

TONSA COMMERCIAL REI N.V.

Annual Report for the year ended 31 December 2025

Rotterdam, 20 May 2026

Table of content

Directors' Report	6
Consolidated statement of financial position as at 31 December 2025	31
Consolidated statement of comprehensive income for the year ended 31 December 2025	32
Consolidated statement of changes in equity for the year ended 31 December 2025	33
Consolidated statement of cash flows for the year ended 31 December 2025	34
Notes to the consolidated financial statements	35
1. General information	35
2. Material subsidiaries	35
3. Summary of significant accounting policies	36
4. Statement of compliance	36
5. Preparation of the consolidated financial statements	36
6. Financial risk management	47
7. Critical accounting estimates and judgements	53
8. Operating segments	53
9. Revenue from contracts with customers	55
10. Net property expense less service charge income	55
11. Administrative expenses	55
12. Interest expenses, net	55
13. Other financial result, net	55
14. Income taxes	56
15. Standing investments and Developments and lands	57
16. Financial assets at fair value through profit or loss and other comprehensive income	58
17. Inventories	59
18. Receivables from tenants	59
19. Other financial assets and other assets	60
20. Derivative financial instruments	60
21. Non-current assets classified as held for sale	60
22. Issued share capital	61
23. Borrowings	62
24. Trade and other payables	63
25. Other financial liabilities and other liabilities	63
26. Dividends	63
27. Business combinations	63
28. Contingencies and commitments	64
29. Related party transactions	64
30. Other disclosures	66
31. Events after the balance sheet date	66
Company financial statements for to the year ended 31 December 2025	68
Company balance sheet as at 31 December 2025 (before profit appropriation)	69
Company income statement for the year ended 31 December 2025	70
Notes to the Company financial statements	71
1. General information	71
2. Non-current Assets	72
3. Debtors	72
4. Short term receivable from subsidiaries	72
5. Cash and cash equivalents	72
6. Equity	73
7. Provisions	73
8. Short term borrowings	74
9. Trade and other payables	74
10. Short term borrowings from shareholders and subsidiaries	74
11. Accrued expenditure	74
12. Net income	74
13. Directors' remuneration	74
14. Employees	74
15. Other costs	75

16.	Interest expenses	75
17.	Audit fees	75
18.	Contingencies and commitments	75
19.	Events after the date of the Company statement of financial position	76
	Other Information	77

Rotterdam, 20 May 2026

STATEMENT

The Board of Directors of TONSA Commercial REI N.V. ("Company", "Guarantor") as the parent company for 100% subsidiaries, which are capital companies with their registered seats in Poland and constituting a capital group ("Group", "Guarantee Group"), declares that to the best of its knowledge:

- the annual consolidated financial statements and comparable data have been prepared in accordance with the applicable accounting principles and that they reflect in a true, reliable and clear manner the financial position of the Group and its financial result,
- the Group Director's Report gives a true picture of the development and achievements as well as the situation of the Group, including a description of the basic threats and risks.

The Management Board of the Company also declares that it has appointed an audit firm to audit the annual consolidated financial statements in accordance with the applicable laws, regarding the appointment and procedure for appointment of an audit firm. In addition, the Board of Directors declares that the audit firm and members of the team performing the audit met the conditions for the preparation of an impartial and independent report on the audit of the annual consolidated financial statements, in accordance with applicable regulations, professional standards and professional ethics as further explained in the section 'independence' in the independent auditor's report.

The Board of Directors,

M. Grabski

D. Luksenburg

M. Leininger

J. E. Missaar

**SELECTED FINANCIAL DATA FROM CONSOLIDATED FINANCIAL STATEMENTS OF
TONSA COMMERCIAL REI N.V. GROUP
FOR THE YEAR ENDED 31 DECEMBER 2025**

Selected financial data	in thousand PLN		in thousand EUR	
	2025	2024	2025	2024
Gross rental income	138 328	143 369	32 646	33 309
Net rental income	123 053	120 165	29 041	27 918
Net operating profit	76 265	69 401	17 999	16 124
Profit before taxation	8 996	2 475	2 123	575
Profit after taxation for the year	9 610	788	2 268	183

Selected financial data	in thousand PLN		in thousand EUR	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Total assets	2 743 149	2 678 321	649 005	626 801
Non-current assets	1 751 405	2 440 396	414 367	571 120
Current assets	278 230	237 925	65 827	55 681
Assets held for sale	713 513	0	168 811	0
Liabilities directly associated with the assets held for sale	401 575	0	95 009	0
Total liabilities	1 291 274	1 637 734	305 504	383 275
Non-current liabilities	837 288	1 289 177	198 095	301 703
Current liabilities	453 986	348 557	107 409	81 572
Total equity, including	1 050 301	1 040 587	248 492	243 526
Retained earnings	203 757	205 207	48 207	48 024

The conversion into PLN was made according to the average exchange rates set by the National Bank of Poland:

Balance sheet items were converted at the average exchange rate applicable on the last day of the relevant period (closing rate):

- 31 December 2024 at the average exchange rate of 4,2730
- 31 December 2025 at the average exchange rate of 4,2267

Items from the profit and loss account were converted according to the exchange rates calculated as the arithmetic mean of the average EUR exchange rates set by the National Bank of Poland on the last day of each month of the financial period:

- for the period from 1 January until 31 December 2024 – 4,3042
- for the period from 1 January until 31 December 2025 – 4,2372

The Board of Directors,

M. Grabski

D. Luksenburg

M. Leininger

J. E. Missaar

**Directors' Report
for to the year ended 31 December 2025**

1. GENERAL INFORMATION

Company

TONSA Commercial REI N.V. (the “**Company**”) is a limited liability company, incorporated on 13 November 2018 by Tonsa SCA SICAF – RAIF (current name: TONSA SCA, SICAV RAIF), a company established in Luxembourg. It was registered with the trade register under number 73088870 and has its corporate seat in Rotterdam, the Netherlands and registered offices at Oslo 1, 2993LD Barendrecht.

Board of (Supervisory) Directors

The members of the board of directors in 2025 were:

- Mr. Maciej Grabski – director A
- Mr. David Luksenburg – director B
- Mr. Markus Leininger – director B
- Mr. Jeroen Edwin Missaar – director B

The authority to represent the Company shall vest in managing director A acting jointly with a managing director B. In the event only one managing director is in office such member is authorised to represent the Company solely.

The Company has no Supervisory Board.

Share Capital

As per 31 December 2025 the authorised share capital of the Company amounts to EUR 226.670.800 (two hundred twenty-six million six hundred seventy thousand eight hundred Euros), while the issued and paid up capital amounts to EUR 188.009.900 (one hundred eighty-eight million nine thousand nine hundred Euros). The issued share capital consists of 1.880.099 ordinary shares with a nominal value of EUR 100,00 each.

Activities

The Company is a head of a Group involved in the construction, development and ownership of mainly office and residential/Private Rental Sector (PRS) buildings in Poland. The office buildings jointly comprise the Olivia Centre complex, a commercial office park located in Gdańsk, Poland.

The Company remains a parent company for the wholly owned subsidiaries being capital companies based mainly in Poland with the purpose to own their shares to create a capital group (The Group).

The operating income of the Group include rental income, service charge fees, and property sales. The Group started to sell property from 2023.

The portfolio of investment properties is located in the business centre of the Gdańsk Metropolitan Area in Poland and constitutes nearly 17% share in the office market in the region, with high level of commercialization – 95% among office buildings (the highest level of commercialization in the history of the Group; 94% in 2024). The Group has a diversified tenant portfolio above 120 tenants, mainly international and domestic with a stable financial situation.

The Group has diversified sources of debt financing based on long-term contracts signed with various Polish and international financial institutions and debt securities issued by one of its subsidiaries, Olivia Fin Sp. z o.o. SKA (the “Issuer”).

Group policies

The most important elements of the Group’s policies / strategy to date are:

- continue the growth of the Group’s main asset, the Olivia Centre, by increasing the number of lease agreements and further commercialize the buildings;
- prudently seeking for further opportunities in the office market, as well as further development on the residential/PRS market on new plots and the Group’s land reserves and within the legal opportunities and market expectations,
- being a responsible investor and ensuring the synergy of three areas: environment, community and rational financing, which will allow the Group to create a multifunctional space, well integrated into the urban fabric, certified according to prestigious international classifications.

Group / subsidiaries

As per 31 December 2025 the Company had the following (in)direct subsidiaries, most having their corporate seat in Gdansk, Poland (excepted Brillant 3756. GmbH with its seat in Berlin):

- “Olivia Gate” Spółka z ograniczoną odpowiedzialnością,

- “Olivia Point&Tower” Spółka z ograniczoną odpowiedzialnością,
- “Olivia 4” Spółka Akcyjna,
- “Olivia Star” Spółka Akcyjna,
- “J-Home” Spółka Akcyjna,
- “Olivia Seven” Spółka z ograniczoną odpowiedzialnością,
- “Olivia Prime B” Spółka z ograniczoną odpowiedzialnością,
- “Olivia Complex” Spółka z ograniczoną odpowiedzialnością,
- Olivia Fin Spółka z ograniczoną odpowiedzialnością,
- Olivia Fin Spółka z ograniczoną odpowiedzialnością Spółka komandytowo-akcyjna,
- Olivia Home Platynowa Park Spółka z ograniczoną odpowiedzialnością,
- TP3 Spółka z ograniczoną odpowiedzialnością,
- Olivia Home Leśna Spółka z ograniczoną odpowiedzialnością,
- Materida Spółka z ograniczoną odpowiedzialnością,
- Olivia XI Spółka z ograniczoną odpowiedzialnością*,
- OH1 Spółka z ograniczoną odpowiedzialnością*,
- OH2 Spółka z ograniczoną odpowiedzialnością*,
- Brillant 3756. GmbH.

* entities incorporated on 5th December 2025

The financial statements for 2025 include the consolidated financial information of the Company and all its direct and indirect subsidiaries („the Group”).

Shareholders

At the 31 December 2025 the Company has sole shareholder:

- TONSA SCA – SICAV – RAIF (previously: TONSA S.A. – SICAF – RAIF) with its corporate seat in Luxembourg, the Grand Duchy of Luxembourg, owner of 100% of the issued share capital.

As the Company doesn't exceed thresholds, the structure regime (“structuurvennootschap”) isn't applicable. The ultimate beneficial owner of the Company is Mr. Maciej Grabski.

2. FINANCIAL INFORMATION

Turnover and results

Below we provide an analysis of the Group result based on the consolidated statement of comprehensive income:

	2025	2024	Change
Gross rental income	32 646	33 309	-2%
Service charge income	15 321	14 934	3%
Net property expenses	-18 926	-20 325	-7%
Net rental income	29 041	27 918	4%
Net result on disposals	-12	79	-115%
Revaluation of standing investments, net	-4 523	-11 298	-60%
Revaluation of developments and land, net	-4 071	1 646	-347%
Other depreciation, amortisation and impairments	6	-4	-250%
Administrative expenses	-2 442	-2 217	10%
Net operating profit	17 999	16 124	12%
Interest expenses, net	-16 166	-18 391	-12%
Foreign currency differences	2 517	4 258	-41%
Other financial result, net	-2 227	-1 416	57%
Profit before taxation	2 123	575	269%
Taxation charge for the period	145	-392	-137%
Profit after taxation for the year	2 268	183	1139%
Exchange differences on translation of foreign operations	2 698	3 717	-27%
Other comprehensive income	4 966	3 900	27%

The gross rental income of the Group for the year 2025 was comparable to 2024. In 2024 part of rental income was a result of sale of flats in Olivia Home Platynowa Park. Net rental income of the Group for the year 2025 amounted to kEUR 29.041 was 4% higher

comparing to 2024 (kEUR 27.918). This increase of net rental income was mainly caused by further commercialization of the Group's buildings and rent indexation and mainly increase in service charge income. The decrease in net property expenses was caused by decrease in other property related costs.

Net operating profit for 2025 amounted to kEUR 17.999 and was higher than in 2024 (kEUR 16.124). Net operating profit was mainly affected by revaluation of the investments (lower loss than in 2024), excluding net rental income changes. The negative impact of valuation was caused by change in exchange rates of EUR to PLN (which is functional currency of Group entities). The value of buildings in EUR increased in comparison to previous year while the value of the development and land decreased in comparison to prior period. Result from investment revaluation amounted to kEUR -8.594 in 2025 (2024 kEUR -9.652).

For the year 2025 the Group had a net result of kEUR 2.268, comparing to positive result of kEUR 183 in 2024 (increase by 1.139%). Except for changes in net operating profit, the Group's increase in net profit for the year was mainly affected by decrease in interest expenses, net (in 2025 loss of kEUR 16.166, comparing to loss of kEUR 18.391 in 2024) and foreign currency differences (in 2025 gain of kEUR 2.517, comparing to gain of kEUR 4.258 in 2024) and other financial result (in 2025 loss of kEUR 2.227, comparing to loss kEUR 1.416 in 2024).

Financial Position

Below we provide an analysis of the Group's financial position based on the consolidated statement of financial position:

	31 December 2025	31 December 2024
ASSETS		
Current assets	65 827	55 681
Short-term receivables	37 830	21 502
Cash and cash equivalents	27 997	34 179
Current liabilities	107 409	81 572
WORKING CAPITAL	-41 582	-25 891
ADJUSTED WORKING CAPITAL*	27 871	13 106
Non-current assets		
Tangible Fixed Assets	375 287	528 154
Financial Fixed Assets	39 080	42 966
TOTAL INVESTMENT	372 785	545 229
COVERED BY:		
Equity	248 492	243 526
Non-current liabilities	198 095	301 703
TOTAL FUNDING	446 587	545 229

* Adjusted working capital as at 31 December 2025 including the effect of extension of the bank loan in Olivia 4 (at the end of 2025 kEUR 19.123) in January 2026 this credit was refinanced, and the effect of positive decision for refinancing of credits in Olivia Gate and J-Home made by BNP Paribas in May 2026 (in amount of kEUR 50.330 as at 31 December 2025) and as at 31 December 2024 including the effect of extension of the bank loan in Olivia Prime A (at the end of 2024 kEUR 38.997) in March 2025 this credit was refinanced.

Working capital shows how many current assets are financed with long-term capital. Positive working capital confirms security in liquidity. The Group's goal in managing working capital is to maintain a balance between the Group's security in terms of its liquidity and the profitability of its operations.

The Group has diversified sources of debt financing, obtained through long-term loan agreements concluded with various Polish and international financial institutions and debt securities issued by one of its subsidiaries, Olivia Fin Sp. z o.o. SKA (the "Issuer"). The Issuer issued bonds through Noble Securities SA, Michael / Strom Dom Maklerski S.A and Dom Maklarski BDM SA and for the funds obtained took up bonds or granted loans to special purpose vehicles executing projects, contributing to the further development of Group.

The main component of short-term liabilities as at 31 December 2025 is a credit in Olivia Gate Sp. z o.o., and J-Home S.A. (Olivia Six building) for which the Group is in an advanced stage of refinancing with an external lender expected to be closed in the second half of 2026 and credit in Olivia 4 S.A. which the Group refinanced in January 2026. Based on the operational activities of

the Group, management expects that remaining financing that matures within the first 12 months after signing these financial statements can be refinanced in the normal course of business.

In 2025, the negative working capital increased compared to 2024 by 61%.

Tangible fixed assets are the main part of non-current assets. There are mainly completed and commercialized real estate owned by the Group. In 2025, tangible fixed assets remains on similar level as at the end of 2024. In 2025, financial fixed assets increased by 3% and it is related mainly to the increased values of loans granted.

Solvency and liquidity

The solvency ratio is a key metric used to measure an enterprise's ability to meet its debt and other obligations. The liquidity indicates the extent to which the Group is able to settle its obligations in the short term.

Bank loans are monitored based on various indicators (bank covenants). Investment loans are monitored by debt service coverage ratio (DSCR) or debt yield ratio (DYR) and loan to value ratio (LTV), construction loans are monitored by interest service coverage ratio (ISCR) and loan to cost ratio (LTC). All covenants at the end of 2025 were at a safe level and there were no breaches. Details regarding bank covenants in particular entities are described in note 23 of the consolidated financial statements.

The most common ratios are presented below:

Solvency	2025	2024
Long-term Debt to Equity Ratio <i>Long Term Debt/ Total Equity</i>	0,80	1,24
Total Debt to Equity <i>Total Debt/ Total Equity</i>	1,23	1,57
Debt Ratio <i>Total Debt/ Total Assets</i>	0,47	0,61
Financial Leverage <i>Total Assets/ Total Equity</i>	2,61	2,57
Solvency Ratio <i>(Total liabilities + guarantees and sureties granted (excluding sureties granted to secure any bonds issued by the Issuer) - cash and cash equivalents) / Total Assets</i>	0,43	0,56
Liquidity	2025	2024
Cash ratio <i>Cash / Current liabilities</i>	0,26	0,42
Quick ratio <i>(Current assets - Inventory)/ Current liabilities</i>	0,36	0,55

Solvency and liquidity ratios for 2025 decreased in comparison to 2024. It is mainly caused by assets held for sale (see note 21 for details)

Cash flows

Total cash flows are presented below:

	2025	2024
Net cash flow from operating activities	18 796	30 229
Net cash flow from investing activities	-5 912	-11 402
Net cash flow from financing activities	-9 422	-17 801
Net change in cash and cash equivalents	3 462	1 026

In 2025, the Group had higher total cash flows, comparing to 2024. Net cash flow from operating activities decreased by kEUR 11.433, mainly due to changes in working capital. Net cash flows from investing activities are better in 2025 in comparison to 2024 by kEUR 5.490, due to lower expenditures on investments. The cash flows from financing activities are negative what is mainly related to interest payments on liabilities.

Developments in the financial year of important matters

All significant lease agreements due in 2025 were extended during 2024 in individual special purpose vehicles.

“Olivia Gate” Spółka z ograniczoną odpowiedzialnością with seat in Gdańsk, Poland

The building owned by the company named “Olivia Gate” remained leased in 100% (in 2024 98%).

There were no significant events that influenced the activity of this company and its financial condition in 2025.

“Olivia Point&Tower” Spółka z ograniczoną odpowiedzialnością with seat in Gdańsk, Poland

The building owned by the company named “Olivia Point&Tower” remained leased in 97% (in 2024 92%).

According to the Group's strategy, in 2025 the bank loan in this SPV was extended until March 2029.

There were no significant events that influenced the activity of this company and its financial condition in 2025.

“Olivia 4” Spółka Akcyjna with seat in Gdańsk, Poland

The building owned by the company named “Olivia Four” remained leased in 91% (in 2024 93%).

In December 2025, a bank loan agreement was signed with the consortium of BOŚ Bank SA and SGB Bank SA, the purpose of which was, among other things, to refinance the loan at Millennium Bank SA. The bank loan was released in January 2026.

There were no significant events that influenced the activity of this company and its financial condition in 2025.

“Olivia Star” Spółka Akcyjna with seat in Gdańsk, Poland

The building owned by the company named “Olivia Star” remained leased in 97% (in 2024 97%).

In 2025 the Group decided to sell the Entity therefor in this financial statement it is presented as assets held for sale and liabilities related to assets held for sale.

There were no significant events that influenced the activity of this company and its financial condition in 2025.

“J-Home” Spółka Akcyjna with seat in Gdańsk, Poland

The building owned by the company named “Olivia Six” remained leased in 98% (in 2024 100%).

There were no significant events that influenced the activity of this company and its financial condition in 2025.

“Olivia Seven” Spółka z ograniczoną odpowiedzialnością with seat in Gdańsk, Poland

The building owned by the company named “Olivia Prime A” remained leased in 94% (in 2024 88%).

In Q1 2025 the bank loan was refinanced by DeutscheHypo (Norddeutsche Landesbank Girozentrale).

There were no significant events that influenced the activity of this company and its financial condition in 2025.

“Olivia Prime B” Spółka z ograniczoną odpowiedzialnością with seat in Gdańsk, Poland

The building owned by the company named “Olivia Prime B” remained leased in 89% (in 2024 88%).

In Q4 2025 the bank loan was refinanced by DeutscheHypo. (Norddeutsche Landesbank Girozentrale).

There were no significant events that influenced the activity of this company and its financial condition in 2025.

„Olivia Complex” Spółka z ograniczoną odpowiedzialnością with seat in Gdańsk, Poland

The company has a permit to build the Olivia Nine building, the implementation of which depends on the market situation.

In 2023 the company has obtained new building permits on the remaining lands (PRS buildings – Olivia 10, 11, 12A and 12B).

In the first half of 2024 the company has started the construction of the first investment, Olivia Pulse (Olivia 10), then the investment was sold to Materida Sp. z o. o..

In 2025 the company sold plot of land dedicated to construction of Olivia 11 to dedicated entity Olivia XI Sp. z o.o.

There were no other significant events that influenced the activity of this company and its financial condition in 2025.

Olivia Fin Spółka z ograniczoną odpowiedzialnością with seat in Gdańsk, Poland

The company is the general partners in Olivia Fin Sp. z o.o. SKA. There were no significant events that influenced the activity of this company and its financial condition in 2025.

