# INTERIM REPORT

# *TONSA COMMERCIAL REI N.V.*

For the period from 01.01.2024 to 30.06.2024

Rotterdam, 23.09.2024

Rotterdam, 2024-09-23

**STATEMENT**

Board of Directors of TONSA Commercial REI N.V. ("Company", "Guarantor") as the parent company for 100% subsidiaries, which are capital companies based mainly in Poland and forming a capital group ("Group", "Guarantor's Group"), declares that, to the best of its knowledge, Group's half-year condensed consolidated financial statements and comparable data:

- have been prepared in accordance with the applicable accounting principles;
- they reflect in a true, reliable and clear manner the assets and financial position of the Group and its financial result;
- the half-year report on the Group's activities presents a true picture of the development and achievements as well as the situation of the Group, including a description of the main threats and risks.

Board of Directors,

Signature Not Verified
Dokument podpisany przez Maciej Grabski
Data: 2024.09.23 16:08:13 CEST

M. Grabski

David Luksenburg
Signature numérique de David Luksenburg
Nom unique :email=secretariat@atdomco.com, c=BE, l=LU, o=Atdomco Sàrl, ou=B177232, cn=David Luksenburg, sn=Luksenburg, givenName=David, serialNumber=11000830020120116478, title=Professional Administrator
Date : 2024.09.23 12:56:55 +02'00'
Version d'Adobe Acrobat Reader : 2024.003.20112

D. Luksenburg

Markus Josef Leininger

M. Leininger

Jeroen Edwin Missaar
Digitaal ondertekend door Jeroen Edwin Missaar
Datum: 2024.09.23 10:27:37 +02'00'

J.E. Missaar

**Board of Directors report of TONSA COMMERCIAL REI N.V for the period from 1 January to 30 June 2024.**

## I. Basis for preparation of half-year condensed financial statements.

The interim condensed consolidated financial statements of the Group have been prepared in accordance with the International Financial Reporting Standards (IFRS) approved by the European Union (EU).

Most of the Group's entities keep their accounts in accordance with the accounting principles set out in the Polish accounting principles. These interim condensed consolidated financial statements contain a number of adjustments not included in the books of the Group companies, which were introduced to bring the financial statements of these companies into line with EU IFRS.

The Group has decided to present the condensed interim consolidated statement of comprehensive income as a one statement and presents its costs by nature.

## II. Description of the activities of the Guarantor and the Guarantor's Group as well as the main threats and risks relevant to the assessment of the ability to meet obligations resulting from debt financial instruments issued by a company from the Guarantor Group.

TONSA Commercial REI N.V. is a limited liability company founded on 13 November 2018 by Tonsa SCA SICAF - RAIF (current name: TONSA SCA, SICAV RAIF), a company incorporated in Luxembourg. The company was registered with the Commercial Register of the Dutch Chamber of Commerce under number 73088870 and has its seat in Rotterdam, the Netherlands and an office in Oslo 1, 2993LD Barendrecht. The company has one shareholder: TONSA SCA SICAV RAIF based in Luxembourg in the Grand Duchy of Luxembourg, owner of 100% of the issued share capital. The company does not exceed the thresholds, therefore the requirements for certain structures required by Dutch law ("structuurvennootschap") do not apply

### Board of (Supervisory) Directors

The members of the board of directors in H1 2024 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 in authorised to represent the Company solely.

The Company has no Supervisory Board.

### Share Capital

As per 30 June 2024 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.

### Business description

The company is the parent company for 100% subsidiaries, which are capital companies based mainly in Poland, dealing primarily with the construction, development and maintenance of office buildings in Poland (office buildings jointly form the Olivia Centre, a commercial business park located in Gdańsk) and the implementation of housing projects in Poland.

The Olivia Centre investment property portfolio is located in the Gdańsk Metropolitan Area and accounts for nearly 20% of the region's office market, with a high level of commercialization - 92% at the end of June 2024. The Group has a diversified portfolio of above 100 tenants, mainly international and domestic, with a stable financial position.

As at 30 June 2024, the Company had the following direct or indirect subsidiaries, all based mainly in Gdańsk, 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 (formerly: Tec Trade Sp. z o.o.),
- TP3 Spółka z ograniczoną odpowiedzialnością,
- Brillant 3756. GmbH (based in Düsseldorf, Germany),
- Materida Spółka z ograniczoną odpowiedzialnością,
- Olivia Home Leśna Spółka z ograniczoną odpowiedzialnością.

