14,967 | 56,167 | 3,586,200 |
| Loans and borrowings(5) | 323,280 | (15,813) | 531,067 | - | - | 33,893 | 872,427 |
| Lease liabilities | 57,422 | (4,066) | 48,377 | (380) | (269) | 4,031 | 105,115 |
| | **4,019,564** | **(66,174)** | **496,110** | **5,453** | **14,698** | **94,091** | **4,563,742** |

(1) other cash flows include proceeds, repayment (including amortisation) from financial institutions and others, net of related derivatives
(2) other non-cash changes include discount and issuance cost amortisation as well as fair value adjustment of bonds and remeasurement of lease liabilities
(3) other changes include interest accruals, results on early repayment of debt and results on linked derivatives
(4) including accrued interest and bond redemption. see note 19.2
(5) including current portion of long-term loans. see note 19.1
(6) excluding other financial expenses/ income paid/ received in cash

## 20. TRADE AND OTHER PAYABLES

| | As at 31 December | |
|---|---|---|
| | 2024 | 2023 |
| | €'000 | |
| Trade and other payables | 75,034 | 60,197 |
| Prepayments received from tenants(*) | 174,426 | 173,539 |
| Deferred income | 14,042 | 11,542 |
| Other liabilities | 15,728 | 8,688 |
| | **279,230** | **253,966** |

(*) the Group receives prepayments from tenants for ancillary services and other charges on a monthly basis. Once a year, the prepayments received from tenants are settled against the operating cost receivables

## 21. OTHER NON-CURRENT LIABILITIES

| | As at 31 December | |
|---|---|---|
| | 2024 | 2023 |
| | €'000 | |
| Tenancy deposits | 48,352 | 47,884 |
| Lease liability (see note 21.1) | 117,790 | 105,115 |
| Long-term positions with non-controlling interest and others | 26,757 | 46,748 |
| | **192,899** | **199,747** |

### 21.1. LEASE LIABILITIES

Set out below are the carrying amounts of lease liabilities of the Group as a lessee and the movements during the year:

| | 2024 | 2023 |
|---|---|---|
| | €'000 | |
| As at 1 January | 105,115 | 57,422 |
| Additions, net | - | 48,377 |
| Reclassification from held-for-sale | 3,868 | - |
| Expenses | 14,610 | 3,417 |
| Payments | (5,803) | (4,101) |
| **As at 31 December** | **117,790** | **105,115** |

As at 31 December 2024, all lease liabilities are related to right-of-use assets accounted for as investment property.

## 22. PROVISIONS FOR OTHER LIABILITIES AND CHARGES

| | €'000 |
|---|---|
| Balance as at 1 January 2023 | 32,102 |
| Movement during the year | 7,937 |
| Balance as at 31 December 2023 | 40,039 |
| Movement during the year | 6,321 |
| **Balance as at 31 December 2024** | **46,360** |

## 23. RELATED PARTY TRANSACTIONS

### 23.1. DIRECTORS AND EXECUTIVE MANAGEMENT PERSONNEL REMUNERATION

For the year ended 31 December 2024

| €'000 | Chairman of the Board of Directors<br>**Mr. Christian Windfuhr** | Non-Executive Director<br>**Ms. Simone Runge-Brandner (1)** | Independent Director<br>**Mr. Markus Leininger** | Independent Director<br>**Ms. Monica Porfilio (2)** | Independent Director<br>**Mr. Scot Wardlaw (2)** | **Total** |
|---|---|---|---|---|---|---|
| Fix remuneration | 274,384(3) | 50,000 | 50,000 | 30,815 | 30,815 | 436,014 |
| Multi years fixed share incentives plan | 100,000 | - | - | - | - | 100,000 |
| **Total remuneration** | **374,384** | **50,000** | **50,000** | **30,815** | **30,815** | **536,014** |

(1) Changed her role in the board of directors starting on 26 June 2024 from independent director to non executive director
(2) nominated as independent director of the Company starting on 26 June 2024
(3) including monthly salary, bonus and supplementary payments based on employer cost

Mr. Refael Zamir, the Company's CEO as at 31 December 2024, was entitled to a total remuneration of euro 1,646 thousand, of which euro 730 thousand refer to monthly salary, annual bonus and supplementary payments based on employer cost, and 916 thousand refer to multi-year fix and variable share incentive plan.

Mr. Idan Hadad, the Company's CFO as at 31 December 2024, was entitled to a total remuneration of euro 417 thousand, of which euro 325 thousand refer to monthly salary, annual bonus and supplementary payments based on employer cost, and 92 thousand refer to multi-year fix and variable share incentive plan.

There were no other material transactions between the Group and its directors and executive management during the year. For further information on the share incentive program see note 18.

### 23.2. OTHER RELATED PARTY TRANSACTIONS AND BALANCES

Some of the Group's transactions and arrangements are with related parties and the effect of these on the consolidated financial statements is stated below:

| **23.2.1** | For the year ended 31 December 2024 | |
|---|---|---|
| | 2024 | 2023 |
| | €'000 | |
| Provided services | 6,857 | 3,191 |
| Purchased services (*) | (2,812) | (1,194) |
| Receivables | 2,885 | - |
| Payables | 9,589 | 1,311 |

(*) The purchased services in the above table for 2024 do not include an amount of approximately euro 200 thousand (approximately euro 750 thousand for 2023) for facility services (caretaker, etc.) between the Group and a facility services company ("FSC"). Until March 2024 the registered shareholder of FSC was a related party of the Group who in the opinion of the Group did not exercise any control over FSC.