Olivia Fin Spółka z ograniczoną odpowiedzialnością Spółka komandytowo-akcyjna with seat in Gdańsk, Poland

During 2025, PLN 39,9 million was issued in 1 serie. All bonds are secured by Tonsa Commercial REI NV guarantee up to 150% of the issue value.

During 2025 2 repayments of bonds were made (in total PLN 25,0 million- series N,O). All Olivia Fin Sp. z o.o. SKA bonds are on Catalyst (at the end of 2025 on Catalyst was 12 series - the total value PLN 203,2 million and EUR 21,2 million).

In August 2025 Issuer adopted resolution to establish the 5th Bond Issue Program, under which the company will be entitled to issue, in one or more series, bonds with a total nominal value of issued and unredeemed bonds not higher than PLN 150 million or the equivalent of this amount in EUR. On 17 October 2025, the Polish Financial Supervision Authority (KNF) approved the prospectus of Olivia Fin Sp. z o.o. SKA. The prospectus is valid for 12 months from its approval. The company did not issue any new bonds under this program.

There were no other significant events that influenced the activity of this company and its financial condition in 2025.

TP3 Spółka z ograniczoną odpowiedzialnością with seat in Gdańsk, Poland

In 2023 the Company sold to an unrelated entity land acquired in 2021. The company is ready to next development project

In 2025 the Company signed preliminary real estate sales agreement for property in Gdańsk.

There were no other significant events that influenced the activity of this company and its financial condition in 2025.

Olivia Home Platynowa Park Spółka z ograniczoną odpowiedzialnością with seat in Gdańsk, Poland

A special purpose vehicle that developed and completed the sale of the Platynowa Park development project in Gdańsk with apartments for sale.

There were no other significant events that influenced the activity of this company and its financial condition in 2025.

Olivia Home Leśna Spółka z ograniczoną odpowiedzialnością with seat in Gdańsk, Poland

In 2024 the entity was established for conducting new development project – Sopot Leśna, with 18 residential apartments for sale. The Entity bought a land and started the construction. In 2024, the company signed a credit agreement with BOŚ Bank to finance the construction of this project, which was launched in 2025 and repaid in March 2026. The sale process is in progress. Planned date of obtaining occupancy permit is in Q2 2026.

There were no other significant events that influenced the activity of this company and its financial condition in 2025.

Materida Spółka z ograniczoną odpowiedzialnością with seat in Gdańsk, Poland

The Entity was incorporated in 2024 in order to conduct Olivia Pulse (Olivia 10) building with 245 investment apartments for sale. The project was acquired from Olivia Complex Sp. z o.o. In 2024, the company signed a credit agreement with BNP Bank to finance the construction of this project, which was launched in 2025. The sale process is in progress. Planned date of obtaining occupancy permit is in Q3 2026.

There were no other significant events that influenced the activity of this company and its financial condition in 2025.

Olivia XI Spółka z ograniczoną odpowiedzialnością with seat in Gdańsk, Poland

The Entity was incorporated in 2025 in order to conduct Olivia 11 building.

The project was acquired from Olivia Complex Sp. z o.o.

There were no other significant events that influenced the activity of this company and its financial condition in 2025.

Brillant 3756. GmbH with seat in Berlin, Germany

From 2024 the entity was set under liquidation process.

OH1 Spółka z ograniczoną odpowiedzialnością with seat in Gdańsk, Poland and OH2 Spółka z ograniczoną odpowiedzialnością with seat in Gdańsk, Poland

On 5 December 2025 the Entities was incorporated. They are dedicated to future investment process.

3. EXPECTED STATE OF AFFAIRS

Investments

The Group has building permit on all remaining lands (buildings – Olivia 9, 11, 12A and 12B).

In 2024 the company has started the construction of Olivia Pulse (Olivia 10) and Sopot Leśna – new projects with residential and investments apartments for sale. During 2025 both projects were developed and the sale process was in progress

At the beginning of 2025 the sale of the Platynowa Park residential building -the first residential investment within the group, has been completed.

In December 2025, negotiations began regarding the sale of a controlling stake in Olivia Star S.A. with Bau Holding Beteiligungs GmbH, a company belonging to the STRABAG SE capital group. On March 27, 2026, Tonsa Commercial REI NV, the sole shareholder of Olivia Star S.A., signed a Preliminary Share Purchase Agreement, obligating the parties to conclude, upon the fulfillment or waiver of the agreed conditions by the eligible party, a final agreement for the sale of a 100% stake in the share capital of Olivia Star. Pursuant to the Preliminary Agreement, the conclusion of the Final Agreement is to take place by July 31, 2026, provided that all conditions precedent set forth therein are fulfilled or waived by the relevant party to the Preliminary Agreement.

In 2026, the Group plans to:

- obtain a BREEAM final certificate for the Olivia Prime building with a rating of at least Excellent in the full version taking into account the arrangement of the lease space (Fully Fitted). The certificate will confirm the successful implementation of best practices affecting energy efficiency throughout the building's life cycle, which translates into its relatively low operational carbon footprint,
- hold an average commercialization level of at least 95% at the end of 2026,
- obtain next green credit financing for existing office projects Olivia Gate and/or Olivia Six.
- purchase of new plots for new development projects for sale on the PRS/residential market.

Financing

The Group intends to base external financing with debt financing. The Group will take measures to extend the periods of loan agreements and if the loan value is significantly lower than the market level, the Group will increase the level of financing. Cash obtained as a result of the increase in loans will be allocated primarily to the further development of Olivia Centre on the PRS/residential of office market and repayment of bonds and loans. According to the Group's strategy, in 2025 The Group extended bank loan in Olivia Point&Tower for next 4 years. The first loan utilisation for Sopot Leśna took place in March 2025, and the first loan utilisation for Olivia Pulse was in August 2025. In Q1.2025, the Group refinanced the current loan in Olivia Seven Sp. z o. o. (Prime A building), which was disclosed as a short-term liability at the end of 2024. In November 2025, the Group refinanced the current loan in Olivia Prime B Sp. z o. o. (Prime B building). Both new bank loans were signed with DeutscheHypo (Norddeutsche Landesbank Girozentrale). In December 2025, a new credit agreement was signed with BOŚ bank and SGB Bank SA for Olivia 4 Building, which was disclosed as a short-term liability at the end of 2025. In 2026, the Group plans to extend or refinance the credits in Olivia Gate and Olivia Six on better terms than the current agreement – in May 2026 the positive decision from the bank was obtained.

Staffing

The Group has 1 employee (2024: 1) employed that is based in the Netherlands. The Group makes use, via a related party, of approximately overall 29 employees in 2025 (31 employees in 2024). Special purpose vehicles which are office buildings owners have significant restrictions on the employment of employees imposed by the banks financing the companies. It does not expect any significant changes in employment.

Circumstances on which the development of turnover and profitability depend.

In the opinion of the Management Board, the continued operation of the Group is not threatened. The Group has high cash surplus and a good financing structure in which the majority of debt is long-term debt. Additionally, the Group expects additional funds to strengthen liquidity in connection with the sale of Olivia Star SA and an increase in financing for the Olivia Gate and Olivia Six buildings. The value of real estate for rent is influenced by market conditions that may deteriorate, such as a decrease in demand for rental space and residential/PRS apartments which are for sale, lower profitability of lease contracts or in residential/PRS projects, or an increase in the supply of competitive space for rent or PRS/residential projects. A change in the amount of funds from renting space may translate into a decline in capitalization rates in a given sector and, consequently, in a decline in the value of real estate in subsequent valuations and creates a risk to the Group's liquidity. Interest rates also influence the capitalization rate and profitability. Increase in the expected real estate capitalization rates, for example as a result of a change in the level of the risk-free rate. The fluctuations in capitalization rates may occur periodically or persist for a longer period of time due to their dependence on macroeconomic factors.

The impact of geopolitical and economic uncertainty. on the Group has been described in chapter 12.

4. RISKS AND UNCERTAINTIES

Strategy

The Group has a long-term investment strategy for its real estate investments and monitors the risks associated with its investment policy. Control measures have been implemented with regard to this policy and the monitoring of the ensuing results and effects. A system safeguarding the policy, guidelines, reporting systems and segregation of duties has been set up and put into operation

in order to execute these control measures. The organisational structure and corporate strategy are focused on maximising shareholder returns with a conservative risk appetite.

The results of the Company and its direct and indirect subsidiaries are closely connected with the situation on the Polish real estate market, mainly the market for office space. The achievement of strategic goals of the Group is influenced by macroeconomic factors which remains totally independent from the Company, its subsidiaries and Group companies and their actions and reactions. Results of the Group depend on factors such pace of economic growth, total level of entrepreneurs' investments, the impact of the tariffs which gives economic uncertainty and may lead to inflation and higher level of unemployment.

Management board of the Company remains conscious of the abovementioned risks and in order to limit them, it takes up actions aiming to adjust the development strategy of the Company and Group to occurring changes.

However unforeseen situations and emergencies like terroristic attacks or extraordinary actions of nature may cause adverse change in economic conjuncture, what may negatively affects the activity of the Company, its subsidiaries and Group companies.

Risk acceptance and risk appetite

In general, the total risk appetite of the Group is low to medium, in line with the company's objective to generate consistent long-term results for its shareholders and other stakeholders such as banks and other financial institutions, private investors, tenants, suppliers and employees.

Strategic and business risk

The Group pursues focus and growth (in defined locations) with a well-defined portfolio strategy by applying clear acquisition and divestment criteria. The Group is prepared to take risk inherent in the chosen strategy in a responsible way and in line with the interests of its stakeholders.

Macro-economic environment

Economic and political uncertainty could lead to a reduction in tenant demand, impacting property valuations, and could result in a reduction in activity in the transaction market, impacting our ability to acquire, sell or develop assets.

The Group invests only in Poland, which historically has been politically and economically stable, and within Poland the Group invests in Gdansk, which is seen as robust in terms in economic outlook and tenant demand and generally have the good level of transparency and liquidity in the transaction market.

Market value of properties / valuation

The market value of properties is fundamental to an asset rich business, in particular in the calculation of NAV. There is an inherent risk that the properties in the portfolio are incorrectly valued, which may result in misstated indirect results, reputational damage and the potential for claims due to false expectations being generated among stakeholders.

The Group's property portfolio is externally appraised each year in line with the valuation standards. The Group uses only a select number of reputable valuers to appraise its assets. The Group ensures it has its internal asset data information up to date so that all the relevant data is available to support the valuation process.

Structural changes in demand for office space

Businesses are increasingly seeing the workplace environment as key to attracting and retaining talent. Working arrangements are therefore changing rapidly, with businesses requiring more flexibility and more services, driven by technological change, automation, changing lifestyles, and to a lesser extent cost efficiency. Furthermore, continued urbanisation will see future tenant demand structurally concentrate in fewer locations. Not being able to meet future tenant demand may result in structurally high vacancy levels, resulting in lower financial results and lower valuations of properties.

The group is constantly evaluating whether its properties meet the need of (potential) tenants and whether changes in tenants requirements are foreseen, so that it can effectively respond to market changes and add value to its office buildings. The Group is focusing on high-quality properties near transport hubs in selective economic growth locations. The Group also responds to the need for flexibility and services. In order to retain customers and accommodate future customer demand, the Group is constantly looking to improve its service levels.

Changes in prices of residential units sold

The Group will be dependent on the prices of the units sold, over which it has no direct influence. The current demand for housing and the level of prices are mainly influenced by the level of affluence of society, the availability of credit (including: interest rates and credit margins) and the actions of competitors. An unfavourable change in the factors shaping the demand for and price of housing can have a negative impact on the Group's operations, development prospects, financial position or results.

The Group intends to implement residential projects in market segments that are least exposed to this type of risk. The scale of projects will be adapted to the current market situation.

The creditworthiness of purchasers of residential units

The Group operate in the residential market, where units are also to be sold to residential customers. Demand in this market depends in particular on the availability of housing loans for purchasers of residential units and the ability to service them. A possible decrease in the availability of such loans, as well as a deterioration in the creditworthiness of potential purchasers of residential units, may adversely affect the Group's revenue volume. In addition, changes in regulatory policies triggering an impact on banks' assessment of creditworthiness and banks' policies in this respect may result in a decrease in the demand for new residential units and thus may have a negative impact on the Group's business, development prospects, financial condition or results of operations.

The Group implements residential projects whose clients are mainly people who do not need credit support. When the customer uses bank financing, the payment schedule is each time adapted to the terms of the loan agreement.

Competition

By focusing on selective high-demand economic growth markets there is a risk that other investors see the same attractiveness of these locations and that competition for assets can be fierce.

The Group has built up an extensive local network in the industry to be able to identify and respond to market opportunities effectively.

Sustainability

A focus on sustainability is increasingly seen as a "licence to operate", a precondition for our business model. As an organisation we need to be able to anticipate and respond to changing needs of our customers, communities, partners and employees with regard to sustainability. The risk of not being able to respond to these changing needs may affect attractiveness of our properties to tenants, as well as the ability to attract new employees and the attractiveness of the Group's shares to (potential) shareholders and could result in reputational damage.

Sustainability is an integral part of the Group's long term value creation strategy. Our business model is geared towards minimising our carbon footprint, offering and developing future-proof buildings and create healthy, inspiring and flexible working environments for our clients and our employees. The Group is continuously checking the status of its current property portfolio with respect to (new) codes and rules in the field of sustainability.

We pay particular attention to maintaining management continuity and comprehensive risk management. Directors of individual departments and managers are responsible for the ongoing review of the Group's operations in terms of operational risk, and their activities in this area are supported by the Investor Supervision Department. The most important risks are signalled on an ongoing basis to the Management Board and other persons responsible for a given scope.

Every year, we carry out risk analyses in the areas of climate change, social issues and corporate governance. The risks related to climate change affecting the Group's business model, strategy and financial plan have been analysed in detail and described later in the report. Significant risks that do not directly result from climate change, but affect the area of sustainable development, are also inflation, economic slowdown, change in social habits, as well as war and armed conflicts.

Any risks associated with the Group's operations are first analysed by teams appointed for this purpose, consisting of decision-makers, in particular managers and persons with specialist knowledge necessary for the functioning of the Group and its assets.

In the event of a situation in which it is necessary to take certain actions, individual issues are referred for further discussion:

- to the directors of individual departments or directly to persons in individual departments;
- to independent specialists;
- to a specific multidisciplinary project team, formed to identify and solve specific problems and risks.

Information security / cyber threat

Professionally managing and controlling risks associated with safeguarding the continuity, availability, functioning and security (including compliance with prevailing privacy legislation) of the internal IT infrastructure and applications is of vital importance.

The Group invests in further digitising its corporate processes, focusing extensively on transparency and the security of its data and other information, and is advised by external parties in this. Professionally managing and controlling risks associated with safeguarding the continuity, availability, functioning and information security of the internal IT infrastructure and applications is of vital importance to the Group. Internal processes and procedures have been set up, which are firstly aimed at preventing calamities. Regular checks of the processes and procedures by internal and external experts ensure constant improvement and reduce the probability of calamities. In the unlikely event of a calamity, there are procedures in place outlining regularly tested fallback and recovery scenarios, minimising the impact.

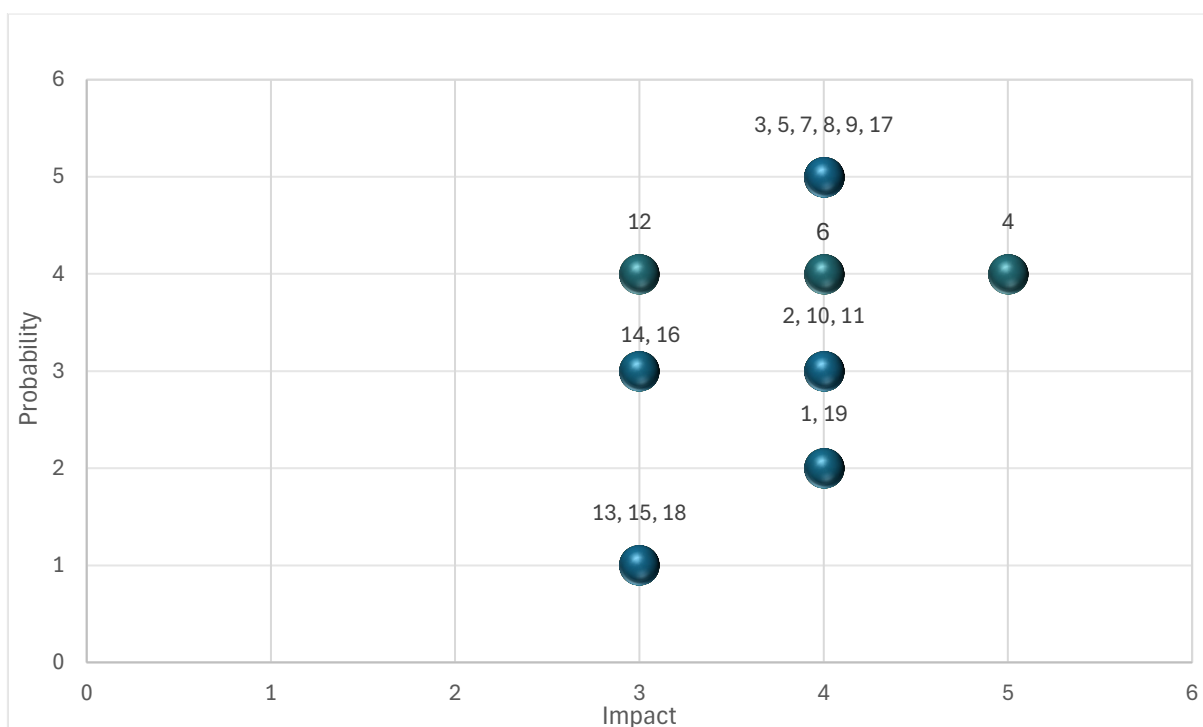
Climate risk

One of our main activities, resulting from the adopted sustainable development strategy, is to counteract climate change and prevent its negative effects. Climate change affects our activities both in the long term (e.g. through an increase in average temperatures, melting glaciers or rising water levels in the seas and oceans) and in the medium and short term (e.g. through the effects of extreme and violent weather events, which pose a direct threat to human health and life).

We are aware of this, which is why we annually analyse potential global warming scenarios and assess the associated risks and opportunities to increase resilience to climate change. In accordance with the recommendation of the TCFD (Task Force on Climate-related Financial Disclosures), we took into account two types of risks:

- physical conditions that are directly related to weather conditions,
- transition to a low- and zero-carbon economy.

The table below shows the key climate risks that can significantly affect us – threaten our business or give us a chance to grow. We conducted the analysis in the perspective of three time horizons – short-term (until 2027), medium-term (until 2035) and long-term (until 2050).



Transition risks		Physical risks	
1	Enhanced sustainability obligations	12	Cyclones
2	New regulations	13	Earthquake
3	Developing sustainable technology	14	Heat waves
4	Higher expectations of financial institutions and insurers	15	Floods and droughts
5	Higher customer expectations	16	Variability of weather patterns
6	Higher demands on suppliers	17	Rising average temperatures
7	Higher employee expectations	18	Rising sea levels
8	Limited availability of raw materials	19	Air pollution
9	Restrictions on the supply of utilities		
10	Stigmatization of the sector		
11	Greater stakeholder concern		

TCFD Category	Identifying the risk factor	Risk				
		2027	2035	2050		
				<1.5°C	≥3.5°C	
Transformational risks	Politics and law	Enhanced sustainability obligations	●●●●●	→	↗	↘
		New regulations	●●●●●	→	↑	↘
	Technology	Developing sustainable technology	●●●●●	→	→	→
	Economy	Higher expectations of financial institutions and insurers	●●●●●	→	↗	↓
		Higher expectations of customers and stakeholders	●●●●●	↗	→	↓
		Higher demands on suppliers	●●●●●	→	→	↓
		Higher employee expectations	●●●●●	→	→	→
		Limited availability of raw materials	●●●●●	→	↑	↘
	PR	Stigmatization of the sector	●●●●●	→	→	↘
		Greater stakeholder concern	●●●●●	→	→	↘
Physical hazards	Extreme weather events	Cyclones	●●●●●	→	↑	↑
		Earthquake	●●●●●	→	→	→
		Heat waves	●●●●●	→	↗	↑
		Floods and droughts	●●●●●	→	↗	↗
	Chronic weather phenomena	Variability of weather patterns	●●●●●	→	↗	↑
		Rising average temperatures	●●●●●	→	→	↗
		Rising sea levels	●●●●●	→	→	↗
		Air pollution	●●●●●	↗	↗	↗



In the short term, Olivia will be most impacted by transformation risks related to adapting to the changing economic environment and stakeholder expectations. Factors such as the development of sustainable technologies and the growing expectations of financial institutions and insurers, customers, employees and suppliers are important. Operational risks related to the availability of raw materials and the continuity of utility supplies also remain an important area.