The condensed interim consolidated financial statements for the first half of 2024 contain the consolidated financial information of the Company and all its subsidiaries.

**Group policies and strategy**

The most important elements of the Group’s policies 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 entering the residential 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.

The Group has a long-term investment strategy for its real estate investments and monitors the risks associated with its operations. The organizational structure and corporate strategy focus on maximizing shareholder return with a conservative risk appetite. The Group's strategy is implemented through the consistent development of subsequent office investments and building diversification into residential activities, including the PRS (Private Rented Sector) - rental of residential space. For this purpose, the Group has secured a land bank and is gradually implementing further investments. In connection with the existence of the strategy, control activities were implemented to monitor the results and effects resulting from it. In order to implement these control measures, the Group has established and launched: a system securing the implementation of the strategy, guidelines, reporting systems and division of responsibilities.

The results of the Company and is direct and indirect subsidiaries are closely connected with the situation on the Polish commercial real estate market, more specifically 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, rate of inflation and level of unemployment.
Board of Directors 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 conjecture, what may negatively affects the activity of the Company, its subsidiaries and Group companies.

### Turnover and results

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

| All amounts in thousands of EUR | 01-06/2024 | 01-06/2023 | Change |
|---|---|---|---|
| Gross rental income | 17 663 | 14 660 | 20% |
| Service charge income | 7 346 | 6 022 | 22% |
| Net property expenses | -10 194 | -8 306 | 23% |
| **Net rental income** | **14 815** | **12 376** | **20%** |
| Revaluation of standing investments, net | -70 | -58 | 21% |
| Profit on sale of fixed assets | 0 | 0 | nd |
| Revaluation of developments and land, net | -1 459 | 0 | nd |
| Other depreciation, amortisation and impairments | -2 | -2 | nd |
| Administrative expenses | -1 394 | -836 | 67% |
| **Net operating profit** | **11 890** | **11 481** | **4%** |
| Interest expenses, net | -8 154 | -6 251 | 30% |
| Foreign currency differences | 1 703 | 10 843 | nd |
| Other financial expenses, net | 2 113 | 2 504 | nd |
| **Profit before taxation** | **7 551** | **18 576** | **-59%** |
| Taxation charge for the period | -2 102 | -3 378 | -38% |
| **Profit after taxation for the year** | **5 449** | **15 198** | **-64%** |
| Exchange differences on translation of foreign operations | 1 395 | 11 309 | nd |
| **Other comprehensive income** | **6 844** | **26 508** | **-74%** |

The Group's operating income includes rental income, fees for services and management of real estate, and sale of real estate.

The Group's gross rental income for the first half of 2024 was 20% higher compared to the first half of 2023. The net rental income for the first half of 2024 amounted to EUR 14.815 thousand and was 20% higher compared to the first half of 2023 (EUR 12.376 thousand). The increase in income was mainly due to further commercialization of the Group's buildings and indexation of rents.

The net operating profit for the first half of 2024 amounted to EUR 11.890 thousand and was higher by 4% compared to the first half of 2023 (EUR 11.481 thousand).

In the first half of 2024, the Group recorded a positive net result of EUR 5.449 thousand, compared to EUR 15.198 thousand in the first half of 2023 (decrease by 64%). The decrease in the Group's net profit for the first half of 2024 was mainly due to a decrease in the income of exchange rate differences (a profit of EUR 1.703 thousand in the first half of 2024, compared to the profit in the first half of 2023 of EUR 10.843 thousand). This result was significantly influenced by the decrease in the income of foreign exchange differences on credits. The decreasing difference between the historical exchange rate and the balance sheet rate, due to the slight decline in the EUR exchange rate, significantly decreased the costs of exchange rate differences.

**Financial Position**

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

| All amounts in thousands of EUR | 30 June 2024 | 30 June 2023 |
|---|---|---|
| **ASSETS** | | |
| Current assets | **55 865** | **50 011** |
| Short-term receivables | 15 625 | 12 814 |
| Inventories | 7 916 | 5 420 |
| Cash and cash equivalents | 32 323 | 31 776 |
| **Current liabilities** | **73 072** | **105 893** |
| | | |
| **WORKING CAPITAL** | **-17 207** | **-55 883** |
| | | |
| **Non-current assets** | **568 456** | **577 055** |
| Tangible Fixed Assets | 523 000 | 531 318 |
| Financial Fixed Assets | 45 456 | 45 737 |
| **TOTAL INVESTMENT** | **551 249** | **521 173** |
| | | |
| **COVERED BY:** | | |
| Equity | 246 470 | 244 957 |
| Non-current liabilities | 304 779 | 276 216 |
| **TOTAL FUNDING** | **551 249** | **521 173** |