a. During 2023, the Group acquired investment property from Aroundtown SA's subsidiary for a total consideration of euro 3.2 million, reflecting the fair value of the property as at the transaction date. During 2024 the Group did not acquire investment property from related party.
b. During 2024, the Group sold investment property to Aroundtown SA's subsidiary for a total consideration of euro 1 million (2023: euro 3.7 million), reflecting the fair value of the property as at the transaction date.
c. The Group has subscribed to the Turnaround Capital Investment Fund (Luxembourg) SCSp RAIF, a fund established in 2024 to capitalize on market opportunities by acquiring quality real estate properties in strong locations and at attractive price levels and with high upside potential. The fund was set up together with Aroundtown SA, with a total commitment for GCP of up to euro 28 million. As of December 2024, the Group has funded euro 19 million of this commitment.
d. During 2024, the Group sold minority stakes to Aroundtown SA's Luxembourgish fund for a total consideration of euro 6.3 million.

## 24. DISPOSALS

### 24.1. DISPOSALS OF INVESTMENT PROPERTY DURING THE YEAR

During the year, the Group disposed several investment properties and subsidiaries which held investment properties, The following table describes the amounts of assets and liabilities disposed:

| | Year ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| | €'000 | |
| Investment property | 271,703 | 314,599 |
| Net deferred tax liabilities | (3,112) | (1,014) |
| Other net assets (liabilities) | 2,140 | (1,104) |
| **Total net assets disposed** | **270,731** | **312,481** |
| | | |
| Non-controlling interests disposed | 3,136 | 1,884 |
| Total consideration (*) | 262,063 | 301,962 |
| Loss from disposal of investment property and subsidiaries | (5,532) | (8,635) |

(*) including vendor loans of approximately euro 60 million and euro 85 million, provided in 2024 and 2023, respectively. These vendor loans were issued to facilitate and optimize transactions, allowing buyers to leverage short-term flexibility in obtaining financing. The loans are secured against the sold properties, typically with an average loan-to-value (LTV) ratio of approximately 60% at the time of disposal. In the event of a borrower's default, the Group may reclaim the assets at a discount and impose penalties on the defaulting party through a receivership process. During the reporting period, euro 24 million of the vendor loans provided in 2023 has been repaid. See note 32a

### 24.2. ASSETS AND DISPOSAL GROUP HELD-FOR-SALE

The Group resolved an intention to sell several properties. These properties were identified by the Group as either non-core, primarily due to the location of the properties, or mature properties with lower-than-average upside potential in their current condition. The intention of the Group to dispose non-core and mature properties is part of its capital recycling plan of is following a strategic decision to increase the quality of its portfolio.

Some properties are expected to be disposed through sale of subsidiaries. Accordingly, assets and liabilities relating to these subsidiaries ("Disposal Group") and some properties which are expected to be disposed through asset deals are presented as assets held-for-sale and as liabilities held-for-sale in the consolidated statement of financial position.

Efforts to sell the properties have started and a sale is expected within twelve months. As of 31 December 2024, the Group has signed contracts to sell approximately euro 125 million of investment property. See note 32b.

The major classes of assets and liabilities comprising the Disposal Group classified as held-for-sale are as follows:

| | As at 31 December | |
|---|---|---|
| | 2024 | 2023 |
| | €'000 | |
| **ASSETS CLASSIFIED AS HELD-FOR-SALE** | | |
| Investment property (see note 15.1) | 224,705 | 195,641 |
| Cash and cash equivalents | 376 | - |
| Deferred tax assets | 949 | - |
| Other assets | 6,664 | - |
| **Total assets classified as held-for-sale** | **232,694** | **195,641** |
| | | |
| **LIABILITIES CLASSIFIED AS HELD-FOR-SALE** | | |
| Deferred tax liabilities | 14,758 | 9,862 |
| Other liabilities | 5,022 | 3,867 |
| **Total liabilities classified as held-for-sale** | **19,780** | **13,729** |

## 25. FINANCIAL INSTRUMENTS AND RISKS MANAGEMENT

### 25.1. FINANCIAL ASSETS

Set out below, is an overview of financial assets, held by the Group as at 31 December 2024 and 31 December 2023:

| | As at 31 December | |
|---|---|---|
| | 2024 | 2023 |
| | €'000 | |
| **FINANCIAL ASSETS AT AMORTISED COST:** | | |
| Cash and cash equivalent(1) | 1,373,235 | 1,129,176 |
| Trade and other receivables(1) | 454,930 | 391,076 |
| Other non-current assets(2) | 81,983 | 165,693 |
| | | |
| **FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS:** | | |
| Financial assets at fair value through profit or loss(3) | 244,311 | 185,408 |
| Derivative financial assets(4) | 4,412 | 6,157 |
| **Total** | **2,158,871** | **1,877,510** |

(1) including assets held-for-sale
(2) excluding non-current financial assets at fair value through profit or loss
(3) including non-current financial assets at fair value through profit or loss included in other non-current assets (see note 13)
(4) excluding derivative financial assets designated as hedging instruments in hedge relationships (see note 26)

### 25.2. FINANCIAL LIABILITIES

Set out below, is an overview of financial liabilities, held by the Group as at 31 December 2024 and 31 December 2023:

| | As at 31 December | |
|---|---|---|
| | 2024 | 2023 |
| | €'000 | |
| **FINANCIAL LIABILITIES AT AMORTISED COST:** | | |
| Trade and other payables(1) | 282,949 | 253,966 |
| Tax payable | 18,270 | 17,006 |
| Loans and borrowings(2) | 929,439 | 872,427 |
| Straight bonds(3) | 3,505,860 | 3,559,897 |
| Accrued interest on straight bonds | 32,577 | 26,303 |
| Other long-term liabilities(1) | 193,943 | 203,615 |
| **FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS:** | | |
| Derivative financial liabilities(4) | 505 | - |
| **Total** | **4,963,543** | **4,933,214** |