Over the medium term, the risk levels in the individual categories are close to the levels forecast in the short term. By 2035, however, the expectations of our customers and stakeholders may increase, as well as the physical risks associated with cyclones, heat waves, drought and air pollution. In the long term, we considered two scenarios:

1. limiting the increase in average temperatures below 1.5°C (scenario SSP1 – 1.9 according to the IPCC – International Panel on Climate Change),
2. temperature increase by 3.5°C and more (scenario SSP3 - 7.0 according to the IPCC).

The first scenario assumes increased efforts to limit global warming, which is why such an impact and the probability of occurrence of transformational risk factors are relatively higher than physical risk factors. In a scenario of a temperature increase of at least 3.5°C, the physical risks become much more significant. In the long term, cyclones, heat waves, weather patterns, air pollution, rising average temperatures and rising sea levels, among others, may be of the greatest importance to us.

In response to the identified risk factors, we have identified and implemented appropriate management methods, which are detailed in the table below.

TCFD sub-category		Identification of the risk factor	Risk management methods in use
Transition risk	Policy and Legal	Extended sustainability obligations	<ul style="list-style-type: none"> ✓ Maintaining full compliance with applicable and upcoming ESG regulations ✓ Annual publication of sustainability reports using global standards (such as GRI, TCFD, ESRS) ✓ Internal sustainability audits using global standards guidelines (e.g. CRREM analysis) ✓ Introducing improvements to improve sustainability indicators (e.g. use of low-carbon energy sources, use of new circular energy solutions, modernisation of buildings towards zero emission and circular economy) ✓ Implementation of sustainable development strategies (e.g. decarbonisation, social and sustainable development policies (e.g. Code of Conduct) ✓ Use of external certifications and consultation with experts in the field of sustainability ✓ Monitoring of legislative processes related to sustainability reporting ✓ Participated in trainings and conferences in the field of sustainable development.
		New regulations	<ul style="list-style-type: none"> ✓ Scenario analysis of the impact of regulations on the business model and real estate portfolio ✓ Modernization of buildings towards zero emissions and circular economy ✓ Use of low-carbon energy sources ✓ Use of external certifications and consultation with experts in the field
	Technology	Development of sustainable technology	<ul style="list-style-type: none"> ✓ Modernization of buildings towards energy efficiency and circular economy ✓ Monitoring of the latest technologies and those that are still being developed ✓ The use of innovative, innovative solutions ✓ Use of external certifications and consultation with experts in the field

	Economy	Higher expectations of financial institutions and insurers	<ul style="list-style-type: none"> ✓ Annual publication of sustainability reports in accordance with global standards (such as GRI, ESRS). ✓ Internal sustainability audits using guidelines set out by global standards. ✓ Integration of climate risks in financing and insurance processes ✓ Making improvements to improve sustainability indicators ✓ Use of external certifications and consultation with experts in the field of sustainability.
		Higher expectations of Residents	<ul style="list-style-type: none"> ✓ Annual publication of sustainability reports in accordance with global standards (such as GRI, ESRS). ✓ Internal sustainability audits using guidelines set out by global standards. ✓ Making improvements to improve sustainability indicators ✓ Systemic management of relations with Residents ✓ Regular satisfaction surveys ✓ Sharing environmental data (e.g. energy, water and carbon footprint) with Residents. ✓ Use of third-party certification and consultation with experts in the relevant sustainability field. ✓ Flexibility in the intended purpose of land, buildings, space fit-out and service offerings.
		Higher demands on suppliers	<ul style="list-style-type: none"> ✓ Gradual introduction of sustainability requirements when working with suppliers ✓ Implementation of the Supplier Code of Conduct ✓ Diversification of the supply chain ✓ Integration of sustainability processes into procurement processes
		Higher employee expectations	<ul style="list-style-type: none"> ✓ Annual publication of sustainability reports in accordance with global standards (such as GRI, ESRS). ✓ Wellbeing and Environmental Health Programs ✓ Engaging employees in sustainability initiatives ✓ Internal sustainability audits using global standards guidelines ✓ Making improvements to improve sustainability indicators ✓ Use of external certifications and consultation with experts in the field of sustainability
		Limited availability of raw materials	<ul style="list-style-type: none"> ✓ Diversification of the supply chain. ✓ Searching for alternative solutions ✓ Optimization of material use ✓ Implementation of circular economy solutions (CE) ✓ Ensuring that warehouse stocks are considered to be considered
		Restrictions on the supply of utilities	<ul style="list-style-type: none"> ✓ Diversification of building energy supply sources. ✓ Possibility of decentralising utility carriers. ✓ Implementation of solutions to increase energy independence (e.g. energy storage) ✓ Developing and testing business continuity plans ✓ Contacts to safeguard against utility supply constraints. ✓ Measures to protect against restrictions ✓ Real-time monitoring and optimization of media consumption
	PR	Stigmatisation of the sector	<ul style="list-style-type: none"> ✓ Analysis of the dual importance of sustainability issues from the perspective of stakeholders and planning of actions taking into account their opinions ✓ Transparent communication of sustainability results and progress ✓ Participation in industry initiatives and public dialogue ✓ Use of external certifications and consultation with experts in the field of sustainability

Physical risks			Greater stakeholders' concern	<ul style="list-style-type: none"> ✓ Stakeholder opinion survey. ✓ Day-to-day actions to mitigate the adverse impact. ✓ Annual publication of sustainability reports in accordance with global standards (such as GR, ESRS). ✓ Use of third-party certification and consultation with experts in the relevant sustainability field.
		Extreme weather events	Cyclones	<ul style="list-style-type: none"> ✓ Use of durable and resistant materials and protective components. ✓ Design and implementation of building structures resistant to sudden weather changes. ✓ Use of solutions for rapid detection and response to risk factors (weather stations in each building, automatic response of equipment as a result of alarms, remote control option for equipment in buildings)
			Earthquakes	<ul style="list-style-type: none"> ✓ Implementation of emergency preparedness procedures ✓ Consideration of geotechnical analyses and construction standards ✓ Emergency response and evacuation procedures
			Heat waves	<ul style="list-style-type: none"> ✓ Providing Olivia's buildings with efficient HVAC equipment. ✓ Use of individual thermal comfort control setpoints in the lease areas with +/- 3° temperature control and airflow rate control. ✓ Use of systems in the buildings that do not allow the dew point temperature to be reached. ✓ Use of durable and resistant materials and protective components.
			Floods	<ul style="list-style-type: none"> ✓ Use of solutions enabling quick detection and reaction to risk factors. ✓ Use of durable and resistant materials and protective components. ✓ Design and implementation of building structures resistant to sudden weather changes. ✓ Implementation of emergency preparedness procedures. ✓ Use of above-standard system components (e.g. oversized storage tanks). ✓ Use of analysis and recommendations by third-party experts in the field.
		Chronic weather events	Variability of weather patterns	<ul style="list-style-type: none"> ✓ Equipping Olivia's buildings with BMS-connected weather stations that provide early response to adverse weather conditions. ✓ Analysis of long-term climate trends
			Rising average temperatures	<ul style="list-style-type: none"> ✓ Equipping Olivia's buildings with efficient air conditioning units. The use of individual heat comfort control units on rental surfaces with the possibility of temperature regulation of +/- 3 degrees and regulation of the air supply speed. Systems used in buildings that do not allow the dew point temperature to be reached. ✓ The use of durable and resistant materials and protective elements. ✓ Implementing solutions to reduce the urban heat island effect
			Rising sea levels	<ul style="list-style-type: none"> ✓ Use of analysis and recommendations by third-party experts in the field. ✓ Use of durable and resistant materials and protective components ✓ Monitoring of local risk based on climate scenarios ✓ Taking climate risks into account in investment planning and retrofitting

		Air pollution	<ul style="list-style-type: none"> ✓ Regular air quality checks in the region. ✓ Implementation of measures in accordance with the water and air quality management procedure based on the WELL Health-Safety Rating certification guidelines. ✓ Use of high-grade filters (including F7). ✓ Use of individual air purifiers. ✓ Use of plants with air-purifying properties. ✓ Use of air ionisers. ✓ Regular measurement of indoor and outdoor air quality. ✓ Providing upper respiratory tract protection.
--	--	----------------------	--

We know that these risks have the potential to result in increased operating and investment costs, reduced revenues and our productivity, reduced availability of capital or impairment of assets. However, we can manage them accordingly and maximize the resulting opportunities, which include, but are not limited to:

- market leader status,
- increase in demand,
- increased interest in sustainable construction,
- increasing competitiveness,
- increase in revenue,
- increase in the value of assets,
- better availability of capital and its lower cost,
- lower insurance costs,
- access to finance for sustainable development,
- the possibility of transforming and increasing the energy efficiency of older buildings,
- better adaptation to climate change in relation to existing buildings and future investments.

Below, we have summarized the most important aspects proving not only the Group's preparedness for climate risks, but also the Group's ability to take advantage of the opportunities offered by changes in the area of sustainable development.

Community

- Planning activities based on social participation, taking into account different groups of stakeholders.
- Ongoing, very good contact with stakeholders thanks to numerous social projects.
- Ability to respond quickly to emerging or changing stakeholder needs.
- Maintaining and designing buildings with the concept of creating sustainable, healthy, inspiring and resilient environments that improve quality of life.
- Creating functional spaces that provide residents with easy access to basic services or products.
- Annual verification of building maintenance activities affecting the comfort and health of users by an independent IWBI certification body.
- Ongoing assessment of the possibility of satisfying the expectations of potential Residents and effective and quick responses to market changes.
- Designing high-flexibility spaces to meet the future demand of Residents.

Environment

- Basing organizational decisions on the idea of sustainable development and climate strategy.
- Internal audits of the area of sustainable development using guidelines set by global standards (e.g. CRREM analysis).
- Focus on minimizing the environmental footprint.
- Annual publication of sustainability reports using global standards (such as GRI, TCFD, ESRS).
- Ongoing positive assessment of the Group's operations in terms of environmental impact solutions.
- Investing in buildings that meet the strict requirements necessary for the certification of buildings in the BREEAM and WELL HSR systems.
- Design surfaces with high flexibility to ensure universal functionality and reduce the need for major refurbishments.

- The use of appropriate solutions in buildings that minimize the risk resulting from, m.in example, potential flooding, high temperature, strong wind or air pollution.

Corporate governance

- Implementation of sustainable development strategies and policies.
- Use of external certifications and consultations with experts in the field of sustainability.
- Monitoring legislative processes related to sustainability reporting.
- Particular attention to physical, energy and internal IT infrastructure, with a focus on continuity and availability of services.
- Control over credit risk while maintaining full liquidity.
- Control over the risk associated with operational activities, which is enabled, m.in, by advanced management systems used in buildings.

Regular training of employees and associates allowing for an effective and quick response to changes in legal and market regulations.

Compliance risk

The Group strives to fully comply with laws and regulations, meaning the risk appetite is zero.

Integrity code and rules

Unethical behaviour and breaches of applicable legislation and regulations may result in reputational damage, claims and legal proceedings, leading to higher costs and a lower result.

The Group complies with all relevant laws applicable in locations where it operates (Netherlands, Germany and Poland). The internal codes are updated regularly in line with new legislation or other relevant changes in the market place. All employees are regularly trained in the applicable rules.

Sustainability / health and safety legislation

The risk that the portfolio does not comply with prevailing laws and regulations in the field of sustainability and health and safety. This could result in a situation in which properties can no longer be used (occupied) and/or fines are imposed resulting in a negative impact on the value and marketability of the properties. It could also result in reputational damage.

The Group is continuously checking the status of its current property portfolio with respect to (new) codes and rules in the field of sustainability and health and safety and submits buildings to independent assessments by verification bodies (e.g. IWBI - International WELL Building Institute).

Fraud risk

The management of fraud risks is an integral part of Tonsa's risk management. Potential fraud risks is mitigated and controlled within Tonsa's internal control environment, to identify if there are any risks that are not (yet) adequately mitigated, and if there are shortcomings for which additional measures should be taken.

For each process/activity, the potential fraud risks that could apply, and the control measures that are in place, were identified. Activities were categorized in three main categories for this purpose;

- General: Culture and Governance
- Primary processes/activities (including commercialization, acquisitions and dispositions of assets, asset management and development of real estate);
- Supporting activities.

The main potential fraud risks related to our business are: anti-bribery and corruption (e.g. money laundering), transactions with fraudulent parties, self-enrichment and manipulation risk. The implemented separation of duties and the way in which decision-making and power of attorney are embedded in a our organisation contribute significantly to this.

Furthermore, the assignment of external appraisers in the valuation process and the standardisation of processes and formats in general are also important mitigating measures in this regard.

The outcome and conclusions of the fraud risk assessment are discussed in the management board. As a result of this fraud risk assessment no major issues were observed. In the opinion of the board further improvement could be made in the field of more explicitly linking risks and mitigating measures.

The Group strictly adheres to internal standards in the field of fraud prevention, anti-corruption and counteracting the financing of terrorist activities. From the first stage of establishing business relationships - with tenants, contractors, financing institutions or other partners - we are guided by high ethical standards that allow us to avoid situations that may lead to abuse, corruption or violation of the law.

We identify our partners. The knowledge and experience of our associates, know your client forms, publicly available information (e.g. from commercial registers and register of beneficial owners) or the use of OSINT sources are of great help in this regard.

We are trying to oblige our business partners to pay special attention to the issues of counteracting corruption, money laundering and terrorism financing. At the same time, in order to increase our control over this area, we plan to implement more effective mechanism for reporting violations and allowing any concerns to be raised. Thanks to this, we will be able to detect early possible areas of threats and react quickly in the event of suspected violations. Appropriate contractual clauses are an additional guarantee of our security, allowing us to terminate business cooperation in a situation where our partner breaks the law.

All risks related to the Group's operations are first analyzed by teams appointed for this purpose, which include decision-makers, in particular managers, and people with specialist knowledge necessary for the functioning of the Group and its assets. If a situation arises in which it is necessary to take specific actions, individual issues are forwarded for further discussion with the Management Board.

All risks regarding primary and supporting activities are also mitigated by segregation of duties and the double acceptance policy.

If it is concluded fraud occurred, the Group will prepare a remediation plan, which include the following aspects:

- measures to undo the fraud;
- measures to prevent recurrence in the future;
- measures regarding persons and companies involved;
- the manner in which recovery of damages is being pursued;
- filing a police report.

When a fraud has occurred, the effects of fraud (e.g. loss of assets, claims for damages, costs of investigations) will be included in the financial statement.

Fiscal regulations

As the Group operates in two different fiscal locations, it is crucial to comply with all fiscal regulations. Non-compliance could have a significant adverse effect on the Group, its results or financial position.

The Group constantly monitors the main risks relating to its tax position, including all tax requirements and tax law changes introduced by Dutch and Polish tax authorities. The Group is responsible for internal knowledge sharing with regard to (changing) tax regulations in order to ensure employee awareness, enabling them to identify relevant signals and gain the necessary advice.

Financial risk

The Group manages financial risks through its risk management function. Financial risks are risks arising from financial instruments to which the Group is exposed during or at the end of the reporting period. Financial risk comprises market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits.

Risk management is carried out under policies approved by the Management board. The Management board identifies and evaluates financial risks in close cooperation with the Group's operating units. The Management board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investing excess liquidity.

The Group has a conservative financial policy, meaning the risk appetite is low.

Reporting

The reporting risk relates to the impact of incorrect, incomplete or untimely available information on internal decision-making processes or those of external parties (including shareholders, banks and regulators), which may result in reputational damage and potential claims due to misleading statements to stakeholders.

The Group prepares and monitors a budget, investment budget and liquidity forecast, all of which are compared and updated with actual results on a quarterly basis. Reports are reviewed by management, as well as by finance and operational teams. The full annual accounts are audited by the independent auditor.

Employees regularly attend courses and meetings to be informed of all relevant laws and regulations so that all information produced by the Group complies with prevailing laws and regulations.

Market risk

Market risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group's market risks arise from open positions in (a) foreign currencies and (b) interest bearing assets and liabilities, to the extent they are exposed to general and specific market movements.

Foreign exchange risk

The Group is exposed to foreign exchange risk, primarily with respect to the Euro. Foreign exchange risk arises in respect of those recognised monetary financial assets and liabilities that are not in the functional currency of the respective Group entity.

The Group has various financial assets such as derivative financial assets and liabilities, trade and other receivables and cash and short-term deposits that arise directly from its operations. The Group's principal financial liabilities, besides derivative financial liabilities, comprise bank loans and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations.

The derivative transactions the Group enters into are primarily interest rate swaps and forward foreign exchange contracts (in the case of construction credits in a currency other than the currency of the revenues from this project (the group had no active forward foreign exchange contracts at the end of 2024 and 2023)). The purpose is to manage the interest rate risks and currency risks arising from the Group's sources of finance (economic hedges).

The Group manages foreign currency risk on a group basis.

Nevertheless, the Group does not apply hedge accounting in accordance with IFRS 9. In addition, the Group manages foreign currency risk by matching its principal cash outflows to the currency in which the principal cash inflows (such as rental revenue) are denominated. This is generally achieved by obtaining loan financing in the relevant currency and by entering into forward foreign exchange contracts.

The functional currency of the Company is the Polish Zloty (PLN). The functional currencies of the Group's principal subsidiaries are Polish Zloty. The Company and each of its subsidiaries are exposed to currency risk arising from financial instruments held in currencies other than their individual functional currencies.

Price risk

The Group has no significant exposure to price risk as it does not hold any equity securities or commodities.

The Group is exposed to price risk other than in respect of financial instruments, such as property price risk including property rentals risk and changes in prices of residential units.

Cash flow and fair value interest rate risk

As the Group's interest bearing assets do not generate significant amounts of interest, changes in market interest rates do not have any significant direct effect on the Group's income. The Group is exposed to fair value interest rate risk on tenant deposits. Any change in the market rates might impact the fair value gain or loss recognised in other comprehensive income. The impact of such changes is not expected to be significant to the Group.

The Group's interest rate risk principally arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group's policy is to fix the interest rate on its variable interest borrowings. To manage this, the Group enters into interest rate swaps and CAP options in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed on notional principal amount. The Group's interest rate risk is monitored by the Group's management. Management analyses the Group's interest rate exposure on a dynamic basis.

Credit risk

Credit risk is the risk one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group has no significant concentrations of credit risk.

Credit risk arises from cash and cash equivalents held at banks, trade receivables, including rental receivables from lessees, contract assets, rental guarantees, contractual cash flows of debt investments carried at FVOCI and favourable derivative financial instruments and deposits with banks and financial institutions. Credit risk is managed on a Group basis. The Group structures the levels of credit risk it accepts by placing limits on its exposure to a single counterparty, or Groups of counterparties, and to geographical and industry segments. Such risks are subject to a quarterly or more frequent review.

The Group has policies in place to ensure rental contracts are entered into only with lessees with an appropriate credit history. Group monitor the credit quality of receivables on an ongoing basis. Cash balances are held and derivatives are agreed only with financial institutions with a solid financial rating.

The Group has policies that limit the amount of credit exposure to any financial institution. The utilisation of credit limits is regularly monitored.

The Group has two types of financial assets that are subject to the expected credit loss model:

- receivables from tenants;
- loans.

While cash and cash equivalents and tenant deposits are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Deposits refundable to tenants may be withheld by the Group in part or in whole if receivables due from the tenant are not settled or in case of other breaches of contract.

The fair value of cash and cash equivalents as at 31 December 2025 and 31 December 2024 approximates the carrying value.

The Group prepared analyses showing that expected credit losses and expected loss rate are immaterial. Therefore, no impairment due to expected credit loss was recognized for trade receivables. Impairment provision was created on the base of current settlement issues with tenants.

All of the Group's debt investments (loans and bonds) at amortised cost are considered to have low credit risk, and the impairment charge recognised during the period was therefore limited to 12 months' expected losses, which were assessed as immaterial and were not recognised in the financial statements.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury aims to maintain flexibility in funding by keeping committed credit lines available.

The Group's liquidity position is monitored on a daily basis and is reviewed quarterly by the Management board. Undiscounted cash flows in respect of balances due within 12 months generally equal their carrying amounts in the consolidated statement of financial position, as the impact of discounting is not significant.

5. INFORMATION ON FINANCIAL INSTRUMENTS

Objectives and policies of the legal person regarding risk management.

The main goal of risk management by the Group is to ensure the security of operational activities and ensure the effectiveness of achieving strategic goals by making decisions aimed at maximizing income obtained in the longer term while taking an acceptable level of risk.

The Group's risk management system covers all areas of the company's operations and is aimed at identifying potential events in terms of threats and opportunities.

The risk hedging policy associated with all major types of intended transactions.

Companies from Group diversify the sources of rental income by renting space to many companies from various markets. Agreements are signed for several years with entities with good financial standing. During the term of the lease, the tenants' financial situation and their payments are monitored periodically.

Most rents are expressed and paid in euro, this minimizing the risk of a mismatch between the currency of revenues and the currency of the main bank debt.

The income from residential / PRS Market are paid in PLN and credits for those activities are also in this currency.

Every year, tenants' rents are indexed by the inflation rate, which protects the company against unexpected significant inflation changes. Lease agreements are signed with tenants in the triple net standard, under which all costs related to the property, including property tax and insurance, are settled in full between the tenants.