Working capital shows how many current assets are financed with long-term capital. At the end of the first half of 2024, the Group presents negative working capital. The current assets increased in the analysed period mainly due to the 22% increase in short-term receivables and 46% in inventories compared to the same period last year. The sum of current assets was lower than the sum of short-term liabilities in this period. The main component of short-term liabilities is a loan for the Olivia Seven project (Olivia Prime A) – till the end of 2024, the Group plans to extend or refinance the loan agreement, thus this obligation will become a non-current liability. Despite the negative working capital, the Group characterizes 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. Due to the diversification of financing sources for individual investments and different maturity dates of credits, there may be negative working capital in a given period, resulting from the approaching maturity of a given credits. Taking into account the level of commercialization of the buildings and their market value, the Group, as part of its strategy, refinances credits before their maturity or extends their terms in the current banks.

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 and Michael / Strom Dom Maklerski S.A and for the funds obtained took up bonds or granted loans to special purpose vehicles executing projects, contributing to the further development of Olivia Centre in Gdańsk - the largest business centre among regional cities in Poland (outside of Warsaw) . Most of the funds obtained from the bond issue were engaged in projects belonging to the Group. All Series have been guaranteed by TONSA Commercial REI N.V. The remaining part of the funds was kept on the Issuer's account or was allocated to the implementation of housing projects or involved in other projects related to Olivia Business Centre, the beneficiary of which was and remains Mr. Maciej Grabski.

Tangible fixed assets constitute the main part of fixed assets. These are mainly completed and commercialized real estate owned by the Group. In the first half of 2024, compared to the corresponding period of the previous year, fixed assets decreased by 2%, which was caused by reclassification part of the land into inventory (land related to project Olivia X). In the first half of 2024, financial assets decreased by 1%.

At the end of June 2024, long-term liabilities increased by 10% compared to the value of long-term liabilities at the end of the corresponding period of the previous year.

## 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) and loan to value ratio (LTV), construction loans are monitored by interest service coverage ratio (ISCR) and loan to cost ratio (LTC). All ratios at the end of June 2024 were at non-breach levels provided in the credit agreements.

The most common solvency and liquidity ratios:

| **Solvency** | **06.2024** | **12.2023** | **06.2023** |
|---|---|---|---|
| *Long Term Debt / Total Equity* | 1,24 | 1,27 | 1,13 |
| *Total Debt/ Total Equity* | 1,53 | 1,58 | 1,56 |
| *Total Debt/ Total Assets* | 0,61 | 0,61 | 0,61 |
| *Total Assets/ Total Equity* | 2,53 | 2,58 | 2,56 |
| Solvency Ratio<br>*(Total liabilities + guarantees and sureties granted (excluding sureties granted to secure any bonds issued by the Issuer) - cash and cash equivalents) / Total Assets* | 0,55 | 0,56 | 0,56 |

| **Liquidity** | **06.2024** | **12.2023** | **06.2023** |
|---|---|---|---|
| Cash ratio<br>*Cash / Current liabilities* | 0,44 | 0,44 | 0,30 |
| Quick ratio<br>*(Current assets - Inventory)/ Current liabilities* | 0,66 | 0,68 | 0,42 |

Solvency and liquidity ratios at the end of the first half of 2024 are comparable to the end of the year.

## Cash flows

Total cash flows are presented below:

| **All amounts in thousands of EUR** | **01-06.2024** | **01-12.2023** | **01-06.2023** |
|---|---|---|---|
| Net cash flow from operating activities | 14 159 | 31 715 | 15 436 |
| Net cash flow from investing activities | -2 734 | -7 136 | -3 817 |
| Net cash flow from financing activities | -12 348 | -15 086 | -3 597 |
| **Net change in cash and cash equivalents** | **-924** | **9 493** | **8 023** |

**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 mainly 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 flexibly 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.