(1) including liabilities held-for-sale
(2) including current portion of long-term loan
(3) including bond redemption
(4) excluding derivative financial assets designated as hedging instruments in hedge relationships (see note 26)

## 25.3. RISKS MANAGEMENT OBJECTIVES AND POLICES

As at 31 December 2024, the Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, straight bonds, trade and other payable, tax payable and non-current liabilities. The Group's principal financial assets include trade and other receivables, cash and cash equivalent and other non-current asset. The Group also holds investments in debt and equity instruments and enters into derivative transactions.

The Group is exposed to market risk, credit risk and 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 advices 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.

### 25.3.1 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.

### Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group manages its interest rate risk by hedging long-term debt with floating rate using swap and cap contracts. For additional information see note 26.

As at 31 December 2024, after taking into account the effect of the hedging, the interest profile of the Group's interest-bearing debt was as follows:

| | Nominal amount outstanding as at 31 December | |
|---|---|---|
| | 2024 | 2023 |
| | €'000 | |
| Fixed rate | 4,298,552 | 3,537,824 |
| Capped rate | 13,370 | 428,812 |
| Floating rate | 222,000 | 549,938 |
| | **4,533,922** | **4,516,574** |

### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of long-term debt affected, after the impact of hedging as of the reporting date. With all other variables held constant, the Group's profit before tax and pre-tax equity are affected through the impact on floating rate long-term debt, as follows:

| | Increase/decrease in basis points | Effect on profit before tax and pre-tax equity |
|---|---|---|
| | €'000 | |
| **2024** | 100 | (2,325) |
| | -100 | 2,354 |
| **2023** | 100 | (6,624) |
| | -100 | 9,788 |

The Group had no long-term debt for which the benchmark rate had been replaced with an alternative benchmark rate as at 31 December 2024.

### FOREIGN CURRENCY RISK

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's net investment in foreign subsidiaries and to several straight bonds issued in a foreign currency.

The Company issued several straight bonds in different currencies and in fixed and floating interest. The Company used cross currency swap contracts to hedge the foreign currency risk as explained in note 26.1 and 26.2.

In addition, the Company used forwards and option contracts to hedge the foreign currency risk of its net investment in foreign operation which operates in British pound (GBP) as explained in note 26.3.

### EQUITY PRICE RISK

The Group's listed and non-listed equity investments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis.

As at 31 December 2024, the exposure to listed equity instruments was euro 81,261 thousand (2023: euro 74,618 thousand).

### 25.3.2 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.

## TRADE AND OTHER RECEIVABLES

Customer credit risk is managed by the property managers subject to the Group's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date using a provision to measure expected credit loss. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic condition may also not be representative of customer's actual default in the future.

The Group has no significant concentration of credit risk.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 25.1.

The aging of rent receivables at the end of the reporting period that were not impaired was as follows:

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on the historical payment behavior and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

| | As at 31 December | |
|---|---|---|
| | 2024 | 2023 |
| | €'000 | |
| Neither past due and past due 1-30 days | 26,618 | 22,382 |
| Past due 31-90 days | 11,217 | 15,333 |
| Past due above 90 days | 10,183 | 5,453 |
| | **48,018** | **43,168** |

## FINANCIAL INSTRUMENTS AND CASH AND CASH EQUIVALENTS

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The Group's investment in financial instruments at fair value through profit or loss consist of quoted debt and equity securities that are graded in the investment category.

The Group holds its cash and cash equivalents in high rated countries with high-rated financial institutions. Concentration risk is mitigated by limiting the exposure to a single counter party.

As at 31 December 2024, the Group has recorded euro 695 thousand (2023: 546 thousand) ECL allowance on its cash and cash equivalents.

### 25.3.3 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 Group 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.

The following are the remaining contractual maturities at the end of 2024 end of 2023 of financial liabilities, including estimated interest payments, the impact of derivatives and excluding the impact of netting agreements:

| | | Contractual cash flows including interest | | | | | |
|---|---|---|---|---|---|---|---|
| As at 31 December 2024 | Carrying amount | Total | 2 months or less | 2-12 months | 1-2 years | 2-3 years | More than 3 years |
| | | | | €'000 | | | |
| **FINANCIAL LIABILITIES** | | | | | | | |
| Loans and borrowings[(1)] | 929,439 | 1,110,594 | 286 | 34,064 | 35,510 | 97,607 | 943,127 |
| Straight bonds[(2)] | 3,505,860 | 3,965,485 | 40,276 | 275,958 | 595,501 | 635,122 | 2,418,628 |
| Lease liabilities | 117,790 | 2,797,519 | - | 5,631 | 5,631 | 5,631 | 2,780,626 |
| Trade and other payables | 279,230 | 279,230 | 46,538 | 232,692 | - | - | - |
| Derivative financial liabilities[(3)] | 68,161 | 82,856 | 1,710 | 72,949 | 8,197 | - | - |
| **Total** | **4,900,480** | **8,235,684** | **88,810** | **621,294** | **644,839** | **738,360** | **6,142,381** |