Companies from Group concluded long-term investment loans in various Polish and international banks in PLN and EUR, which significantly minimizes the costs of this financing and the risk of mismatch between the debt currency and the income currency.

In order to minimize the risk of exchange rate fluctuations, the Group uses forward transactions at the construction stage of buildings to secure the conversion rate of a construction loan taken in PLN into an investment loan in EUR.

In order to minimize the risk of an increase in interest rates, the company uses IRS or CAP hedging transactions.

During the construction and arrangement stage, individual building companies use many suppliers and contractors. Individual contracts are secured with a deposit or a bank or insurance guarantees. Contractors are selected in accordance with the Group's bidding policy, which also takes into account the financial and liquidity situation of the contractor.

The price, credit, liquidity and cash flow risks incurred by the legal entity.

A detailed description of the risks is included in Chapter 4.

6. CODES OF CONDUCT

The Group has implemented and strictly works in line with a policy in connection with fraud prevention, anti-corruption and prevention of money laundering and financing of terrorism activities.

The Olivia Centre Code of Conduct, implemented on August 9, 2023, contains the principles of Group's business activities related to: human rights, environmental protection issues and principles of honesty in business. This document is both a testimony to the values professed by the Group and a clear and clear indication for all the Group's Business Partners regarding the expectations towards them during cooperation. An important element of the Code is also the implementation of a mechanism for reporting violations and making it possible to report concerns anonymously, without fear of any retaliation or disregard of the problem. This aims to improve the effectiveness of counteracting irregularities and making informed decisions that have a positive impact on the community and the environment. The Code of Conduct is published by the Group on the web page https://www.oliviacentre.com/wp-content/uploads/2023/08/CodeOfConduct_OliviaCentre.pdf.

The Group has listed debt on a multilateral trading facility or equivalent (Catalyst Exchange) and the total consolidated assets are above the threshold of EUR 500 mln. The Group does not follow/comply with the Dutch Corporate Governance Code in this respect because the number of shareholders is considered limited.

7. SOCIAL ASPECTS OF THE BUSINESS

The Group is very active within the local society of Gdansk, especially in the district of Gdansk Oliwa where the Olivia Centre is located. The Group is dedicated to comply with rule of good neighbourhood and takes part in many local activities, such as renovation works within the district, open events for children and elderlies and support to local schools. Strategic activities of the Group contribute to sustainable urbanisation and participation in integrated planning and management of urban areas. Each of the Group's projects ensures easy and unrestricted access to green areas and safe public spaces. Owing to the mixed-use concept implemented at Olivia and the varied offer, the Group integrate the region's inhabitants and tourists by attracting diverse groups of people in terms of age, gender, education, nationality, views or interests.

The Group focus on multifunctional buildings, which provide access to a rich infrastructure, e.g. services related to health, education, administration, finance, beauty and everyday life, and communication-enhancing facilities, with particular emphasis on micromobility, with everything within a five-minute walking distance. The Group provides spaces that encourage healthy living and does so based on the best global practices, as evidenced by the BREEAM and WELL Health-Safety Rating certificates it has obtained.

Health and well-being is a key part of Group's ESG strategy. The pandemic has magnified this issue and pushed it to the forefront of our thinking. Ensuring that Olivia Centre is as safe as possible for all its users has been paramount in our thinking since the outbreak of the novel coronavirus. The Group have implemented procedures and installed innovative technological solutions to ensure a safe and health-friendly space for everyone using the centre. In 2024 Olivia Centre achieved the WELL Health-Safety Rating for all buildings, maintaining a maximum score of 25 from 25 points.

The Group complies with all applicable environmental and related regulations The Group recognizes the necessity of taking into account within its activity the environmental aspects and therefore voluntarily implements many solutions dedicated to limit its impact on the environment, e.g. by reducing water and energy consumption. All buildings with the Olivia Centre from their very early stage were designed to meet abovementioned requirements. All office buildings are BREEAM certified (2 rated Very Good, and 5 rated Excellent) with each new building improving the effectiveness of the previous one's pro-social and pro-environmental solutions.

Every year, the Group organizes several hundred events for its employees, co-workers, residents and local residents. The Group celebrates important events (holidays and anniversaries), informs the public about them and presents the history and significance of these events. It also educates and encourages joint activities by celebrating, among others: World Day for the Protection of the Baltic Sea (called World Water Day by the UN), International Earth Day, World Bicycle Day and World Car Free Day.

The Olivia Centre has created jobs for nearly 15,000 people. Olivia's residents work in over 120 companies, and O4 Coworking brings together an additional 150 entrepreneurs who sublease Olivia's space. The Group's projects support entrepreneurship, creativity and innovation, help promote business and the creation of decent jobs, and encourage the development of micro, small and medium-sized enterprises.

8. RESEARCH AND DEVELOPMENT

The Group does not perform any research and development activities.

9. FUTURE OF THE BUSINESS

The Group's goal is to develop and launch next projects in the residential and PRS (Private Rented Sector) segments while maintaining the leading position on the Tricity commercial real estate market, generating stable income, focusing on the ESG area and maintaining the highest quality of assets.

In the coming years, the Group will focus its strategy on the diversification of investment projects. It consistently develops its core business, which is office projects, and launches new projects in the residential segment, mainly in the PRS sector / investment apartments for sale, where it sees great potential for growth. PRS offer will be addressed to people who decide to shape their housing policy based on rent. The group has secured a land bank for this purpose and is gradually implementing further investments.

During 2022, the Group, in accordance with the strategy, expanded its investment portfolio to include residential projects - the special purpose vehicle Olivia Home Platynowa Park sp. z o.o. started the construction of the first two residential buildings. The sale of apartments as part of the Platynowa Park investment in Gdańsk was finished in 2024 - 100% of the residential apartments has been sold. Moreover, in 2024, the Group has started the construction of the first PRS building – Olivia Pulse (Olivia 10) and next residential project in Sopot – Sopot Leśna. Sales to individual investors/clients of both projects began at the end of 2024.

In the second half of 2026, the Group according to the plan will refinance the Olivia Gate and Olivia Six buildings investment loans.

The Group plans to develop in Poland and, despite the concentration of its current operations in the Tricity area, it does not exclude future investments in other commercially attractive cities.

Pursuant to the Preliminary Share Purchase Agreement of Olivia Star S.A., the Final Agreement is planned to be concluded no later than July 31, 2026, provided that all conditions precedent set out therein are met or waived by the relevant party to the Preliminary Agreement.

Following the sale of Olivia Star shares, the new owner will enter into a number of agreements concerning the property between Olivia Star and companies affiliated with Tonsa, including a Property Management Agreement for the management of the Property by Tonsa's affiliates, a framework agreement for the performance of adaptation works (Fit-out Management Agreement), and a Leasing Management Agreement. These agreements will come into effect on the date of the Final Agreement and will be valid for a period of 7 years, with the possibility of extension by the parties. These agreements will be significant for Tonsa to obtain additional payments under the earn-out mechanism (a conditional increase in the sales price between 2026 and 2032 by a maximum of EUR 12 million). Furthermore, these agreements will positively impact the efficient provision of space to tenants throughout Olivia Centre.

In 2026, the Group plans to:

- obtain a BREEAM final certificate for the Olivia Prime building with a rating of at least Excellent in the full version taking into account the arrangement of the lease space (Fully Fitted). The certificate will confirm the successful implementation of best practices affecting energy efficiency throughout the building's life cycle, which translates into its relatively low operational carbon footprint,
- hold an average commercialization level of at least 95% at the end of 2026,
- obtain next green credit financing for existing office projects Olivia Gate and/or Olivia Six,
- purchase of new plots for new development projects for sale on the PRS/residential market.

The Olivia Centre project has strong fundamental advantages against the market and in the opinion of the Management Board is well prepared for the future. The main advantages of the Olivia Centre are:

- Location in the central business area of the Gdańsk Metropolitan Area and the largest share of nearly 17% in the commercial office market in the region.
- Diversified portfolio of tenants - over 120 tenants from different branches, which are mainly international and domestic office tenants with a stable financial position.
- Ongoing contact with individual tenants in order to identify their current needs and plans.
- High and stable level of commercialization.
- Low level of trade receivables among tenants and very good payment history in the past cooperation with tenants.
- Debt servicing ratios in individual buildings at safe levels to allow ongoing loan servicing.
- Diversified sources of debt financing under long-term loan agreements signed with various Polish and international financial institutions with high hedging structure.
- Supply chain focused primarily on domestic contractors with good reputation, with whom cooperation has been continued for many years.
- Very good technical condition of the buildings - The buildings are built with high quality materials and are well maintained.
- Key areas related to operations activity of the Olivia Centre are under control of the Investor, including particularly property management, commercialization, design/building, purchases/settlements, security.
- Efficient management of the Olivia Centre project can be done remotely, even for a long period.
- High cash reserve in individual building companies give an additional security to the project.

10. MALE/FEMALE DISTRIBUTION

The Company takes extremely seriously issues regarding balanced distribution of seats on the management board of the Group, however during year being a subject of this report occurred circumstances which had significant impact on the current shape of the corporate body.

Composition of first management board of the Company is justified by important circumstances related to business assumptions which provided that the composition of the first management board would include: ultimate beneficial owner of the Group, representative of the main shareholder and representative of the company being the corporate services provider for the Company.

Having in mind the importance of proper distributions of seats the Company will constantly seek for solutions which may help to improve current ratio.

11. OTHER INFORMATION

No other information to be disclosed. Reference is made to the other points included in this report.

12. CONSEQUENCES OF GEOPOLITICAL AND ECONOMIC SITUATION ON THE GROUP.

In 2025, the Group operated within a complex and dynamically changing economic and geopolitical environment. Throughout the year, the Polish economy maintained its growth trend, and a systematic decline in inflation toward the target level helped stabilize investor sentiment. At the same time, new challenges emerged in the form of the escalation of the Middle East conflict which, alongside the ongoing war in Ukraine and evolving legal regulations, constituted key points of risk analysis. The Group continued the implementation of its long-term real estate investment strategy, placing particular emphasis on operational flexibility and the monitoring of external factors.

The interest rate cut cycle in 2025 resulted in a reduction in financing costs for the Group's projects. However, global instability in the Middle East introduces additional volatility into energy and fuel markets, which may intensify in the coming months. Despite these disturbances, the Group assesses that the Polish real estate market demonstrates high resilience, and the stable situation in the Tricity property market supports steady demand for the Group's key assets.

The office market in 2025 was characterized by the consolidation of the hybrid work model. A visible increase in the number of people using office space for work translated into selective demand focused on modern spaces, particularly in prestigious locations. Gdańsk strengthened its position as one of the key regional markets, attracting tenants from the modern business services (BPO/SSC) and technology sectors. To date, the situation in the Middle East has not affected demand in this segment; however, in the Group's view, it underscores the importance of energy security and the cost efficiency of buildings. The growing significance of ESG standards and ecological certifications has become a primary factor determining the attractiveness of commercial projects. The Group, as the owner of Olivia Centre, effectively responds to these challenges by offering spaces optimized for operating costs and aligned with sustainable development requirements, allowing for the maintenance of a steadily growing base of domestic and international tenants.

The residential market remained in an upward trend throughout the year, although the pace of change became more balanced due to a better alignment of supply with buyer needs. High-standard apartments and properties in locations with developed infrastructure in the immediate vicinity enjoyed the greatest interest. The dynamic development of the Institutional Rental Market (PRS) in 2025 became a significant pillar of the sector's stability. The Group notes that the war in Ukraine and the conflict in the Middle East have a marginal impact on the purchasing decisions of individual clients, though they may influence the prices of certain materials imported from Asian markets by sea. Nevertheless, the strong fundamentals of the local labour market and the growing attractiveness of Gdańsk as a place to live attract a steady stream of investors, reinforcing the Group's position in this segment.

The investment market in Poland maintained its leading position in Central and Eastern Europe, enjoying high interest from both domestic and foreign capital. Poland will remain one of the fastest-growing countries in Europe, and increasing investor activity will cover not only commercial real estate but also, more distinctly, the residential and institutional rental markets. In 2025, investors were primarily guided by quality criteria and the compliance of projects with ESG principles. Forecasted GDP growth, inflation near the target, and low unemployment create a stable environment for the real estate market. An additional impulse will come from the National Recovery Plan (KPO) funds and improvements in the export situation, including a gradual economic recovery in Germany. In such an environment, the key trend will be the implementation of projects better tailored to the needs of users and tenants.

The impact of geopolitical tensions related to the war in Ukraine and the Middle East causes a periodic increase in risk aversion in global capital markets; however, this does not translate into a significant outflow of capital from the Polish office real estate market. Poland, perceived as a safe hub within the European Union, has gained favour among investors seeking stable assets in uncertain times. The Group observes continued interest in Olivia Centre projects among investors, confirming the enduring investment potential of the portfolio.

The war in Ukraine and instability in the Middle East constituted the main geopolitical risk factors in 2025. While the conflict beyond the eastern border directly affected the labor market and the availability of subcontractors, the situation in the Middle East will

impact global supply chains and energy costs. A potential escalation of these conflicts could adversely affect financing costs and operational stability; therefore, the Group maintained a conservative approach to liquidity management.

In summary, 2025 was a period of further effective adaptation for the Group to new economic and geopolitical realities. The focus on diversifying revenue sources, optimizing costs, and delivering high-quality projects allowed for the maintenance of a stable market position. A diversified tenant base, the implementation of development projects in the residential and institutional rental markets, and the consistent execution of the ESG strategy constitute a solid foundation for maintaining predictable revenues and the further growth of the Group's value in subsequent reporting periods.

The Board of Directors,

M. Grabski

D. Luksenburg

M. Leininger

J. E. Missaar

Rotterdam, 20 May 2026

Consolidated financial statements

TONSA COMMERCIAL REI N.V.

for to the year ended 31 December 2025

Consolidated statement of financial position as at 31 December 2025

	Note	31 December 2025	31 December 2024
ASSETS			
Non-current assets		414 367	571 120
Standing investments	15	345 696	491 475
Development and lands	15	28 329	35 903
Right of use assets		1 239	706
Property and equipment		23	70
Intangible assets		0	0
Deferred tax assets	14	4 714	2 401
Long term loans and bonds	6	29 064	27 503
Long term derivative financial instruments assets	20	580	1 583
Other long-term financial assets	19	1 689	6 006
Other long-term assets	19	3 033	5 473
Current assets		65 827	55 681
Inventories	17	26 748	10 418
Receivables from tenants	18	2 692	1 893
Other short-term receivables		1 468	1 470
Income tax receivable		676	1 364
Short term loans and bonds	6	439	1 387
Short term derivative financial instruments assets	19	0	439
Other short-term financial assets	19	95	870
Other short-term assets	19	5 712	3 661
Cash and cash equivalents		27 997	34 179
Assets held for sale	21	168 811	0
TOTAL ASSETS		649 005	626 801
EQUITY AND LIABILITIES			
Total equity		248 492	243 526
Issued share capital	22	188 010	188 010
Share premium	22	137	137
Foreign currency translation reserve		9 870	7 172
Retained earnings	26	48 207	48 024
Profit for the year		2 268	183
Non-current liabilities		198 095	301 703
Long term borrowings	23	171 108	264 299
Deferred tax liabilities	14	24 933	35 158
Long term lease liabilities	6	1 291	883
Long term derivative financial instruments liabilities	19	763	1 363
Long term customer advances		0	0
Current liabilities		107 409	81 572
Trade and other payables	24	6 181	5 504
Short term borrowings	23	86 829	67 864
Short term lease liabilities	6	271	131
Short term derivative financial instruments liabilities	20	0	367
Income tax payable	14	91	54
Other short term financial liabilities	25	4 644	5 842
Other short term liabilities	25	2 610	907
Customer advances		6 547	661
Provisions		236	242
Liabilities directly associated with the assets held for sale	21	95 009	0
TOTAL EQUITY AND LIABILITIES		649 005	626 801

The above statement should be read in conjunction with the accompanying notes.

Consolidated statement of comprehensive income for the year ended 31 December 2025

	Note	2025	2024
Gross rental income	9	32 646	33 309
Service charge income	9, 10	15 321	14 934
Net property expenses	10	-18 926	-20 325
Net rental income		29 041	27 918
Net result on disposals		-12	79
Revaluation of standing investments, net	15	-4 523	-11 298
Revaluation of developments and land, net	15	-4 071	1 646
Other depreciation, amortisation and impairments		6	-4
Administrative expenses	11	-2 442	-2 217
Net operating profit		17 999	16 124
Interest expenses, net	12	-16 166	-18 391
Foreign currency differences	6.2	2 517	4 258
Other financial result, net	13	-2 227	-1 416
Profit before taxation		2 123	575
Taxation charge for the period	14	145	-392
Profit after taxation for the year		2 268	183
Exchange differences on translation of foreign operations		2 698	3 717
Other comprehensive income		2 698	3 717
Total comprehensive income for the year		4 966	3 900
Total comprehensive income attributable to the Company shareholder arising from continuing operations		4 966	3 900

The above statement should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity for the year ended 31 December 2025

	Note	Issued share capital	Share premium	Foreign currency translation reserve	Retained earnings	Profit for the year	Total
1 January 2025		188 010	137	7 172	48 024	183	243 526
Profit for the year		0	0	0	0	2 268	2 268
Foreign currency translation		0	0	2 698	0	0	2 698
Profit distribution	26	0	0	0	183	-183	0
Other	27	0	0	0	0	0	0
31 December 2025		188 010	137	9 870	48 207	2 268	248 492
1 January 2024		188 010	137	2 706	45 052	3 721	239 626
Profit for the year		0	0	0	0	183	183
Foreign currency translation		0	0	3 717	0	0	3 717
Profit distribution	26	0	0	0	3 721	-3 721	0
Business combination	27	0	0	749	-749	0	0
31 December 2024		188 010	137	7 172	48 024	183	243 526

The above statement should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows for the year ended 31 December 2025

	Note	2025	2024
Cash flows from operating activities			
Profit before taxation		2 123	575
Adjustments for:		24 840	27 727
Other depreciation, amortisation and impairments		6	4
Revaluation of financial instrument		832	3 835
Revaluation of standing investments, net	15	4 523	11 298
Revaluation of developments and land, net	15	4 071	-1 645
Foreign exchange loss, net		-3 402	-5 520
Net result on disposals		12	-79
Interest expense		18 797	21 799
Interest income		1	-1 965
Other		0	0
Operating cash flows before working capital changes		26 963	28 302
Change in receivables from tenants, other receivables, other assets, prepayments and prepaid expenses		-6 803	4 242
Change in inventory		-12 160	-2 292
Change in trade, other payables, accrued expenditure and other liabilities		11 140	772
Cash flow from operations		19 140	31 024
Corporation taxes paid, net		-344	-795
Net cash flow from operating activities		18 796	30 229
Expenditure on investment property completed and under development		-5 204	-11 445
Proceed from sale of investment property completed and under development		1 049	82
Acquisition of subsidiary, net of cash acquired	27	0	0
Loans granted		-52	-1 207
Interest received from loans and bonds granted		-1 705	740
Other items		0	428
Net cash flow from investing activities		-5 912	-11 402
Net cash flow before financing activities		12 884	18 827
Proceeds from borrowings	23	95 224	41 229
Repayment of borrowings	23	-90 014	-35 160
Change of receivables representing restricted cash		3 418	891
Interest paid		-18 541	-24 774
Repayments of finance leases		491	13
Net cash flow from financing activities		-9 422	-17 801
Net change in cash and cash equivalents		3 462	1 026
Cash and cash equivalents at the beginning of year		34 179	33 072
Cash and cash equivalents classified as held for sale		9 674	0
Effect of exchange rate fluctuations on cash held		-30	-81
Cash and cash equivalents at the end of year		27 997	34 179

The above statement should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

1. General information

Tonsa Commercial REI N.V. (the Company; the Parent) and its subsidiaries (together the Tonsa Group or the Group) hold a major portfolio of investment properties in Poland. The Group is also involved in the development of office buildings and construction of residential/PRS (Private Rented Sector) properties.

The Company has its corporate seat in Rotterdam, the Netherlands and registered offices at Oslo 1, 2993LD Barendrecht. The Company has been entered into the Trade Register of the Dutch Chamber of Commerce under the number: 73088870. As per 31 December 2025 the authorised capital of the Company amounted to EUR 226.670 kEUR, while the issued capital amounted to EUR 188.010 kEUR.

The Company was incorporated under the laws of the Netherlands on 14 November 2018.

These consolidated financial statements have been approved by the Board of Directors (Maciej Grabski – Director, David Luksenburg - Director, Markus Leininger – Director, Jeroen Edwin Missaar - Director) on 20 May 2026.