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

We have conducted the climate risk analysis in conformity with the TCFD (Task Force on Climate-related Financial Disclosures), over three time horizons – short-term (to 2025), medium-term (to 2030) and long-term (to 2050). In the short term, Olivia will be affected primarily by risks related to the transformation of the economy. Particularly important are those relating to restrictions on the supply of utilities, the expansion of ESG obligations and sustainable technology development. Risks related to the higher expectations of financial institutions, insurers and customers to meet increasingly stringent climate requirements are also very important. In the medium term, the levels of risk in each category are similar to the levels forecast in the short term. By 2030, however, our stakeholders' expectations and the likelihood of cyclones and greater air pollution may increase. Due to developments in water and energy infrastructure, the risk of utility supply constraints may decrease. In the long term, we have considered two scenarios. The first scenario (the SSP1 –1.9 according to the IPCC) assumes increased action to limit global warming, so both the impact and likelihood of transformational risks are relatively higher than physical risks. In the scenario of a temperature rise by at least 3.5°C (the IPCC SSP3 7.0 scenario), physical risks become much more important. In the long term, rising mean temperatures, variability in weather patterns and cyclones, among others, are likely to be of the greatest importance to us.

We know that the above risks may result in increased operating and investment costs, reduced revenue and productivity, reduced capital availability or the loss of asset value. However, we can manage them appropriately and maximise the resulting opportunities, which include market leader's status, increasing demand, increasing competitiveness, increase of revenues, increased asset value, better availability and lower cost of capital, lower insurance costs. In response to the identified risk factors, we have identified and implemented appropriate management methods, among others:

- Application of solutions for quick detection and response to physical risk factors (meteorological stations in each building, automatic reaction of devices as a result of alarms, the possibility of remote control of devices in buildings).
- Flexibility in land use, building, space arrangement and service offerings.
- Use of durable materials and resistant to external factors and protective elements.
- Equipping Olivia's buildings with efficient HVAC installations, high-class filters (e.g. F7), air ionizers and purifiers.
- Use of above-standard installation elements (e.g. oversized retention tanks).
- Internal ESG audits using global standards (e.g. CRREM analysis).
- Annual audit and calculation of the carbon footprint based on the GHG Protocol.
- Annual publication of ESG Reports using global standards (such as GRI, TCFD).
- Implementation of improvements to enhance ESG indicators (e.g. use of low-emission energy sources, use of innovative solutions in the field of circular economy, modernization of buildings towards zero-emission and circular economy).
- Implementation of ESG strategies (e.g. decarbonisation, social targets) and ESG policies (e.g. Code of Conduct).
- Gradual introduction of ESG requirements in the course of cooperation with suppliers.
- Implementation of emergency preparedness procedures and actions in line with the water and air quality management procedure based on the WELL Health-Safety Rating certification guidelines.
- Analysis of the importance of sustainable development issues from the perspective of Stakeholders and planning activities taking into account their opinions.
- Ongoing actions to mitigate negative impacts.

**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 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, bond holders, banks and regulators), which may result potential claims from 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's policy is to enter into currency hedging transactions with forward foreign exchange contracts; however, it does not opt to use hedge accounting in accordance with the requirements of IFRS 9.

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. 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.

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 in 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 IRS 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 high 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 30 June 2024 and 31 December 2023 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 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 regularly and is periodically reviewed 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.

## 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.

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 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.

## 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/en/about-us-2/olivias-code-of-conduct/.

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.

## Social aspects of the business

The Group is very active within the local society of Gdansk, especially in the district of Gdansk Olivia 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 2023 Olivia Centre was recertified with a WELL Health-Safety Rating maintaining a high score of 25/25 points. This is a data-based, independently verified assessment for buildings, focusing on the analysis of operational rules, use and maintenance standards, stakeholder engagement and contingency plans to ensure maximum COVID-19 protection at present and in the future. Olivia received a maximum score of 25 out of 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 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 almost 100 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.

## Research and development

The Group does not perform any research and development activities.

## Future of the business

The Group's goal is to develop and launch new 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, 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. built two residential buildings- 100% of the residential area has been sold. Moreover, in the first half of 2024, the Group has started the construction of the first PRS building - Olivia 10 and a new residential project in Sopot - Leśna.

In the first half of 2024, the Group according to plan:

- completed the sale of apartments in the Group's first residential investment – Platynowa Park;
- started the construction of Olivia 10 building with nearly 250 investment apartments and the residential project in Sopot – Leśna with 18 apartments,
- renewed the "WELL Health and Safety Rating" certification - maintained the highest possible score;
- obtained the first green credit financing for an office project – Olivia Star.

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.

In the second half of 2024, the Group plans to:

- continue the construction of Olivia 10 building with nearly 250 investment apartments and the residential project in Sopot – Leśna with 18 apartments,
- 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,
- achieve an average commercialization level of at least 92% at the end of 2024,
- extend/refinance the Prime A building investment loan for at least 5 years.