| | | Contractual cash flows including interest | | | | | |
|---|---|---|---|---|---|---|---|
| As at 31 December 2023 | Carrying amount | Total | 2 months or less | 2-12 months | 1-2 years | 2-3 years | More than 3 years |
| | | | | €'000 | | | |
| **FINANCIAL LIABILITIES** | | | | | | | |
| Loans and borrowings[(1)] | 872,427 | 1,138,825 | 45 | 42,420 | 43,072 | 43,597 | 1,009,691 |
| Straight bonds[(2)] | 3,559,897 | 3,848,878 | 18,774 | 289,570 | 312,442 | 739,406 | 2,488,686 |
| Lease liabilities | 105,115 | 2,635,222 | - | 5,074 | 5,074 | 5,074 | 2,620,000 |
| Trade and other payables | 253,966 | 253,966 | 42,328 | 211,638 | - | - | - |
| Derivative financial liabilities[(3)] | 26,092 | 35,599 | 2,829 | 26,818 | 5,952 | - | - |
| **Total** | **4,817,497** | **7,912,490** | **63,976** | **575,520** | **366,540** | **788,077** | **6,118,377** |

(1) including current portion of long-term loans
(2) including bond redemption
(3) foreign currency forward and option contracts - see note 26.3

### 25.3.4 OPERATING RISK

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

### 25.3.5 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.

**› Geopolitical situation involving Russia and Ukraine**

On 24 February 2022, Russia initiated a full-scale invasion of Ukraine and escalating the Russo-Ukrainian War (the War) and hostilities have continued since then. The War has received widespread international condemnation and in reaction to Russian hostilities many nations and organisations, including Germany and the European Union, have announced sanctions against Russia, Russian companies, and individuals in and from Russia. The group is not directly impacted by the War, as neither its portfolio nor its operations have direct exposure to Ukraine or Russia. However, the group is impacted by the indirect consequences of the War. As a result of the War, inflationary pressures have increased, specifically heating and energy costs, which have an impact on the operating costs of the group. Such pressures may also have an impact on the ability of the group's tenants to pay rent and/or for the group to recover expenses related to recoverable expenses from tenants. Furthermore, the increased energy costs have led to a wider inflationary pressure. Higher levels of inflation have impacted interest rates and borrowing costs, while increased volatility in the capital markets have reduced the group's ability to raise capital at attractive prices, resulting in an increase in its cost of capital and potentially limiting its growth opportunities. While much of the volatility has reduced and price levels have reduced in recent periods, risk of renewed price volatility remains, which could have negative financial impacts on the Company.

As a result of the large number of refugees that have entered the European Union and Germany following the War. This has resulted in an increased strain on the residential real estate market in Germany. This further exacerbates the supply and demand mismatch, increase political pressure for home construction or market intervention. The full effects are currently still unclear and will depend significantly on the duration and final outcome of the Invasion as well as the distribution of refugees across the European Union.

While the War is currently limited to Ukraine on one side and Russia and several of its allies on the other, continued escalation may result in other countries joining the conflict and at this stage the group is unable to assess the full impact of such a scenario on the Company, and the likelihood of its occurrence.

**› Lingering and/or renewed inflationary risk**

In recent years, several consecutive events, such as the COVID-19 pandemic, supply chain disruptions, the high amount of cash injected into the market as a monetary response and the geopolitical situation around Russia and Ukraine, among others, have resulted in a high inflationary environment. Inflationary pressure has been particularly strong in energy prices, in particular for oil and gas, caused by the War, and material prices. While in pressures have eased risks remain that may result in inflationary pressures increasing once more. This may also result in tenant's inability to bear the costs that are passed through to them as part of the lease agreements. It cannot be ruled out that losses of rent will occur in the future or that the group will be unable to collect operating costs from tenants and that the group will lose considerable rental income. In order to mitigate the risk, the Company continues to provide information toits tenants to support them in reducing their consumption of energy.

Higher levels of inflation particularly for energy and materials may have an impact on the group's ability to acquire materials for capex measures at a reasonable price and increase utility costs or result in delays across the group's operations. Furthermore, higher levels of inflation across the economy may result in higher personnel expenses and expenses related to external services, which could have a negative impact on the group's profitability. In addition, higher levels of inflation have resulted in rapid and significant increases in interest rates and consequently resulted in significant volatility in capital markets, which has a negative impact on the cost and availability of new financing for the group on one hand and have put upward pressure on discount rates and cap rates. While in recent periods the momentum has shifted, renewed interest rate pressures, if prolonged, could consequently have a further adverse impact on the fair value of the group's assets and share price performance.

**› Uncertain interest rate environment**

In order to battle the increased inflation levels, the European Central Bank has raised interest rate levels rapidly and has declared that it would maintain high interest levels at least until inflation slows down and it reached the desired level. This has led to a significant rise in interest rates in Germany and throughout the Eurozone and led to a decrease in real estate valuations and investments, resulting in lower transaction level and lower demand for real estate, among other effects. Starting mid-2024 the ECB started easing rates, and as a result pressures have eased. However, rates remain above the level seen in recent years and a renewed increase in interest rates could adversely impact the group's business in a number of ways, including:

The discount and cap rates used to calculate the value of the Group’s properties recorded on the Company’s balance sheet in accordance with International Accounting Standard (“IAS”) IAS 40 tends to increase in an environment of rising interest rates, which in turn could result in the group Group’s properties having a lower fair value.

Although the group’s current debt structure primarily involves debt at fixed interest rates or, where variable interest rates apply, is predominantly subject to interest rate hedging agreements, the increase in interest rates may have a negative impact on the group’s ability to refinance existing debt or incur additional debt on favourable terms. Financial institutions such as banks may seek to reduce their exposure to the real estate sector and also might be subject to increased equity requirements and balance sheet regulations resulting in restraints to lend out money to customers which could make it more difficult for the group to obtain bank financing at desired terms. In general, rising interest rates (or market expectations regarding future increases in interest rates) would make financing required by the group for its refinancing, acquisition, capital expenditure and/or other real estate activities more expensive, which could reduce the group’s profits.