2. Material subsidiaries

As at 31 December 2025 the Tonsa Group consisted of the following entities:

Name of entity	Statutory seat	Ownership interest held by the Group	Ownership interest held by non-controlling interests	Ownership interest held by the Group	Ownership interest held by non-controlling interests	Principal activities
		As at 31.12.2025		As at 31.12.2024		
Olivia Complex Sp. z o.o.	Gdańsk, Poland	100%	0%	100%	0%	Land reserve and development
Olivia Gate Sp. z o.o.	Gdańsk, Poland	100%	0%	100%	0%	Investment development
Olivia Point & Tower Sp. z o.o.	Gdańsk, Poland	100%	0%	100%	0%	Investment development
Olivia 4 SA	Gdańsk, Poland	100%	0%	100%	0%	Investment development
Olivia Star SA	Gdańsk, Poland	100%	0%	100%	0%	Investment development
J-HOME SA	Gdańsk, Poland	100%	0%	100%	0%	Investment development
Olivia Seven Sp. z o.o.	Gdańsk, Poland	100%	0%	100%	0%	Investment development
Olivia Prime B Sp. z o.o.	Gdańsk, Poland	100%	0%	100%	0%	Investment development
Olivia Fin Sp z.o.o.	Gdańsk, Poland	100%	0%	100%	0%	General partner in Olivia Fin Sp. z o.o. SKA
Olivia Fin Sp. z o.o. SKA	Gdańsk, Poland	100%	0%	100%	0%	Financing
Olivia Home Platynowa Park Sp.z o.o.	Gdańsk, Poland	100%	0%	100%	0%	Development of investments on PRS/residential market
TP3 Sp. z o.o.	Gdańsk, Poland	100%	0%	100%	0%	Development of investments on PRS/residential market
Olivia Home Leśna Sp.z o.o.**	Gdańsk, Poland	100%	0%	100%	0%	Development of investments on PRS/residential market
Materida Sp.z o.o.***	Gdańsk, Poland	100%	0%	100%	0%	Development of investments on PRS/residential market
Olivia XI Sp.z o.o.****	Gdańsk, Poland	100%	0%	n/a	n/a	Development of investments on PRS/residential market

OH1 Sp.z o.o. *****	Gdańsk, Poland	100%	0%	n/a	n/a	Inactive SPV
OH2 Sp.z o.o. *****	Gdańsk, Poland	100%	0%	n/a	n/a	Inactive SPV
Brillant 3756. GmbH*	Berlin, Germany	100%	0%	100%	0%	Inactive SPV

* entity was put into liquidation during 2023

** on 9 May 2024 The Court registered Olivia Home Leśna Sp.z o.o. with sole shareholder Tonsa Commercial REI N.V..

*** on 22 February 2024 Tonsa SCA, SICAV – RAIF sold to Tonsa Commercial REI N.V. 200 shares of nominal value amount to PLN 10,000.00 in Materida Sp. z o.o., (sole shareholder).

**** on 19th December 2025 The Court registered Olivia XI Sp.z o.o. with sole shareholder Tonsa Commercial REI N.V.

***** on 5th December 2025 was formed entities OH1 Sp.z o.o. and OH2 Sp.z o.o. with sole shareholder Tonsa Commercial REI N.V., The Companies was registered by the Court on 14th January 2026.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented.

4. Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with the **IFRS Accounting Standards as adopted by the European Union ('EU') and with Part 9 of Book 2 of the Dutch Civil.**

Most of the Group's entities keep their accounting records in accordance with the accounting policies set forth in the Polish GAAP. These consolidated financial statements include number of adjustments not included in the accounts of the Group companies, which were made to bring the financial statements of those companies into conformity with IFRS as adopted in EU.

Income and cash flow statements

Tonsa Group has elected to present a single consolidated statement of comprehensive income and presents its expenses by nature.

The Group reports cash flows from operating activities using the indirect method. Interest paid are presented within financial cash flows. The acquisitions of investment properties are disclosed as cash flows from investing activities because this most appropriately reflects the Group's business activities.

5. Preparation of the consolidated financial statements

5.1. Going concern

The consolidated financial statements have been prepared on a going concern basis.

The Group has a negative working capital due to the repayment of some of its loans and borrowings. The main component of short-term liabilities as at 31 December 2025 is a credit in Olivia Gate Sp. z o.o., J-Home S.A. (Olivia Six building) for which the Group is in an advanced stage of refinancing with an external lender expected to be closed in the second half of 2026 and credit in Olivia 4 S.A. which the Group refinanced in January 2026. Based on the operational activities of the Group, management expects that remaining financing that matures within the first 12 months after signing these financial statements can be refinanced in the normal course of business.

On the basis of the assessment carried out the Board of Directors of the Company, considering a.o. the impact geopolitical and economic uncertainty, and refinancing of the loans and borrowings, states that the assumption that the Group will continue as a going concern for a period of at least 12 months after the date of the preparation of the financial statements is justified. Therefore, the consolidated financial statements have been prepared on a going concern basis.

5.2. Basis of preparation

The consolidated financial statements have been prepared applying a historical cost convention, except for the measurement of investment property at fair value, financial assets classified as fair value through profit or loss (FVPL) or fair value through other comprehensive income (FVOCI) and derivative financial instruments that have been measured at fair value.

The preparation of consolidated financial statements in conformity **IFRS Accounting Standards as adopted by the European Union ('EU')** requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Changes in assumptions may have a significant impact on the consolidated financial statements in the period the assumptions changed. Management believes the underlying assumptions are appropriate.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 7.

Standards, amendments to existing standards and interpretations issued by IASB and endorsed in the European Union applied for the first time in 2025

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability.

The above-mentioned amendments to the standards did not have a material effect on the Group's performance.

Standards, amendments to existing standards and interpretations issued by IASB and endorsed in the European Union but not effective for the accounting periods beginning on 1 January 2025 and not early adopted by the Group

- IFRS 18 Presentation and Disclosure in Financial Statements (issued on 9 April 2024, effective for annual periods beginning on or after January 1, 2027)
- Annual Improvements Volume 11 (issued on 18 July 2024, effective for annual periods beginning on or after January 1, 2026)
- Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7 (issued on 18 December 2024 effective for annual periods beginning on or after January 1, 2026)
- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (issued on 30 May 2024) effective for annual periods beginning on or after January 1, 2026).

Standards and Interpretations issued by IASB but not yet endorsed in the European Union

IFRS as endorsed in the EU do not currently differ from the regulations adopted by the International Accounting Standards Board, with the exception of the following standards, amendments to standards and interpretations, which as at the date of approving these financial statements have not yet been adopted for application:

- IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 9 May 2024, effective for annual periods beginning on or after January 1, 2027)
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency (issued on 13 November 2025, effective for annual periods beginning on or after January 1, 2027)
- Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 21 August 2025, effective for annual periods beginning on or after January 1, 2027)

The Group anticipates that the adoption of these new standards and amendments to the existing standards will have no material impact on the financial statements of the Group in the period of initial application with exception to IFRS 18 – the group is looking into the impact on the classification.

5.3. Consolidation

a. Subsidiaries

Control

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date control ceases.

All the Group's companies have 31 December as their year-end. Consolidated financial statements are prepared using uniform accounting policies for like transactions. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated, except where there are indications of impairment.

Accounting for business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary that meets the definition of a business is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values as at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value as at the acquisition date; any gains or losses arising from such remeasurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that are deemed to be an asset or liability are recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total amount of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the business acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Accounting for asset acquisitions

For acquisition of a subsidiary not meeting the definition of a business, the Group allocates the cost between the individual identifiable assets and liabilities in the Group based on their relative fair values as at the date of acquisition. Such transactions or events do not give rise to goodwill.

b. Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between the fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

c. Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in the carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

d. Combination of businesses under common control

A business combination involving business entities under common control is a business combination whereby all of the combining business entities are ultimately controlled by the same party or parties, both before and after the business combination, and that control is not transitory. This refers in particular to transactions such as a transfer of companies or ventures between individual companies within a capital group, or a merger of a parent company with its subsidiary.

There is no guidance in IFRS on the treatment for business combinations under common control. However, following the guidance in IAS 8 and general concept provided in Framework, the Management should make a judgment considering facts and circumstances and determine the accounting policies to account for the transaction in accordance with its substance and economic reality and not merely their legal form.

Any difference between the consideration given and the aggregate carrying value of the assets and liabilities of the particular entities at the date of the transaction is included in equity in retained earnings.

IFRSs do not provide the guidance how to present the comparatives in the financial statements after the acquisition of the business under common control. Thus, the Management chosen to apply the prospective presentation method. It means the acquired entity's results and balance sheet are incorporated from the date on which the transaction took place. Consequently, the consolidated financial statements reflect the results of the acquired entity for the period after the business combination occurred. The corresponding amounts for the previous year are not restated.

Capital re-organisation

Transactions which involved a new company set up by the group to effect the combination of entities under common control are accounted for as a capital re-organisation.

The new company's consolidated financial statements include the existing entity's full results (including comparatives), even though the re-organisation occurred through the year. The assets and liabilities of the existing entities are incorporated at their pre-combination carrying amounts without fair value uplift.

Any difference between the consideration given and the aggregate carrying value of the assets and liabilities of the particular entities at the date of the transaction is included in equity in retained earnings. Comparative data is presented as the business combination was always effective since common control occurred.

5.4. Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the group's other components.

5.5. Foreign currency translation

a. Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). Company's functional currency is PLN. The consolidated financial statements are presented in thousand euro (the Group's presentation currency is EUR).

b. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss for the year.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented net in the income statement within finance costs and finance income, respectively, unless they are capitalised as explained in note 5.15 (Borrowing costs). All other foreign exchange gains and losses are presented net in the consolidated statement of comprehensive income.

c. Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- i. assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that financial position;
- ii. income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions). The Group is using monthly average exchange rates due to the increased volatility in exchange rates; and
- iii. all resulting exchange differences are recognised in the statement of comprehensive income.

On disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation) all of the exchange differences accumulated in equity in respect of that operation attributable to the equity holders of the Company are reclassified to profit or loss. In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences is reattributed to non-controlling interests and are not recognised in profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

5.6. Standing investments

Standing investments that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is element of investment property. Investment property also includes property that is being constructed or developed for future use as investment property. (see note 5.7)

Land held under operating leases is classified and accounted for by the Group as investment property when the rest of the definition of investment property is met.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs (see note 5.15).

After initial recognition, investment property is carried at fair value. Investment property that is being redeveloped for continuing use as investment property, or for which the market has become less active, continues to be measured at fair value. Investment property under construction is measured at fair value if the fair value is considered to be reliably determinable. Investment properties under construction for which the fair value cannot be determined reliably, but for which the Company expects the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed - whichever is earlier.

Fair value is based on active market prices, adjusted, if necessary, for differences in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are performed as at the financial position date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the consolidated financial statements.

The fair value of investment property reflects, among other things, rental income from current leases and other assumptions market participants would make when pricing the property under current market conditions.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the cost of the replacement is included in the carrying amount of the property, and the fair value is reassessed.

Changes in fair values are recognised in the income statement. Investment properties are derecognised when they have been disposed of.

Where the Group disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the income statement within net gain from fair value adjustment on investment property.

If an investment property becomes owner occupied, it is reclassified as property, plant and equipment. Its fair value as at the date of reclassification becomes its cost for subsequent accounting purposes.

If an item of owner-occupied property becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item as at the date of transfer is treated in the same way as a revaluation under IAS 16. Any resulting increase in the carrying amount of the property is recognised in the income statement to the extent that it reverses a previous impairment loss, with any remaining increase recognised in other comprehensive income and increased directly to equity in revaluation surplus within equity. Any resulting decrease in the carrying amount of the property is initially charged in other comprehensive income against any previously recognised revaluation surplus, with any remaining decrease charged to the income statement.

Where an investment property undergoes a change in use, such as commencement of development with a view to sell, the property is transferred to inventories. A property's deemed cost for subsequent accounting as inventories is its fair value at the date of change in use.

5.7. Development and lands

Development and lands that are held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as element of investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Land held under operating leases is classified and accounted for by the Group as investment property when the rest of the definition of investment property is met.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs (see note 5.15).

After initial recognition, investment property is carried at fair value. Investment property that is being redeveloped for continuing use as investment property, or for which the market has become less active, continues to be measured at fair value. Investment property under construction is measured at fair value if the fair value is considered to be reliably determinable. Investment properties under construction for which the fair value cannot be determined reliably, but for which the Company expects the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed - whichever is earlier.

It may sometimes be difficult to determine reliably the fair value of the investment property under construction. In order to evaluate whether the fair value of an investment property under construction can be determined reliably, management considers the following factors, among others:

- the provisions of the construction contract;
- the stage of completion;
- whether the project/property is standard (typical for the market) or non-standard;
- the level of reliability of cash inflows after completion;
- the development risk specific to the property;
- past experience with similar construction; and
- status of construction permits.

Fair value is based on active market prices, adjusted, if necessary, for differences in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are performed as at the financial position date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the consolidated financial statements.

The fair value of investment property reflects, among other things, rental income from current leases and other assumptions market participants would make when pricing the property under current market conditions.

The Residual Method is used in order to determine the value of a property which has potential for development, redevelopment or refurbishment. The estimated total cost of the work, including fees and other associated expenditures, plus allowance for interest, developer's risk and profit, is deducted from the "gross value" of the completed project estimated using the Income Approach.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the cost of the replacement is included in the carrying amount of the property, and the fair value is reassessed.

Changes in fair values are recognised in the income statement. Investment properties are derecognised when they have been disposed of.

Where the Group disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the income statement within net gain from fair value adjustment on investment property.

If an investment property becomes owner occupied, it is reclassified as property, plant and equipment. Its fair value as at the date of reclassification becomes its cost for subsequent accounting purposes.

If an item of owner-occupied property becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item as at the date of transfer is treated in the same way as a revaluation under IAS 16. Any resulting increase in the carrying amount of the property is recognised in the income statement to the extent that it reverses a previous impairment loss, with any remaining increase recognised in other comprehensive income and increased directly to equity in revaluation surplus within equity. Any resulting decrease in the carrying amount of the property is initially charged in other comprehensive income against any previously recognised revaluation surplus, with any remaining decrease charged to the income statement.

Where an investment property undergoes a change in use, such as commencement of development with a view to sell, the property is transferred to inventories. A property's deemed cost for subsequent accounting as inventories is its fair value at the date of change in use.

5.8. Leases

a. Group is the lessee

(i) At initial recognition

The Group acting as lessee recognises a right-of-use asset and a lease liability connected with right of use assets for all leases with a term of more than 12 months, unless the underlying asset is of low value.

The right-of-use asset is measured at its cost which includes the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date (less any lease incentives received), any initial direct costs incurred by the Group; and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

The lease liability is measured at the present value of the lease payments that are not paid at the date of the consolidated statement of financial position.

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured at the applicable index or rate at the lease commencement date;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, or the penalty payable on the exercise of a termination option unless the Group is reasonably certain not to exercise the option; and
- any amounts expected to be payable under residual value guarantees.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. Extension and termination options are included in a number of property leases across the Group. These are used to maximise

operational flexibility in terms of managing the investment properties used in the Group's leasing activities. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group is using the lessee's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

(ii) Subsequent measurement

The Group measures the right-of-use assets that meet the definition of investment property using the fair value model applied to its investment property.

The lease liability is measured as follows:

- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect the lease payments made; and
- remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

Where the Group is exposed to potential future increases in variable lease payments based on an index or rate, these are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

b. Group is the lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet in accordance with their nature.

Properties leased out under operating leases are included in investment property in the consolidated statement of financial position. See note 5.19 for the recognition of rental income.

c. Group is the lessor - fees paid in connection with arranging leases and lease incentives

The Group makes payments to agents for services in connection with negotiating lease contracts with the Group's lessees. The letting fees are capitalised within the carrying amount of the related investment property and are amortised over the lease term.

Lease incentives are recognised as a reduction of rental income on a straight-line basis over the lease term and are presented as deduction from the fair value of the investment property.

5.9. Impairment of non-financial assets

Assets that have an indefinite useful life - for example, goodwill - are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that suffered impairment, are reviewed for possible reversal of the impairment at each reporting date. Impairment losses on goodwill are not reversed.

5.10. Financial instruments

a. Investments and other financial assets

(i) Classification

Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on the trade date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** The Group classifies its loan receivables at amortised cost as both of the following criteria are met: i) the loan receivables are held within business model whose objective is to collect the contractual cash flows, and ii) the contractual terms give rise to cash flows that are solely payments of principal and interest. Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains (losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the consolidated statement of profit or loss.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains (losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains (losses) and impairment expenses are presented as a separate line item in the consolidated statement of profit or loss.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and is presented net within other gains (losses) in the period in which it arises.

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established. Changes in the fair value of financial assets at FVPL are recognised in net change in fair value of financial instruments at fair value through profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group's financial assets are subject to the expected credit loss model.

A summary of the assumptions underpinning the company's expected credit loss model is as follows:

Category	Company definition of category	Basis for recognition of expected credit loss provision
Performing	Loans whose credit risk is in line with original expectations	12 month expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime (stage 1).
Underperforming	Loans for which a significant increase in credit risk has occurred compared to original expectations; a significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due	Lifetime expected losses (stage 2).
Non-performing (credit impaired)	Interest and/or principal repayments are 60 days past due or it becomes probable a customer will enter bankruptcy	Lifetime expected losses (stage 3).

Category	Company definition of category	Basis for recognition of expected credit loss provision
Write-off	Interest and/or principal repayments are 120 days past due and there is no reasonable expectation of recovery	Asset is written off.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The expected loss rates are based on the payment profiles of sales and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on micro- and macroeconomic factors affecting the liability of the tenants to settle the receivable. The Group prepared analyses showing that expected credit losses and expected loss rate are immaterial. Therefore, no impairment due to expected credit loss was recognized for trade receivables.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the probability of insolvency or significant financial difficulties of the debtor. Impaired debts are derecognised when they are assessed as uncollectible.

Debt investment and other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Loans to group companies are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term. Based upon historical performance and forward-looking information the loans granted by the Group are considered to be low risk and therefore expected credit losses can be assessed under stage 1 of the general model being a 12-month expected credit loss. On an annual basis an assessment is performed in order to identify any subsequent credit deterioration of a counterparty to the loans which might lead to change the expected credit loss from a 12-month PD ("probability of default") to a lifetime PD (stage 2). This assessment consists mainly of assessing the financial performance of the counterparties and checking if the interest payments are current and in line with the relevant loan agreement.

The calculation of PD is based upon a "short-cut" approach: according to this approach it is assumed that the Group uses a PD which is based upon actual market information, and more specifically, the average 1-year PD. Finally, for the calculation of the LGD ("loss given default") the Group uses the potential recovery rates considering available market data. The Group considers that a default on a financial asset is when the counterparty fails to make contractual payments within 60 days of when they fall due.

The method described above of calculating the ECL for the Group's loans receivables resulted in an immaterial amount for the current year.

The impairment charge for debt investments at FVOCI is recognised in profit or loss and reduces the fair value loss otherwise recognised in OCI.

b. Trade receivables

Trade receivables are recognised initially at fair value and subsequently are measured at amortised cost using the effective interest method, less impairment provision. The Group holds the trade receivables with the objective to collect the contractual cash flows.

c. Financial liabilities

The Group recognises a financial liability when it first becomes a party to the contractual rights and obligations in the contract.

All financial liabilities are initially recognised at fair value, minus (in the case of a financial liability that is not at FVPL) transaction costs that are directly attributable to issuing the financial liability. Financial liabilities are measured at amortised cost, unless the Group opted to measure a liability at FVPL.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

All loans and borrowings are initially recognized initially at fair value less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method (see note 5.15 for the accounting policy on borrowings).

Financial liabilities included in trade and other payables are recognised initially at fair value and subsequently at amortised cost. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted.

d. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

e. Derivatives

The Group does not apply hedge accounting in accordance with IFRS 9. Derivative financial assets and liabilities are classified as financial assets or liabilities at FVPL. Derivative financial assets and liabilities comprise mainly interest rate swap and forward foreign exchange contracts for hedging purposes (economic hedge). Recognition of the derivative financial instruments takes place when the economic hedging contracts are entered into. They are measured initially and subsequently at fair value; transaction costs are included directly in finance costs. Gains or losses on derivatives are recognised in profit or loss in net change in fair value of financial instruments at FVPL.

5.11. Other assets

Other are carried at cost less any accumulated impairment losses. See note 5.8 for separate accounting policy for lease incentives.

5.12. Inventories

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventories and is measured at the lower of cost and net realisable value (NRV). Principally, this is residential property that the Group develops and intends to sell before, or on completion of development.

Cost incurred in bringing each property to its present location and condition includes:

- Freehold and leasehold rights for land,
- Amounts paid to contractors for development,
- Planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, development overheads and other related costs.

Net realisable value is the estimated selling price in the ordinary course of business less selling expenses.

When an inventory property is sold, the carrying amount of the property is recognised as an expense in the period in which the related revenue is recognised. The carrying amount of inventory property recognised in profit or loss is determined with reference to the directly attributable costs incurred on the property sold and an allocation of any other related costs based on the relative size of the property sold.

5.13. Prepayments

Prepayments are carried at cost less any accumulated impairment losses. See note 5.8 for separate accounting policy for operating lease prepayments.