When negotiating financing agreements or extending such agreements, the group depends on its ability to agree to terms and conditions that will provide for interest payments that will not impair its profit targets, and for amortisation schedules that do not restrict its ability to pay intended dividends. Further, the group may be unable to enter into hedging instruments that may become necessary if variable interest rates are agreed upon or may only be able to do so at significant costs. If the current environment in which high rates prevail will remain for a prolonged period, the group’s financing costs, including costs for hedging instruments, may increase, which would likely reduce the group’s profits.

The group’s equity includes a material amount of perpetual notes. Such notes include in their terms a reset of their respective interest rates every five years (reset date), starting from the first call date, based on a specified margin plus a 5-year swap rate (reset rate). If a reset date falls in a period of high interest rates it is likely that such notes will carry a materially higher interest going forward, thereby reducing the profits available to shareholders. Furthermore, the Company generally aims to replace its perpetual notes issues on their first voluntary call date by a new issue. In times of elevated interest rates, the rates that the Company would pay on a new issuance may differ materially from the reset rate, it may therefore be uneconomical for the Company to call the respective notes and issue new notes, as has been the case with its notes with the first call date in January and in October 2023.

The willingness of purchasers to acquire real estate in an environment of rising interest rates may be negatively affected, thereby restricting the group's ability to dispose of its properties on favourable terms when desired. Most purchasers finance their acquisitions with lender provided financing through mortgages and comparable security (in Germany so-called land charges). Lack of availability of such financing at attractive rates therefore reduces demand for properties.

Any of the foregoing factors may have a material adverse effect on the group’s business, net assets, financial condition, cash flows and results of operations.

### › Climate related risks

The significant impact of human activity on ecosystems and the climate have become apparent in recent years. As a result, the Company does not only face changing physical climate risks but also transitional climate risks resulting from changes in investor and consumer demand, from regulatory changes as well as from other societal factors. The Company faces several physical climate-related risks. The Company actively attempts to identify these risks and implement measures to mitigate the impact of such risks to the Company, for example through insurance. To better understand the Company’s exposure to physical risks, the Company has adopted a tool for asset-level assessment of physical risk develop. This analysis will serve the Company in determining which risks are material in order to develop adaptation solutions. Furthermore, increased occurrence of severe weather events will likely result in higher insurance premiums.

In addition to physical climate-related risks the Company also faces transitional risks. As a result of the more apparent impact of climate changes 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 present technological risks to the Company which requires careful attention when planning maintenance and capex measures. At the EU level, the EU Council and EU Parliament reached an agreement in December 2023 on the recast of the Energy Performance of Buildings Directive (EPBD) to include 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 who will define their own target pathways. Noncompliance with the energy requirements under the new EPBD 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 minimise the financial risk through pro-active carbon reduction and energy efficiency policies and programmes. 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 the sustainability goals may also have a negative impact on the Group. To take on a proactive approach, the Company has developed a $CO_2$ pathway 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. In order mitigate risks related to $CO_2$ emissions, and in order to reach the Company's environmental targets, the Group is developing an investment program, which covers a wide variety of activities involving both energy efficiency improvements and renewable energy projects. The size and scope of the investment program depends 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 continuously updates its climate-related risk assessment each year.

The Building Resilience Task Force, an interdepartmental team dedicated to this effort, continues to further develop control mechanisms and risk mitigation measures for climate-related risks.

Nuremberg / Fürth

## 26. HEDGING ACTIVITIES AND DERIVATIVES

The Group is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments is interest rate risk and currency risk.

The Group's risk management strategy and how it is applied to manage risk are explained in note 25.3.

| | | As at 31 December | |
|---|---|---|---|
| | | 2024 | 2023 |
| | | €'000 | |
| **CURRENT AND NON-CURRENT DERIVATIVE FINANCIAL ASSETS** | | | |
| Derivatives that are designated as hedging instruments in fair value hedge | 26.1 | 18,768 | 56,185 |
| Derivatives that are designated as hedging instruments in cash flow hedge | 26.2 | 15,898 | 8,679 |
| Derivatives that are designated as hedging instruments in net investment hedge | 26.3 | - | 362 |
| Derivatives that are not designated in hedge accounting relationships | 26.4 | 4,412 | 6,157 |
| | | **39,078** | **71,383** |
| **CURRENT AND NON-CURRENT DERIVATIVE FINANCIAL LIABILITIES** | | | |
| Derivatives that are designated as hedging instruments in fair value hedge | 26.1 | 42,103 | 40,301 |
| Derivatives that are designated as hedging instruments in cash flow hedge | 26.2 | 10,362 | 2,800 |
| Derivatives that are designated as hedging instruments in net investment hedge | 26.3 | 68,161 | 26,092 |
| Derivatives that are not designated in hedge accounting relationships | 26.4 | 505 | - |
| | | **121,131** | **69,193** |

### 26.1. DERIVATIVES DESIGNATED AS HEDGING INSTRUMENTS IN FAIR VALUE HEDGE

As at 31 December 2024, the Group had foreign exchange rate swap agreements in place, as follows:

| Hedging instrument (*) | Group receives | Group pays |
|---|---|---|
| | '000 | |
| Swap | HKD 900,000 | Euro 92,631 |
| Swap | JPY 7,500,000 | Euro 75,500 |
| Swap | HKD 290,000 | Euro 32,768 |

(*) all swaps are linked to bonds' maturity

In addition, the Group has entered into several interest rate swap agreements. For further information regarding the effective coupon rate see note 19.2.

The swaps are being used to hedge the exposure to changes in fair value of the Group's straight bonds which arise from foreign exchange rate and interest rate risks.

There is an economic relationship between the hedged items and the hedging instruments as the terms of foreign exchange rate and interest rate swaps match the terms of the hedged items as described above. The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange rate and the interest rate swaps is identical to hedged risk component. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risk.

The hedge ineffectiveness can arise from:

- Different foreign exchange and interest rates' curve applied to the hedge items and hedging instruments
- Differences in timing of cash flows of the hedged items and hedging instruments
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items

The impact of the hedging instruments on the consolidated statement of financial position is, as follows:

| Risk category | Carrying amount: Assets | Carrying amount: Liabilities | Line item in the consolidated financial statements | Net change in fair value used for measuring ineffectiveness for the year |
|---|---|---|---|---|
| | €'000 | €'000 | | €'000 |
| **As at 31 December 2024** | | | | |
| Foreign exchange and interest rate | 18,768 | 42,103 | Derivative financial assets/ liabilities | (43,456) |
| **As at 31 December 2023** | | | | |
| Foreign exchange and interest rate | 56,185 | 40,301 | Derivative financial assets/ liabilities | 20,725 |

The impact of the hedged items on the consolidated statement of financial position is, as follows:

| | Carrying amount | Line item in the consolidated financial statements | Net change in fair value used for measuring ineffectiveness for the year |
|---|---|---|---|
| | €'000 | | €'000 |
| **As at 31 December 2024** | | | |
| Straight bonds | 367,396 | Straight bonds | 40,760 |
| **As at 31 December 2023** | | | |
| Straight bonds | 633,963 | Straight bonds | (21,206) |

The ineffectiveness recognised in the consolidated statement of profit or loss was euro 2,696 thousand (2023: 481 thousand).

## 26.2. DERIVATIVES DESIGNATED AS HEDGING INSTRUMENTS IN CASH FLOW HEDGE

As at 31 December 2024, the Company had interest rate cap and swap agreements in place, as follows:

| **Hedging instruments** | **Hedged item** | **Carrying amount** |
|---|---|---|
| | | €'000 |
| Swap | Interest rate on straight bonds | 249,693 |
| Swap and Cap | Interest rate on loans and borrowings | 574,078 |

The caps and swaps are being used to hedge the exposure to variability in cash outflows of the Group's straight bonds and loans which arise from interest rate risks.

There is an economic relationship between the hedged items and the hedging instruments.

The Group chose to designate the intrinsic value of the cap and swap contracts as the hedging instrument. The terms of the hedging instruments match the terms of the hedged items as described and the Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the interest rate and the caps and swaps is identical to hedged risk component.

To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risk. The hedge ineffectiveness can arise from:

- Different foreign exchange and interest rates' curve applied to the hedge items and hedging instruments.
- Differences in timing of cash flows of the hedged items and hedging instruments.
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items.

The impact of the hedging instruments on the consolidated statement of financial position is, as follows:

| Risk category | Carrying amount: Assets | Carrying amount: Liabilities | Line item in the consolidated financial statements | Net change in fair value used for measuring ineffectiveness for the year |
|---|---|---|---|---|
| | €'000 | €'000 | | €'000 |
| **As at 31 December 2024** | | | | |
| Interest rate | 15,898 | 10,362 | Derivative financial assets / liabilities | (11,724) |
| **As at 31 December 2023** | | | | |
| Interest rate | 8,679 | 2,800 | Derivative financial assets / liabilities | 343 |

The impact of the hedged items on the consolidated statement of financial position is, as follows:

| | Carrying amount | Line item in the consolidated financial statements | Net change in fair value used for measuring ineffectiveness for the year |
|---|---|---|---|
| | €'000 | | €'000 |
| **As at 31 December 2024** | | | |
| Straight bonds | 249,693 | Straight bonds | 7,148 |
| Loans and borrowings | 574,078 | Loans and borrowings | 4,576 |
| **As at 31 December 2023** | | | |
| Loans and borrowings | 375,300 | Loans and borrowings | (343) |

The hedging gains and losses recognised in OCI before tax are equal to the change in fair value used for measuring effectiveness. There is no ineffectiveness recognised in profit or loss.

## 26.3. DERIVATIVES DESIGNATED AS HEDGING INSTRUMENTS IN NET INVESTMENT IN FOREIGN OPERATION

The Group uses derivatives, such as forward contracts and options, to hedge its GBP foreign exchange risk on its investments in foreign subsidiaries.

The Company designates the spot element of forward contracts or the intrinsic value of options as the hedging instruments. Changes in the fair value of the spot element of forward contracts and in the intrinsic value of options are transferred to OCI to offset any gains or losses on translation of the net investments in the subsidiaries.

The Company transfers changes in fair value of the forward element in forward contracts and of the time value of options are transferred to OCI and reclassified to the consolidated statement of profit or loss on a straight-line basis as cost of hedge.

There is an economic relationship between the hedged item and the hedging instruments as the net investment creates a translation risk that will match the foreign exchange risk on the hedging instruments. The hedge ineffectiveness will arise when the amount of the investment in the foreign subsidiaries becomes lower than the amount of the netional amount hedged.