5.14. Equity

Issued share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

Retained earnings

Retained earnings include net profit for the period and undistributed profit from previous periods. Also in case of business combination under common control, any difference between the consideration paid/transferred and the equity "acquired" is reflected in retained earnings.

5.15. Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

5.16. Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised directly in other comprehensive income or equity - in which case, the tax is also recognised in other comprehensive income or equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of the consolidated statement of financial position in the countries where the Group operates. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation, and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the date of the consolidated statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

The carrying value of the Group's investment property is assumed to be realised by sale at the end of use. The capital gains tax rate applied is that which would apply on a direct sale of the property recorded in the consolidated statement of financial position regardless of whether the Group would structure the sale via the disposal of the subsidiary holding the asset, to which a different tax rate may apply. The deferred tax is then calculated based on the respective temporary differences and tax consequences arising from recovery through sale.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

5.17. Provisions

Provisions for legal claims are recognised when:

- the Group has a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources will be required to settle the obligation; and
- the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost.

5.18. Non-current assets held for sale and discontinued operations

The Group classifies non-current assets 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 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 expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

Cash flows from discontinued operations are included in the consolidated statement of cash flows and are disclosed separately in Note 28. The Group includes proceeds from disposal in cash flows from discontinued operations.

Additional disclosures are provided in Note 28. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

5.19. Revenue recognition

Revenue includes rental income, service charges and property management charges, and sale of redeveloped units.

Rental income from operating leases is recognised on a straight-line basis over the lease term. When the Group provides incentives to its tenants, the cost of the incentives is recognised over the lease term, on a straight-line basis, as a reduction of rental income.

Revenue on sale of redeveloped units is recognised when control over the unit has been transferred to the customer, which is considered to be at a point in time, when the customer has taken possession of the unit.

Revenue from service and property management charges is recognised in the accounting period in which control of the services are passed to the customer, which is when the service is rendered. For certain service contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

Revenue is measured at the transaction price agreed under the contract. Amounts disclosed as revenue are net of variable consideration and payments to customers, which are not for distinct services, this consideration may include discounts, trade allowances, rebates and amounts collected on behalf of third parties. For arrangements that include deferred payment terms that exceed twelve months, the Group adjusts the transaction price for the financing component, with the impact recognized as interest income using the effective interest rate method over the period of the financing.

A receivable is recognised when services are provided as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

When the Group is acting as an agent, the commission rather than gross income is recorded as revenue.

5.20. Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved.

5.21. Interest income and expense

Interest income and expense are recognised within finance income and finance costs in profit or loss using the effective interest rate method, except for borrowing costs relating to qualifying assets, which are capitalised as part of the cost of that asset. The Group has chosen to capitalise borrowing costs on all qualifying assets irrespective of whether they are measured at fair value or not.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, pre-payment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

5.22. Administrative expenses

Expenses include legal, accounting, auditing and other fees. They are recognised in profit or loss in the period in which they are incurred on an accrual basis.

6. Financial risk management

6.1. Financial risk factors

The Group manages financial risks through its risk management function. Financial risks are risks arising from financial instruments to which the Group is exposed during or at the end of the reporting period. Financial risk comprises market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits.

Risk management is carried out under policies approved by the Board of Directors. The Board identifies and evaluates financial risks in close cooperation with the Group's operating units. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investing excess liquidity.

6.2. Market risk

Market risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group's market risks arise from open positions in (a) foreign currencies and (b) interest bearing assets and liabilities, to the extent they are exposed to general and specific market movements.

As at 31 December 2025 interest rate swaps and CAP options hedged 85% of bank loans outstanding balance (2024: 75%). There were no forward foreign exchange contracts as at 31 December 2025 (2024: 0%).

a. Foreign exchange risk

The Group is exposed to foreign exchange risk, primarily with respect to the Euro. Foreign exchange risk arises in respect of those recognised monetary financial assets and liabilities that are not in the functional currency of the respective Group entity.

The Group has various financial assets such as derivative financial assets and liabilities, trade and other receivables and cash and short-term deposits that arise directly from its operations. The Group's principal financial liabilities, besides derivative financial liabilities, comprise bank loans and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations.

The derivative transactions the Group enters into are primarily interest rate swaps and forward foreign exchange contracts (in the case of construction credits in a currency other than the currency of the revenues from this project (the group had no active forward foreign exchange contracts at the end of 2025 and 2024)). The purpose is to manage the interest rate risks and currency risks arising from the Group's sources of finance (economic hedges).

The Group manages foreign currency risk on a group basis.

Nevertheless, the Group does not apply hedge accounting in accordance with IFRS 9. In addition, the Group manages foreign currency risk by matching its principal cash outflows to the currency in which the principal cash inflows (such as rental revenue) are denominated. This is generally achieved by obtaining loan financing in the relevant currency and by entering into forward foreign exchange contracts.

The functional currency of the Company is the Polish Zloty; the functional currencies of the Group's principal subsidiaries are Polish Zloty. The Company and each of its subsidiaries are exposed to currency risk arising from financial instruments held in currencies other than their individual functional currencies.

31 December 2025	Financial assets	Financial liabilities	Net exposure
EUR	7 682	258 700	-251 018
PLN	54 874	12 387	42 487
Total	62 556	271 087	-208 531

31 December 2024	Financial assets	Financial liabilities	Net exposure
EUR	22 645	333 893	-311 248
PLN	51 215	12 360	38 855
Total	73 860	346 253	-272 393

Foreign currency differences gain, in the amount of kEUR 2.517, in current year result is mainly caused by valuation of borrowings in EUR, due to decrease in EUR/PLN FX rate (4,2267 as at 31 December 2025, whereas as at 31 December 2024: 4, 2730).

The following paragraph presents sensitivities of profit or loss to reasonably possible changes in exchange rates applied at the financial position date relative to the functional currency of the respective Group entities, with all other variables held constant.

As at 31 December 2025 if the Euro weakened/strengthened by 10% against the Polish Zloty post-tax profit for the year would have been kEUR 20.332 lower/higher. As at 31 December 2024 if the Euro weakened/strengthened by 10% against the Polish Zloty post-tax profit for the year would have been kEUR 25.211 lower/higher.

b. Price risk

The Group has no significant exposure to price risk as it does not hold any equity securities or commodities.

The Group is exposed to price risk other than in respect of financial instruments, such as property price risk including property rentals risk and changes in prices of residential units.

c. Cash flow and fair value interest rate risk

As the Group's interest-bearing assets do not generate significant amounts of interest, changes in market interest rates do not have any significant direct effect on the Group's income. The Group is exposed to fair value interest rate risk on tenant deposits. Any change in the market rates might impact the fair value gain or loss recognised in other comprehensive income. The impact of such changes is not expected to be significant to the Group.

The Group's interest rate risk principally arises from long-term borrowings (note 23). Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group does not have material borrowings at fixed rates and therefore has no significant exposure to fair value interest rate risk.

The Group's policy is to fix the interest rate on its variable interest borrowings. To manage this, the Group enters into interest rate swaps and CAP options in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed notional principal amount. As at 31 December 2025, as in the previous year, after taking into account the effect of interest rate swaps and caps, most of the Group's borrowings are at a fixed rate of interest. Trade and other receivables and trade and other payables are interest free and with a term of less than one year, so it is assumed there is no interest rate risk associated with these financial assets and liabilities.

The Group's interest rate risk is monitored by the Group's management. Management analyses the Group's interest rate exposure on a dynamic basis.

As at 31 December 2025, if interest rates had been 100 basis points higher (2024: 100 basis points higher) with all other variables held constant, post-tax profit for the year would have been kEUR 869 (2024: kEUR 1.069) lower. If interest rates had been 100 basis points lower (2024: 100 basis points lower) with all other variables held constant, post-tax profit for the year would have been kEUR 869 (2024: kEUR 1.069) higher.

6.3. Credit risk

Credit risk is the risk one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Credit risk arises from cash and cash equivalents held at banks, trade receivables, including rental receivables from lessees, contract assets, rental guarantees, contractual cash flows of debt investments carried at FVOCI and favourable derivative financial instruments and deposits with banks and financial institutions. Credit risk is managed on a group basis. The Group structures the levels of credit risk it accepts by placing limits on its exposure to a single counterparty, or groups of counterparties, and to geographical and industry segments. Such risks are subject to a quarterly or more frequent review.

The Group has policies in place to ensure rental contracts are entered into only with lessees with an appropriate credit history. Group monitor the credit quality of receivables on an ongoing basis. Cash balances are held and derivatives are agreed only with financial institutions with a solid financial rating. The Group has policies that limit the amount of credit exposure to any financial institution. The utilisation of credit limits is regularly monitored.

The Group has two types of financial assets that are subject to the expected credit loss model:

- receivables from tenants;
- loans and bonds.

While cash and cash equivalents and tenant deposits are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

The Group's maximum exposure to credit risk by class of financial asset other than derivatives is as follows:

	31 December 2025	31 December 2024
Receivables from tenants	2 692	1 893
Loans and bonds	29 503	28 890
Other financial assets	1 784	6 876
Cash and cash equivalents	27 997	34 179
Total	61 976	71 838

Long term loans and bonds in the amount of kEUR 29.064 (2024: 27.503) have maturity date as follows:

- due within second to third year – kEUR 10.508 (2024: kEUR 14.437);
- due within third to fifth year – kEUR 18.556 (2024: kEUR 9.135);
- due after five years – kEUR 0 (2024: kEUR 3.931).

The below note presents the movement in Loans and bonds:

Loans and bonds	
1 January 2024	26 035
Proceeds from borrowings	4 409
Repayments of borrowings	-3 942
Other movements	1 965
Exchange rate differences	423
31 December 2024	28 890
Proceeds from borrowings	5 248
Repayments of borrowings	-6 547
Other movements	1 705
Recognised as assets held for sale	-32
Exchange rate differences	239
31 December 2025	29 503

As part of their business, the companies grant loans, including loans to related entities. Therefore, an important element of the internal control system is credit risk management, understood as the risk of financial losses resulting from the debtor's failure to meet contractual obligations. The Group aims to limit credit risk related to exposures by applying market principles in the scope of granting loans, defining contractual terms and corporate supervision over intra-group entities.

Deposits refundable to tenants may be withheld by the Group in part or in whole if receivables due from the tenant are not settled or in case of other breaches of contract.

The fair value of cash and cash equivalents as at 31 December 2025 and 31 December 2024 approximates the carrying value.

Analysis by credit quality of financial assets is as follows:

	31 December 2025	31 December 2024
Receivables from tenants (gross)	2 873	2 082
Less: Impairment provision	-181	-189
Trade receivables - net of provision for impairment	2 692	1 893

The Group prepared analyses showing that expected credit losses and expected loss rate are immaterial. Therefore, no impairment due to expected credit loss was recognized for trade receivables.

All of the Group's debt investments at amortised cost are considered to have low credit risk, and the impairment charge recognised during the period was therefore limited to 12 months' expected losses, which were assessed as immaterial and were not recognised in the financial statements.

Ratings of financial institutions in which the Group located cash and cash equivalents are as follows:

Financial institution	Rating	Rating provider
ING Bank Śląski S.A.	A+	Fitch
Santander Bank Polska S.A.	A-	Fitch
Alior Bank S.A.	BB+	Fitch
PKO BP S.A.	A2	Moody's
Bank Pekao S.A.	BBB+	Fitch
BNP Paribas S.A.	A+	Fitch
Bank Millenium SA	BBB-	Fitch
BOŚ Bank SA	BB-	Fitch
Norddeutsche Landesbank Girozentrale	A+	Fitch
ING Bank N.V.	AA-	Fitch

6.4. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

The Group's liquidity position is monitored on a daily basis and is reviewed quarterly by the Board of Directors. Undiscounted cash flows in respect of balances due within 12 months generally equal their carrying amounts in the consolidated statement of financial position, as the impact of discounting is not significant.

As the amount of contractual undiscounted cash flows related to bank borrowings and debentures and other loans is based on variable rather than fixed interest rates, the amount disclosed is determined by reference to the conditions existing at the reporting date - that is, the actual spot interest rates effective as at 31 December 2025 and 31 December 2024 are used for determining the related undiscounted cash flows.

Table below presents financial liabilities by due date:

	31 December 2025	31 December 2024
Due within one year	99 059	84 786
Due in second year	31 608	121 471
Due within third to fifth year	35 506	137 487
Due after five years	129 954	28 546
Total	296 127	372 290

6.5. Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated by the Group as total borrowings less cash and cash equivalents and less financing provided by other related parties. Total capital is calculated as equity, as shown in the consolidated statement of financial position, plus net debt and plus borrowing from other related parties.

The gearing ratios as at 31 December 2025 and at 31 December 2024 were as follows:

	31 December 2025	31 December 2024
Borrowings	257 937	332 163
Lease liabilities	1 562	1 014
Less: Cash and cash equivalents	-27 997	-34 179
Less: Borrowings from related parties	-354	-374
Net debt	231 148	298 624
Total equity	248 492	243 526
Borrowings from related parties	354	374
Total capital	479 994	542 524
Gearing ratio	48%	55%

6.6. Fair value estimation

a. Assets and liabilities carried at fair value

The table below analyses financial instruments carried at fair value, by valuation method.

The different levels are defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The Group's financial assets and liabilities were classified as follows:

31 December 2025	Level 1	Level 2	Level 3	Total
Derivative financial assets	0	580	0	580
Derivative financial liabilities	0	763	0	763

31 December 2024	Level 1	Level 2	Level 3	Total
Derivative financial assets	0	2 022	0	2 022
Derivative financial liabilities	0	1 730	0	1 730

There were no transfers between Levels 1 and 2 during the year.

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as at the date of the event or change in circumstance that caused the transfer.

Financial instruments in Level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:

- quoted market prices or dealer quotes for similar instruments;
- the fair value of interest rate swaps and CAP options is calculated as the present value of the estimated future cash flows based on observable yield curves;
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the consolidated statement of financial position date, with the resulting value discounted back to present value; and
- other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

b. Assets and liabilities not carried at fair value but for which fair value is disclosed

The following table analyses within the fair value hierarchy the Group's assets and liabilities (by class) not measured at fair value as at 31 December 2025 but for which fair value is disclosed.

31 December 2025	Level 1	Level 2	Level 3	Total
Assets				
Receivables from tenants	0	0	2 692	2 692
Loans and bonds	0	29 503	0	29 503
Other financial assets	0	1 784	0	1 784
Cash and cash equivalents	27 997	0	0	27 997
Total	27 997	31 287	2 692	61 976
Liabilities				
Trade and other payables	0	6 181	0	6 181
Borrowings	0	257 937	0	257 937
Lease liabilities	0	1 562	0	1 562
Other financial liabilities	0	4 644	0	4 644
Total	0	270 324	0	270 324

The following table analyses within the fair value hierarchy the Group's assets and liabilities (by class) not measured at fair value as at 31 December 2024 but for which fair value is disclosed.

31 December 2024	Level 1	Level 2	Level 3	Total
Assets				
Receivables from tenants	0	0	1 893	1 893
Loans and bonds	0	28 890	0	28 890
Other financial assets	0	6 876	0	6 876
Cash and cash equivalents	34 179	0	0	34 179
Total	34 179	35 766	1 893	71 838
Liabilities				
Trade and other payables	0	5 504	0	5 504
Borrowings	0	332 163	0	332 163
Lease liabilities	0	1 014	0	1 014
Other financial liabilities	0	5 842	0	5 842
Total	0	344 523	0	344 523

The assets and liabilities included in the above table are carried at amortised cost; their carrying values are a reasonable approximation of fair value.

Trade receivables include the contractual amounts for the settlement of trades and other obligations due to the Group. Trade and other payables and borrowings represent contract amounts and obligations due by the Group.

7. Critical accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors.

7.1. Critical accounting estimates and assumptions

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and management judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

a. Investment properties (Standing investments and Developments and lands)

The fair value of investment properties is determined by using valuation techniques. For further details of the judgments and assumptions made, see note 15.

b. Derivatives (Derivative financial assets and Derivative financial liabilities)

The fair value of derivatives is determined by using valuation techniques. For further details of the judgments and assumptions made, see note 6.6.

7.2. Critical judgements in applying the Group's accounting policies

a. Functional currency

In determining the functional currency of the subsidiaries, significant judgment is required as they operate in a dual currency environment (ie Euro and Polish zloty (PLN)). The Group has determined that the Polish zloty most faithfully represents the economic effects of the underlying transactions and events of the Polish subsidiaries and for the parent company, therefore PLN is functional currency. The Group's consolidated financial statements are presented in euros, which is presentation currency.

8. Operating segments

Till 2022 the Group has operated in one segment - commercial real estate for rent. In the second quarter of 2022, it started operating in a new segment - the residential properties for sale. The organization and management of the Group are divided into segments, taking into account the type of activity. As a result of the analysis of the aggregation criteria and quantitative thresholds, the following operating segments were disclosed in the Group's consolidated financial statements:

- Segment 1 - Commercial properties for rent - which includes the construction and lease of commercial properties owned by the Group;
- Segment 2 – Residential/PRS properties for sale - which includes the construction and sale of residential properties;
- Other segments - which cover the activities of the Group's entities and which do not fall within the scope specified in segments 1 and 2.

The measure of the financial result of individual operating segments of the Group, analysed by the Management Board of the Parent Company, are the segment's operating profit / loss determined in accordance with the principles of IFRS.

Revenues from transactions between segments are eliminated in the consolidation process. Sales between the segments will be carried out on an arm's length basis. In accordance with the principles applied by the Board of Directors of the Company to assess the performance of individual segments, revenue and margin are recognized in the segment's result at the time of sale outside the segment. Financial revenues and costs are not included in the financial result of individual segments.

2025	Commercial properties for rent	Residential properties for sale	Other	Eliminations and corporate	Total
Net rental income	29 448	-314	-18	-75	29 041
Net result on disposals	5 472	0	0	-5 484	-12
Revaluation of standing investments, net	-4 523	0	0	0	-4 523
Revaluation of developments and land, net	-4 071	0	0	0	-4 071
Other depreciation, amortisation and impairments	7	0	-1	0	6
Administrative expenses	-1 667	-300	-521	47	-2 442
Net operating profit	24 666	-614	-540	-5 514	17 999
Interest expenses, net				-16 166	-16 166
Foreign currency differences				2 517	2 517
Other financial result, net				-2 227	-2 227
Profit before taxation	24 666	-614	-540	-21 390	2 123
Taxation charge for the period				145	145
Profit after taxation for the year	24 666	-614	-540	-21 245	2 268
Total assets	673 767	33 358	68 586	-126 706	649 005
Total liabilities	414 041	33 563	68 927	-211 027	305 504

2024	Commercial properties for rent	Residential properties for sale	Other	Eliminations and corporate	Total
Net rental income	27 551	-353	-18	738	27 918
Net result on disposals	714	0	0	-635	79
Revaluation of standing investments, net	-11 401	0	0	103	-11 298
Revaluation of developments and land, net	1 646	0	0	0	1 646
Other depreciation, amortisation and impairments	-2	-2	-1	0	-4
Administrative expenses	-1 554	-128	-565	30	-2 217
Net operating profit	16 954	-483	-583	236	16 124
Interest expenses, net				-18 391	-18 391
Foreign currency differences				4 258	4 258
Other financial result, net				-1 416	-1 416
Profit before taxation	16 954	-483	-583	-15 313	575
Taxation charge for the period				-392	-392
Profit after taxation for the year	16 954	-483	-583	-15 705	183
Total assets	663 001	20 076	64 682	-120 958	626 801
Total liabilities	417 087	19 816	65 027	-118 655	383 275

9. Revenue from contracts with customers

The Company is domiciled in the Netherlands but does not generate revenue there. The Group's revenue is primarily generated from property assets, which are held by Group companies domiciled in the same country as the relevant asset is located, which is Poland.

Revenues are derived from a large number of tenants but there is one tenant or group under common control that contributes 10,26% of the Group's revenues.

Majority of Group's revenue recognised in relation to services to tenants is recognized at point of time.

10. Net property expense less service charge income

	2025	2024
Service charge cost, net	538	868
Modernizations, repairs, renovations cost	224	324
Other property related costs	2 843	4 199
Total	3 605	5 391
Division of service charge cost, net:		
	2025	2024
Service charge income	-15 321	-14 934
Service charge expenses	15 859	15 802
Service charge cost, net	538	868

11. Administrative expenses

	2025	2024
Legal and consulting costs	755	588
Asset management services	155	155
Accounting, secretarial and administration costs	843	1 058
Taxes and other fees	41	26
Other	648	390
Total	2 442	2 217

There is one employee in the Netherlands, other are board members in Poland. There is no social securities and pension plan expenses incurred.

12. Interest expenses, net

	2025	2024
Interest income	-2 633	-3 408
Interest expense from lease	65	53
Interest expense from loans	12 021	15 263
Interest expense from bonds	6 711	6 467
Other	2	16
Total	16 166	18 391

13. Other financial result, net

	2025	2024
Revaluation of financial instruments	-1 401	-2 341
Derivatives valuation results	709	880
Other financial expenses, net	-1 535	45
Total	-2 227	-1 416

14. Income taxes

	2025	2024
Current tax	1 137	-596
Deferred tax	-1 282	988
Total	-145	392

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate (19%) on the applicable profits of the consolidated companies as follows:

	2025	2024
Profit before income taxes	2 123	575
Tax calculated at domestic tax rates applicable to profits in the respective countries	403	109
Tax effect on:		
Expenses not deductible for tax purposes	-548	283
Total income tax	-145	392
Effective tax rate	-7%	68%

The biggest not taxable amounts are related to representation expenses and tax paid on investment property, even if the entity suffered loss in current period (minimal tax required by Polish law).

The movement in deferred tax assets and liabilities during the year is as follows:

Deferred tax assets	Investment property (land revaluation)	Accrued interest on borrowings	Tax losses	Other	Total
1 January 2024	498	4 815	7 355	2 213	14 881
(Charged) / credited to the income statement	-5	-998	727	384	109
Effect of translation to presentation currency	9	77	135	41	262
Total	502	3 894	8 217	2 638	15 252
Offsetting					-12 851
31 December 2024					2 401
(Charged) / credited to the income statement	102	57	1 278	-215	1 222
Effect of translation to presentation currency	5	43	2 344	-2 221	171
Deferred tax assets recognised as assets held for sale	0	-1 587	-2 682	-31	-4 300
Total	609	2 408	9 157	170	12 345
Offsetting					-7 631
31 December 2025					4 714

Deferred tax liabilities	Investment property	Amortized cost of borrowings	Other	Total
1 January 2024	39 848	5 551	695	46 094
Charged / (credited) to the income statement	480	770	-153	1 098
Effect of translation to presentation currency	703	103	11	817
Total	41 031	6 424	553	48 009
Offsetting				-12 851
31 December 2024				35 158
Charged / (credited) to the income statement	135	-156	-39	-60
Effect of translation to presentation currency	436	26	7	469
Deferred tax liabilities recognised as connected with assets held for sale	-15 295	-480	-79	-15 854
Total	26 307	5 814	442	32 564
Offsetting				-7 631
31 December 2025				24 933

Deferred income tax liabilities have not been recognised for the withholding tax and other taxes that would be payable in connection with retained earnings of subsidiaries, as the Group is able to control the timing of the reversal of the differences and it is probable the differences will not reverse in the foreseeable future.

There are no other significant unrecognised deferred tax assets and liabilities.

15. Standing investments and Developments and lands

The Group's investment properties (Standing investments and Developments and lands) are measured at fair value.

	31 December 2025		31 December 2024	
	Standing investments	Developments and lands	Standing investments	Developments and lands
At the beginning of the reporting period	491 475	35 903	483 836	38 866
Gains or Losses included in the revaluation of investment properties	-4 523	-4 071	-11 298	1 646
Disposals	-1 201	0	-3	0
Construction, technical improvements and extensions	5 217	294	10 314	467
Transfers from developments and land to inventory	0	-4 171	0	-5 731
Recognised as assets held for sale	-150 893	0	0	0
Currency translation difference	5 621	374	8 626	655
At the end of the reporting period	345 696	28 329	491 475	35 903

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as at the date of the event or change in circumstances that caused the transfer.

At the end of 2025 there were no projects (office buildings under construction) in Developments and lands, excluding land reserve (in 2024: none).

The borrowings are secured on investment property to the value of kEUR 586.369 (2024: kEUR 621.012, note 23). As the amount includes future interest payables it exceeds borrowings balance.

Valuation processes

The Group's investment properties were valued as at 31 December 2025 by independent professionally qualified valuers who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use. The Group reviews the valuations performed by the independent valuers for financial reporting purposes.

At each financial year-end the Group:

- verifies all major inputs to the independent valuation report;
- assesses property valuation movements when compared to the prior year valuation report; and
- holds discussions with the independent valuer.

Information about fair value measurements using significant unobservable inputs (Level 3) for 2025

The value of investment property implies an average theoretical net yield of 6,70 % (2024: 6,65%). Valuations can be affected by the general (macro-economic and market environment), but also by local factors.

If, on 31 December 2025, the yields applied for the valuation of investment property had been 100 basis points lower than the yields currently applied (2024: 100 bps lower), the value of investment property would increase by 15,9% (2024: 18,0%). In that case the Group's equity would be kEUR 77.382 higher due to a higher positive result (2024: 89.396 higher).

If, on 31 December 2025, the yields applied for the valuation of investment property had been 100 basis points higher than those currently applied (2024: 100 bps higher), the value of investment property would decrease by 11,7% (2024: 13,2%). In that case the Group's equity would be kEUR 57.022 lower due to a lower result for the year (2024: 65.493 lower).

Revenues are derived from a large number of tenants but there is one tenant or group under common control that contributes 10,26% of the Group's revenues.

There are inter-relationships between unobservable inputs. Expected vacancy rates may impact the yield with higher vacancy rates resulting in higher yields. For investment property under construction, increases in construction costs that enhance the property's features may result in an increase in future rental values. An increase in the future rental income may be linked with higher costs. If the remaining lease term increases the yield may decrease.

Valuation techniques underlying management's estimation of fair value

For office properties with a total carrying amount of kEUR 496.597 (including Olivia Star building presented in Assets held for sale) (2024: kEUR 491.475), the valuation was determined using discounted cash flow (DCF) projections based on significant unobservable inputs (excluding land valued with comparative method – kEUR 28.329, 2024: kEUR 35.903). The main input is net yield, which is affected by:

Future rental cash inflows – based on the actual location, type and quality of the properties and supported by the terms of any existing lease, other contracts or external evidence such as current market rents for similar properties;

Discount rates – reflecting current market assessments of the uncertainty in the amount and timing of cash flows;

Risk premium – the risk premium is the difference between the expected return on a market portfolio and the risk-free rate;

Estimated vacancy rates – based on current and expected future market conditions after expiry of any current lease;

Maintenance costs – including necessary investments to maintain functionality of the property for its expected useful life; and

Terminal value – taking into account assumptions regarding maintenance costs, vacancy rates and market rents.

There were no changes to the valuation techniques during the year.

16. Financial assets at fair value through profit or loss and other comprehensive income

16.1. Financial assets at fair value through other comprehensive income (FVOCI)

The Group didn't hold FVOCI assets during current and previous reporting periods.

16.2. Financial assets at fair value through profit or loss (FVPL)

Derivative financial instruments are classified by the Group as financial assets at FVPL in accordance with IFRS 9.

Fair value changes and adjustments due to changes in estimated cash flows are recognised within net change in fair value of financial assets at FVPL.

Details about derivative financial instruments are included in note 20.

17. Inventories

The Group has a division that develops residential property, which it sells in the ordinary course of business. These properties are presented as inventories.

	2025	2024
Materials	0	0
Work in progress	14 566	2 755
Finished goods	0	169
Trade goods	12 182	7 494
End of the year	26 748	10 418

A summary of movement in inventories is set out below:

	2025	2024
Beginning of the year	10 418	2 395
Development costs incurred	16 466	10 910
Disposals (recognised in net result on disposal)	-190	-2 547
Effect of currency translation	54	-340
End of the year	26 748	10 418

The amounts recognised in cost of sales for the year are as follows:

	2025	2024
In respect of sale of property under development	0	0
In respect of sale of completed property	190	2 547
Amortisation of contract cost assets	0	0
Total	190	2 547

18. Receivables from tenants

	31 December 2025	31 December 2024
Receivables from tenants gross (fall due in 1 year)	2 873	2 082
Less: Provision for impairment	-181	-189
Total	2 692	1 893

The estimated fair values of receivables are the discounted amount of the estimated future cash flows expected to be received and approximate their carrying amounts. Expected cash flows are discounted at current market rates to determine fair values.

There is no significant concentration of credit risk with respect to trade receivables, as the Group has a large number of tenants.

In 2025 the Group hasn't recognised any loss relating to the impairment of its trade receivables (2024: EUR 0). The loss is included in other depreciation, amortisation and impairments in the statement of comprehensive income.

Movements in the accumulated impairment losses on trade receivables were as follows:

	2025	2024
Beginning of the year	189	188
Impairment reversal	-9	0
Effect of currency translation	1	1
End of the year	181	189

The allocation of the carrying amount of the Group's trade receivables by foreign currency is presented in note 6.2.

19. Other financial assets and other assets

Other financial assets consists mainly of restricted cash receivables arising from financing contracts. Resources will be released after repayment of long-term financing.

Other assets consists mainly of prepaid expenses, lease incentives, tax receivables and other receivables not qualified as financial instruments.

20. Derivative financial instruments

	31 December 2025		31 December 2024	
	Assets	Liabilities	Assets	Liabilities
Interest rate swaps and CAP options	580	763	2 022	1 730
Forward foreign exchange contracts	0	0	0	0
Total	580	763	2 022	1 730

The Group does not apply hedge accounting in accordance with IFRS 9. Nevertheless, interest rates swaps, CAP options and forward exchange contracts are part of economic hedge relationships. Interest rate swaps and CAP options are used to fix the interest payments of variable debt instruments. Forward exchange contracts are used to hedge forecast transactions and foreign currency borrowings against foreign currency risks.

There were no outstanding forward foreign exchange contracts as at 31 December 2025 and 31 December 2024. The notional principal amounts of the outstanding interest rate swap (IRS) and CAP options as at 31 December 2025 were kEUR 225.835 (with Olivia Star classified as liabilities connected with assets held for sale; EUR 150.698 without Olivia Star SA) (2024: kEUR 200.221).

Maturity dates of financial instruments are presented below:

Entity	Type of hedging transaction	Maturity date	Notional value kEUR
Olivia Prime B Sp. z o.o.	CAP	28.11.2030	39 000
Olivia Seven Sp. z o.o.	IRS	26.03.2030	41 685
Olivia Gate Sp. z o.o.	IRS	13.08.2026	22 545
J-Home SA	IRS	13.08.2026	22 118
Olivia Point & Tower Sp. z o.o.	IRS	30.03.2029	25 350

* security will be continued, the company hedged series of 3 IRS which are activated with each subsequent year

21. Non-current assets classified as held for sale

On March 27, 2026, Tonsa signed a preliminary conditional sales agreement ("Preliminary Agreement") with Bau Holding Beteiligungs GmbH, a company belonging to the STRABAG SE capital group ("Buyer"). The agreement obliges the parties to enter into a final agreement for the sale of a 100% shares in Olivia Star's share capital ("Shareholding") by Tonsa to the Buyer ("Transaction"), upon the fulfilment or waiver of the agreed conditions by the eligible party. According to the Preliminary Agreement, the Final Agreement is to be concluded by July 31, 2026, provided that all conditions precedent set forth therein are met or waived by the relevant party to the Preliminary Agreement.

The major classes of assets and liabilities of Olivia Star classified as held for sale as at 31 December 2025 are, as follows:

	31 December 2025
ASSETS	
Non-current assets	156 356
Standing investments	150 893
Property and equipment	3
Long term loans and bonds	8
Other long-term financial assets	1 653
Other long-term assets	3 799
Current assets	12 455
Receivables from tenants	1 377
Other short-term receivables	678
Short term loans and bonds	25
Other short-term financial assets	20
Other short-term assets	680
Cash and cash equivalents	9 675
Assets held for sale	168 811
LIABILITIES	
Non-current liabilities	88 926
Long term borrowings	77 045
Deferred tax liabilities	11 554
Long term derivative financial instruments liabilities	327
Current liabilities	6 083
Trade and other payables	2 185
Short term borrowings	1 632
Short term derivative financial instruments liabilities	29
Income tax payable	68
Other short term financial liabilities	1 822
Other short term liabilities	226
Deferred revenue	121
Liabilities directly associated with the assets held for sale	95 009

* data of Olivia Star are decreased by consolidation intercompany eliminations.

The net cash flows incurred by Olivia Star are, as follows:

	2025	2024
Net cash flow from operating activities	10 724	7 467
Net cash flow from investing activities	2 404	-5 945
Net cash flow from financing activities	-8 582	150
Net change in cash and cash equivalents	4 547	1 672

Write-down of property, plant and equipment

Immediately before the classification of Olivia Star as assets group held for sale, the recoverable amount was estimated for certain items of standing investments, property, plant and equipment and no impairment loss was identified. Following the classification, a no write-down was recognised to reduce the carrying amount of the assets in the disposal group to their fair value less costs to sell.

As at 31 December 2025, there was no further write-down as the carrying amount of the disposal group did not fall below its fair value less costs to sell.

22. Issued share capital

The total authorised number of ordinary shares is 1.880.099 (2024: 1.880.099) with a par value of EUR 100 per share (2024: EUR 100 per share). All issued shares are fully paid (2024: all fully paid).

23. Borrowings

All the Group's borrowings are at floating rates of interest. Interest costs may increase or decrease as a result of changes in the interest rates.

	31 December 2025	31 December 2024
Loans and bonds	69 254	65 383
long term	54 313	61 321
short term	14 941	4 062
Bank loans	188 683	266 780
long term	116 795	202 978
short term	71 888	63 802
Total	257 937	332 163

The borrowings include amounts secured on investment property to the value of kEUR 586.369 (2024: kEUR 621.012) (note 15). As the amount includes future interest payables it exceeds borrowings balance.

The fair value of borrowings approximated their carrying value at the date of the consolidated statement of financial position.

The borrowings are repayable as follows:

	31 December 2025		31 December 2024	
	Loans and bonds	Bank loans	Loans and bonds	Bank loans
Due within one year	14 941	71 888	4 062	63 802
Due in second year	44 624	3 178	35 314	125 732
Due within third to fifth year	9 689	113 617	26 007	77 246
Due after five years	0	0	0	0
Total	69 254	188 683	65 383	266 780

The carrying amounts of the Group's borrowings denominated in foreign currencies are disclosed in note 6.2.

This section sets out an analysis of net debt and the movements in net debt for the year ended 31 December 2025:

	Loans and bonds	Bank loans	Total
1 January 2024	62 045	267 204	329 249
Proceeds from borrowings	32 590	8 639	41 229
Repayments of borrowings	-35 639	-24 242	-59 881
Other movements	8 741	14 538	23 279
Exchange rate differences	-2 354	641	-1 713
31 December 2024	65 383	266 780	332 163
Proceeds from borrowings	9 416	85 808	95 224
Repayments of borrowings	-12 463	-96 028	-108 491
Other movements	6 457	11 155	17 612
Recognised as liabilities associated with assets held for sale	0	-78 676	-78 676
Exchange rate differences	461	-356	105
31 December 2025	69 254	188 683	257 937

Bank loans are monitored based on various indicators (bank covenants). Investment loans are monitored by debt service coverage ratio (DSCR) or projected debt yield ratio (DYR) and loan to value ratio (LTV), construction loans are monitored by interest service coverage ratio (ISCR) and loan to cost ratio (LTC). All covenants at the end of 2025 and 2024 were at a safe level and there were no breaches.

Details regarding bank covenants in particular entities are presented below:

	Historical DSCR	period	Forecasted DSCR	period	Projected Debt Yield	LTV	Other
Olivia Seven Sp. z o.o.	n/a	n/a	n/a	n/a	>=8,5% until and incl. the 2 nd anniversary; >=9,0% after the 2 nd anniversary of the utilisation	in the first 24 months 65%; in next 24 months 63%; in the last year 62%	Equity including subordinated debt above 0
Olivia Gate Sp. z o.o., J-Home SA	135%	12M	135%	6M	n/a	70% - in the following next 24 months of bank loan - 2 percentage point lower in next two years;	Equity including subordinated debt above 0 and the Average Occupancy Rate will not be lower than 80%
Olivia Prime B Sp. z o.o.	n/a	n/a	n/a	n/a	>=8,25% until and incl. the 2 nd anniversary; >=8,75% after the 2 nd anniversary of the utilisation	in the first 24 months 65%; in next 24 months 63%; in the last year 62%	Equity including subordinated debt above 0
Olivia Point&Tower Sp. z o.o.	120%	12M	120%	12M	n/a	60% in 2025, 59,5% in 2026, 59,0% in 2027, 58,5% in 2028 and 58% in 2029	Equity including subordinated debt above 0 and at the same time not lower than the value of the Borrower's core capital
Olivia 4 SA	120%	12M	120%	12M	n/a	65% - in the following next 12 months of bank loan - 1 percentage point lower	Equity including subordinated debt above 0 and at the same time not lower than the value of the Borrower's core capital and the Average Occupancy Rate will not be lower than 85%
Olivia Star SA	120%	12M	120%	12M	n/a	60% - in the following next 12 months of bank loan - 1 percentage point lower	Equity including subordinated debt above 0 and at the same time not lower than the value of the Borrower's core capital and the Average Occupancy Rate will not be lower than 80%

24. Trade and other payables

	31 December 2025	31 December 2024
Trade payables	4 010	4 210
Payables connected with development/construction	2 171	1 294
Total	6 181	5 504

The estimated fair values of the above financial liabilities are the discounted amounts of the estimated future cash flows expected to be received and approximate their carrying amounts.

The allocation of the carrying amount of the Group's trade and other payables by foreign currency is presented in note 6.2.

25. Other financial liabilities and other liabilities

Other financial liabilities consists mainly of deposits received from tenants and from service providers.

Other liabilities consists mainly of tax payables and other liabilities not qualified as financial instruments.

26. Dividends

The Company did not pay nor declare dividend for the periods covered by the financial statements.

27. Business combinations

On 22 February 2024 Tonsa Commercial REI N.V. acquire 200 shares of nominal value amount to PLN 10,000.00 in Materida Sp. z o.o., (sole shareholder), a Company with Olivia 10 project – Olivia Pulse.

The acquisition were transaction under common control as the ultimate controlling party for all involved entities is Mr. Maciej Grabski. According to the Group policy, difference between the consideration given and the carrying value of the assets and liabilities of the acquired entity at the date of the transaction was included in equity in retained earnings.

The assets and liabilities recognised as a result of the acquisition are as follows:

	Materida Sp. z o.o. [kPLN]	Total
Cash and cash equivalents	12	
Other short-term receivables	7	
Trade and other payables	-12	
Net assets acquired in carrying value	7	
Purchase consideration	10	
Difference	-3	
Rate of exchange PLN/EUR	4,3109	
Difference after translation [kEUR]	-1	-1

The Group chosen prospective presentation method for business combinations under common control. The acquired businesses contributed to the Group's results in 2024 decreasing net profit by kEUR 7,8.

Outflow of cash to acquire subsidiary, net of cash acquired (kEUR):

	Materida Sp. z o.o.	Total
Cash consideration	2	2
Less: Balances of cash acquired	-3	-3
Net inflow of cash – investing activities	-1	-1

Acquisition-related costs were immaterial and are included in administrative expenses in the statement of profit or loss and in operating cash flows in the statement of cash flows.

On 9 May 2024 The Court registered Olivia Home Leśna Sp.z o.o. (the new entity in the Group) with sole shareholder Tonsa Commercial REI N.V. This company purchased a plot in Sopot at Leśna Street, where it is developing a new residential project in a villa development, with 18 apartments for sale.

On 17th of May 2024 the construction site and land for new investment was sold by Olivia Complex Sp.z o.o. to sister Company Materida Sp.z o.o. who develops the investment – Olivia Pulse.

On 19th December 2025 The Court registered Olivia XI Sp.z o.o. with sole shareholder Tonsa Commercial REI N.V. which bought from Olivia Complex on 30th December the land for new investment.

On 14th January 2026 the Court registered OH1 Sp.z o.o. and OH2 Sp.z o.o. with sole shareholder Tonsa Commercial REI N.V.

28. Contingencies and commitments

The Group has no material contingencies or commitments that would requires disclosure (as at 31 December 2024: none).

During 2024 the group has entered into construction contract for the development of a sizeable residential development with related construction companies amounting PLN 82 million. Amounts of construction contracts as at 31.12.2025 was PLN 114 million The remaining commitment as per 31 December 2025 is EUR 14 million (31 December 2024: EUR 19 million)

29. Related party transactions

The Group's parent company is TONSA SCA SICAV-RAIF (incorporated in Luxembourg), which owns directly and through other subsidiaries 100% of the Company's shares. The Group's ultimate controlling party is Mr. Maciej Grabski. The Group had no material transactions with the parent company.

All transactions with related parties were conducted at arm's-length principle.