The impact of the hedging instruments on the consolidated statement of financial position is, as follows:

| Risk category | Notional amount outstanding | Carrying amount: Assets | Carrying amount: Liabilities | Line item in the consolidated financial statements | Net change in fair value used for measuring ineffectiveness for the year |
|---|---|---|---|---|---|
| | £000 | €'000 | €'000 | | €'000 |
| **As at 31 December 2024** | | | | | |
| Foreign exchange rate | 1,275,000 | - | 68,161 | Derivative financial assets and derivative financial liabilities | (48,431) |
| **As at 31 December 2023** | | | | | |
| Foreign exchange rate | 1,315,000 | 362 | 26,092 | Derivative financial assets and derivative financial liabilities | (32,568) |

The impact of the hedged item on the consolidated statement of financial position is, as follows:

| | Foreign currency translation reserves | Net change in fair value used for measuring ineffectiveness for the year |
|---|---|---|
| | €'000 | |
| **As at 31 December 2024** | | |
| Net investment in foreign subsidiaries | 75,719 | 48,431 |
| **As at 31 December 2023** | | |
| Net investment in foreign subsidiaries | 44,301 | 32,568 |

The hedging gains and losses recognised in OCI before tax are equal to the change in fair value used for measuring effectiveness. There is no ineffectiveness recognised in profit or loss.

### 26.4. DERIVATIVES NOT DESIGNATED AS HEDGING INSTRUMENTS

The Group uses interest rate swaps, collars, caps and floors to manage its exposure to interest rate movements on its bank borrowings. These derivative financial instruments are linked to the bank loans maturity.

## 27. CAPITAL MANAGEMENT

The Group manages its capital to ensure that it will be able to continue as a going concern while increasing the return to owners through striving to keep a low debt to equity ratio. The management closely monitors Loan to Value ratio (LTV), which is calculated, on an entity level or portfolio level, where applicable, in order to ensure that it remains within its quantitative banking covenants and maintain a strong credit rating. The Group seeks to preserve its conservative capital structure with a LTV to remain at a target below 45%. As at 31 December 2024 and 2023 the LTV ratio was 33% and 37%, respectively, and the Group did not breach any of its financial covenants, nor did it default on any other of its obligations under its loan agreements. LTV covenant ratio may vary between the subsidiaries of the Group. The Company regularly reviews compliance with Luxembourg and local regulations regarding restrictions on minimum capital. During the years covered by these consolidated financial statements, the Company complied with all externally imposed capital requirements.

## 28. LEASES

The Group has entered into long-term rent agreements as a lessor of some of its investment property. The future minimum rental income receivable under non-cancellable operating leases is as follows:

| | As at 31 December | |
|---|---|---|
| | 2024 | 2023 |
| | €'000 | |
| First year | 44,788 | 49,348 |
| Second year | 38,020 | 41,067 |
| Third year | 35,385 | 35,125 |
| Fourth year | 28,937 | 32,597 |
| Fifth year | 24,068 | 26,084 |
| More than five years | 144,661 | 163,416 |
| | **315,859** | **347,637** |

## 29. COMMITMENTS

As at the reporting date, the Group had several financial obligations in total amount of approximately euro 135 million (2023: euro 160 million), of which approximately euro 50 million were satisfied after the reporting period.

Commitments primarily relate to capital expenditure obligations over several years in connection with bank loans, as well as other investments.

## 30. CONTINGENT ASSETS AND LIABILITIES

The Group does not have significant contingent assets and liabilities as at 31 December 2024 and 2023.

## 31. GROUP SIGNIFICANT HOLDINGS

The details of the significant holdings in the Group as at 31 December 2024 and 2023 are as follows:

| | | | As at 31 December | |
|---|---|---|---|---|
| | Place of incorporation | Principal activities | 2024 Holding % | 2023 Holding % |
| **Significant subsidiaries held directly by the Company:** | | | | |
| Grandcity Property Ltd. | Cyprus | Holding of investments | 94.8% | 94.8% |
| Grand City Properties Holdings S.à r.l | Luxembourg | Holding of investments | 100% | 100% |
| Grandcity Holdings Ltd. | Cyprus | Holding of investments | 100% | 100% |
| Grand City Properties Holdings B.V. | The Netherlands | Holding of investments | 100% | 100% |
| Grand City Properties Finance S.à r.l | Luxembourg | Financing | 100% | - |

| | | | As at 31 December | |
|---|---|---|---|---|
| | Place of incorporation | Principal activities | 2024 Holding % | 2023 Holding % |
| **Significant subsidiaries held indirectly by the Company:** | | | | |
| Grandcity Towers Ltd. | Cyprus | Holding of investments | 100% | 100% |
| Gutburg holding Limited | Cyprus | Holding of investments | 100% | 100% |
| Noeran Limited | Cyprus | Holding of investments | 100% | 100% |
| Carmiliana Limited | Cyprus | Holding of investments | 100% | 100% |
| Garnet 1 Property S.à r.l | Luxemburg | Holding of investments | 100% | 100% |
| GCP Real Estate Holdings GmbH | Germany | Holding of investments | 100% | 100% |
| Sparol Limited | Cyprus | Holding of investments | 89.1% | 89.1% |
| Garnet 2 Property S.à r.l | Luxemburg | Holding of investments | 100% | 100% |

Significant Group entities releated to investing in real estate properties in Germany and London and their parent companies.

The holding percentage in each entity equals to the voting rights the holder has in it.

There are no material restrictions on the ability of the Group to access or use the assets of its subsidiaries to settle the liabilities of the Group.

## 32. EVENTS AFTER THE REPORTING PERIOD

a. On 31 January 2025, the Group received euro 66 million as a repayment of a vendor loan, which was provided as part of a disposal transaction completed in 2023.

b. On 14 March 2025, the Group completed the disposal of approximately euro 85 million of investment property, which was signed in 2024.

*To the Shareholders of*
***Grand City Properties S.A.***
*37, Boulevard Joseph II*
*L-1840 Luxembourg*
*Luxembourg*

# REPORT OF THE REVISEUR D'ENTREPRISES AGREE

*Report on the audit of the consolidated financial statements*

## Opinion

We have audited the consolidated financial statements of Grand City Properties S.A. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

## 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 consolidated financial statements » section of our report. We are also independent of the Group 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 consolidated financial statements, 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 consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Valuation of Investment Properties

Refer to notes 15 and 24.2 to the consolidated financial statements for related disclosures.

In notes 2.3, 3.11 and 3.12 to the consolidated financial statements you find the corresponding significant accounting judgements, estimates and assumptions, and the accounting policies, respectively.

*a) Why the matter was considered to be one of most significance in our audit of the consolidated financial statements*

As at 31 December 2024 the Group held a portfolio of investment properties with a fair value of TEUR 8,628,962 (31 December 2023: TEUR 8,629,083) and investment properties within assets classified as held for sale with a fair value of TEUR 224,705 (31 December 2023: TEUR 195,641).

The valuation of investment properties is a significant judgement area and is underpinned by a number of assumptions.

The fair value measurement of investment property is inherently subjective and requires valuation experts and the Group's management to use certain assumptions regarding discount and capitalization rates on the Group's assets, future rent, occupancy rates, contract renewal terms, the probability of leasing vacant areas, asset operating expenses, the tenants' financial stability and the implications of any investments made for future development purposes in order to assess the future expected cash flows from the assets. Any change in the assumptions used to measure the investment property could cause a significant change on the resulting fair value. The Group uses external valuation reports issued by external independent professionally qualified valuers to determine the fair value of its investment properties.

The external valuers were engaged by management and performed their work in compliance with the Royal Institute of Chartered Surveyors Valuation – Professional Standards, TEGoVA European Valuations Standards and IVSC International Valuation Standard. The valuers used by the Group have the necessary experience of the markets in which the Group operates. In determining a property's valuation, the external valuers take into account property-specific characteristics and information such as the current tenancy agreements and rental income.

They apply assumptions for yields and estimated market rent, which are influenced by prevailing market yields and comparable market transactions, to arrive at the final valuation.

The significance of the estimates and judgments involved, coupled with the fact that only a small percentage difference in individual property valuations, when aggregated, could result in a material misstatement in the consolidated statement of profit or loss and consolidated statement of financial position, warrants specific audit focus in this area.

*b) How the matter was addressed during the audit*

Our procedures over valuation of investment properties included but were not limited to the following:

- We tested the design and implementation of the key controls around the determination and monitoring of the fair value measurement of the investment properties;
- We assessed the competence, capabilities, qualifications, independence and integrity of the external valuers and read their terms of engagement with the Group to determine whether there were any matters that might have affected their objectivity or may have imposed scope limitations on their work;
- Through the involvement of our own property valuation specialists, on a sample basis, we assessed that the valuation approach applied by the external valuer was in accordance with relevant valuation and accounting standards and suitable for use in determining the carrying value in the consolidated statement of financial position;
- Through the involvement of our own property valuation specialists, on a sample basis, we tested the integrity, accuracy and completeness of inputs used by the external valuers, as well as appropriateness of valuation parameters used, such as discount and capitalisation rates, market rents per square meter and capital expenditure, vacancy rates, comparable price per square meter and development cost;
- Through the involvement of our own property valuation specialists, on a sample basis, we assessed the valuation process, significant assumptions and critical judgement areas by benchmarking these to external industry data and comparable property transactions, in particular the yields applied; and
- We considered the adequacy of the disclosures in the consolidated financial statements, and the Group's descriptions regarding the inherent degree of subjectivity and the key assumptions in estimates.

## Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the consolidated annual report including the Board of Directors' report and the Corporate Governance Statement but does not include the consolidated financial statements and our report of the "réviseur d'entreprises agréé" thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements 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 consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The Board of Directors is responsible for presenting and marking up the consolidated financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format ("ESEF Regulation").

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## Responsibilities of the "réviseur d'entreprises agréé" for the audit of the consolidated financial statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements 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 consolidated financial statements.

Our responsibility is to assess whether the consolidated financial statements 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 consolidated financial statements, 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 Group'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 Group'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 consolidated financial statements 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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 consolidated financial statements 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 26 June 2024 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 13 years.

The Board of Directors' report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement is included in the Board of Directors' 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 consolidated financial statements 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 Group in conducting the audit.

We have checked the compliance of the consolidated financial statements of the Group as at 31 December 2024 with relevant statutory requirements set out in the ESEF Regulation that are applicable to consolidated financial statements.

For the Group it relates to:

- consolidated financial statements prepared in a valid xHTML format;
- The XBRL markup of the consolidated financial statements using the core taxonomy and the common rules on markups specified in the ESEF Regulation.

In our opinion, the consolidated financial statements of Grand City Properties S.A. as at 31 December 2024, identified as 5299002QLUYKK2WBMB18-2024-12-31-0-en.zip, 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 consolidated financial statements of Grand City Properties S.A. as at 31 December 2024, identified as 5299002QLUYKK2WBMB18-2024-12-31-0-en. zip, prepared and presented in accordance with the requirements laid down in the ESEF Regulation, which is the only authoritative version

*Luxembourg, 17 March 2025*

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

Alessandro Raone
Partner

Dresden