TONSA COMMERCIAL REI N.V.
Annual report for the year ended 31 December 2025
(All amounts in kEUR)

Transactions carried out in 2025 or balances outstanding as at 31 December 2025 with related parties (which are entities controlled by the same ultimate owner) are presented below:

	Loans/bonds given	Trade and other receivables	Borrowings	Trade and other payables	Sales	Purchases
TONSA S.A. - SICAF-RAIF	0	0	352	23	0	0
AZO DIGITAL Sp. z o.o.	141	0	0	0	0	0
B1-OP3 Sp.z o.o. SKA	7 708	0	0	40	70	0
BMP1 Sp. z o.o.	0	0	0	35	1	266
Construction+ Sp. z o.o.	431	3	0	263	27	7 231
Culina Horeca	0	295	0	31	158	0
Fundacja Gdańsk Global	871	410	0	11	2 025	14
GPT Invest Sp z o.o.	635	0	0	0	1	0
Maintenance+ Sp. z o.o.	0	66	0	1 618	335	7 959
Olivia Home Sp. z o.o.	154	20	0	163	47	491
Olivia Serwis Sp. z o.o.	4 645	1 261	0	611	3 930	2 308
Olivia Six Sp. z o.o.	65	230	2	159	1	0
Olivia Star Top Sp.z o.o.	3 117	92	0	19	30	20
PSDW Sp. z o.o.	1 856	0	0	0	0	0
RS Sp. z o.o.	4 507	0	0	0	151	0
Security+ Sp. z o.o.	0	3	0	266	86	1 322
STE Sp. z o.o.	2 116	0	0	0	4	0
TP2 Sp. z o.o.	3 261	0	0	0	0	0
Other	0	7	0	51	21	69
Total	29 507	2 387	354	3 289	6 886	19 680

Transactions carried out in 2024 or balances outstanding as at 31 December 2024 with related parties are presented below

	Loans/ bonds given	Trade and other receivables	Borrowings	Trade and other payables	Sales	Purchases
TONSA S.A. - SICAF-RAIF	1	0	352	21	0	0
AZO DIGITAL Sp. z o.o.	132	0	0	0	0	0
B1-OP3 Sp.z o.o. SKA	5 389	0	0	0	-75	0
BMP1 Sp. z o.o.	1 803	0	0	2	0	187
Construction+ Sp. z o.o.	814	10	0	166	23	1 609
Fundacja Gdańsk Global	805	251	0	0	963	0
GPT Invest Sp z o.o.	592	0	0	0	-1	0
Maintenance+ Sp. z o.o.	0	0	0	1 011	1	4 519
Olivia Home Sp. z o.o.	144	4	0	64	44	446
Olivia Serwis Sp. z o.o.	4 247	190	0	336	3 331	7 255
Olivia Six Sp. z o.o.	64	227	21	134	-1	0
Pekabex BET Sp. z o.o.	0	3	0	402	0	1 385
PSDW Sp. z o.o.	1 738	0	0	0	0	0
RS Sp. z o.o.	3 272	0	0	0	-158	0
Security+ Sp. z o.o.	0	1	0	113	60	998
STE Sp. z o.o.	1 312	0	0	0	-1	0
TP2 Sp. z o.o.	1 448	0	0	0	0	0
ROROHKO Sp. z o.o.	2 687	0	0	0	0	0
Other	0	3	0	42	11	54
Total	24 448	690	374	2 291	4 197	16 455

Sales are mainly related to office space rental. Purchases are mainly related to accountancy, law and advisory services, marketing services, services related to the ongoing maintenance of common parts in the facilities and the coordination of construction and

arrangement works. In 2024 there was one transaction between Olivia Serwis Sp.z o.o. and Olivia Star S.A. related to capital expenditure on 32-34 floor of the building (EUR 5,2 million).

The management boards of the Group companies in 2025 received compensation in the amount of kEUR 153 (kEUR 152 in 2024). Compensation for other key management amounted to kEUR 886 in 2025 and kEUR 873 in 2024.

30. Other disclosures

The Group's has 1 employee (2024: 1) employed, based in the Netherlands. In addition, the Group uses from a related party the services of employees which comprises of members of the management boards and staff responsible for key processes like commercialization, investments and legal.

The fees for auditors regarding IFRS consolidated financial statement and company only financial statement amounted to kEUR 164 in 2025 and kEUR 144 in 2024 and concerned only audit procedures. Amounts do not include VAT tax.

The fees listed above relate to the procedures applied to the company and its consolidated group entities by external auditors as referred to in Section 1, subsection 1 of the Audit Firms Supervision Act ('Wet toezicht accountantsorganisaties Wta') as well as by Dutch and foreign based accounting firms, including their tax services and advisory groups.

These fees relate to the audit of the financial statements of the financial year, regardless of whether the work was performed during the financial year. No other services than the audit of the financial statements are performed by the Dutch and foreign based accounting firms, including their tax services and advisory groups.

31. Events after the balance sheet date

In January 2026 BOŚ Bank and SGB Bank SA within the consortium launched the bank loan for the Olivia 4.

In February, Olivia fin Sp. z o.o. SKA made an early redemption of series R bonds in the amount of PLN 9.939.000 and in April, repaid in full the series P bonds on the maturity date in the amount of PLN 9.886.000.

In March, Olivia Home Leśna Sp. z o.o. repaid in full the construction loan and VAT loan taken out for the development of the Sopot Leśna residential project.

On March 27, 2026, Tonsa signed a preliminary conditional sales agreement ("Preliminary Agreement") with Bau Holding Beteiligungs GmbH, a company belonging to the STRABAG SE capital group ("Buyer"). The agreement obliges the parties to enter into a final agreement for the sale of a 100% shares in Olivia Star's share capital ("Shareholding") by Tonsa to the Buyer ("Transaction"), upon the fulfilment or waiver of the agreed conditions by the eligible party.

Pursuant to the Preliminary Agreement, the Parties agreed on a preliminary purchase price for the Shareholding at EUR 29.5 million. This price will be subject to recalculation both before and after the conclusion of the final agreement for the sale of the Shareholding ("Final Agreement") based on the agreed financial parameters as of the date of the Final Agreement. Additionally, after the conclusion of the Final Agreement, the Buyer will repay the debt arising from the bonds issued by Olivia Star. The Preliminary Agreement provides for a conditional increase in the sales price (earnings out) between 2026 and 2032 by a maximum of EUR 12 million.

Pursuant to the Preliminary Agreement, the conditions precedent to the conclusion of the Final Agreement include, in particular, the provision to the Buyer of the consent of the banks financing Olivia Star to carry out the Transaction and to amend the loan documentation, as well as a number of other conditions, including the establishment of agreed easements, repayment of certain liabilities, and amendments to the agreements specified in the Preliminary Agreement. The condition of obtaining the required consent of the President of the Office of Competition and Consumer Protection for the Transaction, met prior to the conclusion of the Preliminary Agreement.

The Preliminary Agreement also provides that, for a period of five years from the conclusion of the Final Agreement, Tonsa will have preemptive rights to purchase Olivia Star shares or the Real Estate in the event of their sale by the Buyer to a third party other than an entity affiliated with the Buyer. The Parties may withdraw from the Preliminary Agreement in the cases specified in the Preliminary Agreement, related to the failure to implement the provisions specified therein.

According to the Preliminary Agreement, the Final Agreement is to be concluded by July 31, 2026, provided that all conditions precedent set forth therein are met or waived by the relevant party to the Preliminary Agreement.

The Preliminary Agreement also provides for the conclusion of, among others, the following additional agreements on the date of conclusion of the Final Agreement:

- 1) a number of agreements concerning the Real Estate between Olivia Star and companies affiliated with Tonsa, including: an agreement for the management of the Property by Tonsa's affiliated companies (Property Management Agreement), a framework agreement for the performance of adaptation works (Contract-out Management Agreement), and a lease management agreement for the lease of space in the Property (Lease Management Agreement), which will come into effect on the date of execution of the Final Agreement and will be in force for a period of 7 years, with the possibility of extension by the parties. In Tonsa's opinion, these agreements will be significant for Tonsa to obtain additional payments under the earn-out mechanism referred to above;
- 2) an indemnity agreement for certain tax and other risks, under which Tonsa will agree to indemnify the Buyer against liability and cover any potential liabilities, including any tax liabilities, tax arrears, interest, and sanctions relating to Olivia Star in the period prior to the closing of the Transaction.

The remaining terms of the Preliminary Agreement do not differ from those commonly used in such agreements.

No other material events have occurred since the balance sheet date, which would require adjustment to, or disclosure in the financial statements of the Group.

**Company financial statements
for to the year ended 31 December 2025**

Company balance sheet as at 31 December 2025 (before profit appropriation)

	Note	31 December 2025	31 December 2024
ASSETS			
Non-current assets		261 323	245 294
Subsidiaries	2	261 323	245 294
Current assets		103	-8
Inventory		1	2
Debtors	3	23	-28
Short term receivable from subsidiaries	4	3	4
Cash and cash equivalents	5	76	14
TOTAL ASSETS		261 426	245 286
EQUITY AND LIABILITIES			
Total equity	6	248 492	243 526
Share capital		188 010	188 010
Share premium		137	137
Foreign currency translation reserve		9 870	7 172
Retained earnings		48 207	48 024
Result for the year		2 268	183
Provisions		10 439	0
Provisions negative value subsidiaries	7	10 439	0
Current liabilities		2 495	1 760
Short term borrowings	8	1 826	1 155
Trade and other payables	9	0	42
Short term borrowings from subsidiaries	10	160	148
Short term borrowings from shareholders	10	389	375
Accrued expenditure	11	120	40
TOTAL EQUITY AND LIABILITIES		261 426	245 286

Company income statement for the year ended 31 December 2025

	Note	01-01-2025 31-12-2025	01-01-2024 31-12-2024
Gross income	12	344	320
Sum of operating revenues		344	320
Salaries and social premiums	13	-51	-44
Other expenses	15	-231	-222
Sum of operating expenses		-282	-266
Interest expenses	16	-141	-56
Foreign exchange rate results		-73	18
Profit before taxation		-152	16
Result from subsidiaries		2 420	167
Corporate income tax		0	0
Profit after taxation for the year		2 268	183

Notes to the Company financial statements

1. General information

Tonsa Commercial REI N.V. (the Company) exclusively performs holding activities. The Company's structure as described in the notes to the consolidated financial statements also applies to the Company financial statements.

The accounting standards used to prepare the financial statements

The company-only financial statements are prepared in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

The principles of measurement and determination of the result are the same for the company annual accounts and the consolidated annual accounts. Participating interests in group companies are measured according to the net asset value in accordance with the relevant section of the consolidated financial statements.

For the principles for the measurement of assets and liabilities and for the determination of the result, reference is made to the principles of measurement and determination of result as included in the notes to the consolidated balance sheet and profit and loss account.

The financial year of the Company runs from 1 January 2025 till 31 December 2025.

Principles of determination of the result

The company financial statements have been prepared in accordance with Article 362 Paragraph 8 Book 2 of the Dutch Civil Code. This means that the principles for the processing and valuation of assets and liabilities and the determination of the result as described in the disclosure to the consolidated financial statements also apply to the company financial statements, unless stated otherwise. For a description of these principles, please refer to note 5 of the consolidated financial statements. These principles also include the classification and presentation of financial instruments, being equity instruments or financial liabilities. If required notes have been incorporated in the consolidated financial statements these notes have not been incorporated here.

Shares in consolidated subsidiaries

Consolidated subsidiaries are all entities (including intermediate subsidiaries) over which the Company has control. The Company controls an entity when it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. Subsidiaries are recognized from the date on which control is transferred to the Company or its intermediate holding entities and are derecognized from the date that control ceases.

Acquisitions of subsidiaries are recognized at carrying value as at the date of acquisition. Any difference between the acquisition price and the carrying value of the net assets acquired is recognized directly in retained earnings.

Investments in consolidated subsidiaries are measured at net asset value. Net asset value is based on the measurement of assets, provisions and liabilities and the determination of profit in accordance with the accounting principles applied in the consolidated financial statements. The share in the result of subsidiaries is recognized in the profit and loss account under result from subsidiaries. Dividends received from subsidiaries are accounted for as a reduction of the carrying amount of the participation.

If a subsidiary has a negative net asset value, the carrying amount of the participation is reduced to nil. A provision for participations is recognized to the extent that the Company has a legal or constructive obligation to cover the losses of the subsidiary or has otherwise provided financial support. The provision is measured at the best estimate of the amount required to settle the obligation as at the balance sheet date. Changes in the provision for participations are recognized in the profit and loss account under result from subsidiaries (see note 7).

Result from subsidiaries

Result from subsidiaries is recognized as of the date of acquisition.

2. Non-current Assets

1 January 2025	245 294
Acquisitions in 2025	4
Increase share capital	468
Currency result	2 698
Dividend	0
Provision	10 439
Result for the period	2 420
31 December 2025	261 323
1 January 2024	241 045
Acquisitions in 2024	3
Increase share capital	3 758
Currency result	3 717
Dividend	-3 396
Result for the period	166
31 December 2024	245 294

In 2025 the subsidiaries Olivia XI Sp.z o.o, OH2 Sp z o.o and OH1 Sp. z o.o were incorporated and have a share capital of PLN 5.000. The newly incorporated entity was established through incorporation with only nominal share capital contributed. Accordingly, no acquisition price or goodwill arose from the incorporation.

In 2024 the subsidiary Olivia Home Leśna Spółka z ograniczoną odpowiedzialnością was incorporated and has a share capital of PLN 5.000.

In February 2024, 99% of the subsidiary Materida Spółka z ograniczona odpowiedzialnoscia was acquired from TONSA SCA, SICAV RAIF for PLN 10.000. The result of this subsidiary is included in the report effective date 1 January 2024.

The Purchase accounting method was applied for this acquisition. This method is exact to acquisition method under IFRS. For detailed description please refer to point 5.3 of consolidated financial statement.

3. Debtors

All receivables are due within one year. The fair value approximates the carrying value.

4. Short term receivable from subsidiaries

All receivables are due within one year. The fair value approximates the carrying value. There are no securities granted and there is no interest charged on these short term receivables.

5. Cash and cash equivalents

All cash and cash equivalents are at the Company's free disposal.

6. Equity

	Share capital	Share premium	Foreign currency translation reserve	Retained earnings	Profit for the year	Total
1 January 2025	188 010	137	7 172	48 024	183	243 526
Profit for the year	0	0	0	0	2 268	2 268
Total comprehensive income for the year	0	0	0	0	2 268	2 268
Foreign currency translation	0	0	2 687	0	0	2 687
Profit appropriation – 2025	0	0	0	183	-183	0
31 December 2025	188 010	137	9 870	48 207	2 268	248 492
1 January 2024	188 010	137	3 411	45 550	3 721	240 829
Profit for the year	0	0	0	0	183	183
Total comprehensive income for the year	0	0	0	0	183	183
Foreign currency translation	0	0	3 717	0	0	3 717
Correction on mergers*	0	0	44	-1 247	0	-1 203
Profit appropriation 2024	0	0	0	3 721	-3 721	0
31 December 2024	188 010	137	7 172	48 024	183	243 526

* The correction is a result of previously wrong presentation of goodwill of merged entities in 2022

As per 31 December 2025 the authorised share capital of the Company amounts to EUR 226.670.800 (two hundred twenty-six million six hundred seventy thousand eight hundred Euros), while the issued and paid up capital amounts to EUR 188.009.900 (one hundred eighty-eight million nine thousand nine hundred Euros). The issued share capital consists of 1.880.099 ordinary shares with a nominal value of EUR 100,00 each.

For further details on movements in shareholders' equity, please refer to the consolidated financial statements (see note 22 to the consolidated financial statements).

Statutory reserves

The statutory reserves (Foreign currency translation reserve) in the company balance sheet are reserves which must be retained pursuant to the Dutch Civil Code and consist of the foreign currency translation reserve.

Foreign currency translation reserve

The reserve for foreign currency translation contained all exchange rate differences resulting from the conversion of the annual financial statements of international activities in PLN (see note 5.4 to the consolidated financial statements).

The reserve according to the consolidated and standalone financial statements amounts kEUR 9 870.

Retained earnings

The Company has applied the business combination under common control assumption for the consolidated financial statements. The profit after taxation according to the Company statement of income for the year 2025 is kEUR 2 268.

Proposed profit appropriation

The Articles of Association of the Company stipulate that the allocation of the result after tax for the financial year is determined by the General Meeting of Shareholders.

In anticipation of a decision on the matter by the General Meeting of Shareholders the non-allocated result after tax for the financial year is accounted for separately in equity as the result for the financial year.

7. Provisions

A provision has been recognised as the Company has obligations to provide financial support to subsidiaries with negative net asset positions. The provision reflects the best estimate of the amount required to settle these obligations as at the balance sheet date.

The timing of settlement of the provision depends on the future financial position and performance of the subsidiaries concerned. Based on current estimates, the provision is predominantly long-term in nature. No material portion of the provision is expected to be settled within one year.

Due to the nature of the obligations, the exact timing of settlement may differ from these estimates.

1 January 2025	0
Addition	10.439
31 December 2025	10.439

8. Short term borrowings

The short term borrowings are due within one year. The fair value approximates the book value.

The interest on the loans granted by the shareholder is 3-month Euribor +2%. No securities have been pledged.

9. Trade and other payables

The trade and other payables are due within one year. The fair value approximates the book value.

10. Short term borrowings from shareholders and subsidiaries

The short term borrowings from shareholders and subsidiaries consist of prepaid expenses and interest payable. There are no contractual stipulations regarding the short term borrowings from shareholders. The fair value approximates the book value. The current liabilities fall due within one year.

11. Accrued expenditure

Accrued expenditure relates to short-term obligations arising from services received but not yet invoiced at the balance sheet date. These liabilities are due within one year. The fair value of accrued expenditure approximates the carrying amount, as the liabilities are short term in nature and are not discounted.

The fair value is determined based on the nominal value of the expected cash outflows. No deferred tax liabilities have been taken into account in determining the fair value.

Separate disclosure of the fair value is omitted, as the difference between the carrying amount and the fair value is considered insignificant.

12. Net income

The Company generates revenue primarily from services rendered to group companies, consisting mainly of guarantee fees.

The Company's performance obligations relate to standing ready obligations to provide financial guarantees. These services are provided continuously during the term of the agreement. Revenue is therefore recognised over time, as the performance obligation is satisfied, based on the passage of time.

13. Directors' remuneration

During the financial year Mr. J.E. Missaar received a director's salary of kEUR 44 (2024: 38). Social security premium cost related to it was kEUR 7 (2024: 6), so total cost of Salaries and social premiums amounted kEUR 51 (2024: 44).

Mr. M. Leininger received a fee, of kEUR 20, which is included in Administrative expenses - Accounting, secretarial and administration costs (2024: kEUR 20 respectively).

14. Employees

The Company had 1 employee during the financial year. The Employee worked the full year 2025 with a part time factor of 20%. No one were employed outside the Netherlands (2024: The employee worked the full year with a part time factor of 20%).

Staff costs for the year are specified as follows:

	01-01-2025 31-12-2025	01-01-2024 31-12-2024
Wages and salaries	44	38
Social security contributions	7	6
Pension costs	-	-
Total	51	44

15. Other costs

	01-01-2025 31-12-2025	01-01-2024 31-12-2024
Legal and consulting costs	40	33
Audit costs	95	95
Accounting, secretarial and administration costs	40	57
Other	56	37
Total	231	222

16. Interest expenses

The interest accrued to the shareholder in 2025 is kEUR 16 (2024 kEUR 20).

The interest accrued to the subsidiaries in 2025 is K EUR 126 (2024 kEUR 34).

There was no interest income in the year 2025.

17. Audit fees

<i>(amounts do not include VAT tax)</i>	01-01-2025 31-12-2025	01-01-2024 31-12-2024
Audit of the financial statements	82	71
Other audit procedures	0	0
Tax services	0	0
Other non-audit fees	0	0
Total	82	71

The fees listed above relate to the procedures applied to the company and its consolidated group entities by external auditors as referred to in Section 1, subsection 1 of the Audit Firms Supervision Act ('Wet toezicht accountantsorganisaties Wta') as well as by Dutch and foreign based accounting firms, including their tax services and advisory groups.

These fees relate to the audit of the financial statements of the financial year, regardless of whether the work was performed during the financial year.

18. Contingencies and commitments

The Company has pledged the shares which are being held in the following participations:

Company	Pledgee	Maximum amount (in EUR *1,000)
Olivia Prime B Sp.z.o.o.	NORDDEUTSCHE LANDESBANK	58 500
Olivia Gate Sp.z.o.o.	ING Bank Śląski S.A.	84 487
Olivia Point & Tower Sp.z.o.o.	Santander Bank Polska S.A.	64 395
Olivia Seven Sp.z.o.o.	NORDDEUTSCHE LANDESBANK	63 000
Olivia Star S.A.	Santander Bank Polska S.A., BNP Paribas Bank Polska S.A. and Bank Millenium S.A.	125 735
Olivia 4 S.A.	Bank Millenium S.A.	44 252
J-Home S.A.	ING Bank Śląski S.A.	84 487
Olivia Home Leśna sp. Z o.o.	Bank Ochrony Środowiska S.A.	6 129
Materida sp. z o.o.	BNP Paribas Bank Polska S.A.	32 295
Total		563 280

19. Events after the date of the Company statement of financial position

We refer to the consolidated financial statements: note 31 for subsequent events..

The Board of Directors,

M. Grabski

D. Luksenburg

M. Leininger

J. E. Missaar

Rotterdam, 20 May 2026

Other Information

Provision in the Articles of Association relating to profit appropriation

Article 31 of the articles of association states:

- The profits shall be at the disposal of the general meeting;
- The Company can only make distributions to the extent its equity exceeds the paid and called up part of the capital increased with the reserves which must be maintained pursuant to the law;
- Dividends shall be paid after the adoption of the annual accounts evidencing that the payment of dividends is lawful.

- Independent Auditor's report