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:

- Olivia Centre achieved the maximum possible score in WELL Health-Safety Rating certificate for management and operational processes of buildings certification. This milestone marks the organization's efforts to prepare the space for a re-entry into the environment after COVID-19, instilling confidence in tenants and the wider community.

- Location in the central business area of the Gdańsk Metropolitan Area and the largest share of nearly 20% in the commercial office market in the region.
- Diversified portfolio of tenants - over 100 tenants, 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 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.
- 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.
- 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.

## Consequences of COVID-19 and the war in Ukraine on the Group

From May 16, 2022, the state of epidemic that has been in force for over two years has been lifted in Poland. For this reason, it should be considered that the impact of the COVID-19 pandemic on the economic situation is no longer significant. In 2023, Poland saw a further decline in the percentage of people using remote work - mainly in favor of working in a hybrid system (partly from the office and partly from home).

2024 is the next year in a row marked by uncertainty. The war in Ukraine, the resulting uncertain socio-political situation, inflation, new legal regulations in the field of sustainable development of companies and challenges related to new work models affect the real estate market.

The office space market in regional cities is characterized by:

- Developers' caution when starting new investments,
- High operating costs encouraging improvements and optimization of the occupied office space,
- Continued high level of rents for prime office space.

The market is witnessing a marked slowdown in developer activity and the number of commercial real estate sales transactions. The decline in the supply of new office space is due to several factors, including: high financial costs and investment costs, including prices of construction materials, land, utilities and wages. The low supply of new space puts pressure on asking rents, and rising energy prices and the minimum wage affect service fee rates.

It should also be borne in mind that the war in Ukraine that has been ongoing since February 24, 2022 has affected the economic environment in the entire region. Continuation of the war may result in an extension of the package of economic sanctions imposed so far, further disruptions in supply chains, limited availability of subcontractors and a general increase in material prices, which in turn may significantly translate into the costs of investments in the real estate market and the valuation of existing facilities.

Due to the war in Ukraine and also due to the pandemic, global corporations may decide to diversify the location of individual services within Shared Service Centers (CUW, SSC), Business Process Outsourcing (BPO), Research and Developement (R&D), BPOP/SSC or IT between countries (duplication or backup of services). In the opinion of the Company's Management Board, this may be an opportunity for Central and Eastern Europe, to which some services will be transferred or divided: (i) from premium locations such as London or Berlin, (ii) from Asia, mainly due to the pandemic, and (iii) from the Middle East due to the war in Ukraine and sanctions imposed on Russia. These activities should have an impact on the increase in demand for office space in Poland in the coming years.

Poland continues to be the most attractive market in the Central and Eastern European region thanks to high liquidity as well as a wide range of high-quality investment products. According to the Management Board, the need to seek quality and savings due to rising operating costs are one of the main challenges facing the office real estate market in the coming quarters. ESG is becoming an increasingly important justification for business decisions. Better work comfort will have an increasingly significant impact on employee efficiency and an increase in the frequency of working from the office. Poland will continue to be a leader in investment activity, while increasing its share as a key market in the Central and Eastern European region.

Any adjustment in the value of capital assets should be compensated by an increase in rents, which should increase investor interest in the best projects. The spreading hybrid work model contributes to the diversification of the number of tenants and does not pose a threat to the prospects for further development of the office market in Poland. The high costs of the initial arrangement of office space, combined with the supply gap, will influence tenants' decisions regarding the length of lease agreements signed and the choice of location for their offices. According to the Management Board, tenants will be more willing to stay in their current office location or choose well-functioning business centers with an established reputation among tenants, offering, in addition to environmental benefits, also high comfort and pleasure of working from the office.

## III. Selected consolidated financial data

| | In thousands PLN | | In thousands EUR | |
|---|---|---|---|---|
| **Selected financial data** | **I half 2024** | **I half 2023** | **I half 2024** | **I half 2023** |
| Gross rental income | 76 145 | 67 625 | 17 663 | 14 660 |
| Net rental income | 63 867 | 57 091 | 14 815 | 12 376 |
| Net operating profit | 51 255 | 52 960 | 11 890 | 11 481 |
| Profit before taxation | 32 552 | 85 693 | 7 551 | 18 576 |
| Profit after taxation | 23 492 | 70 110 | 5 449 | 15 198 |

| | In thousands PLN | | In thousands EUR | |
|---|---|---|---|---|
| **Selected financial data** | **06.2024** | **12.2023** | **06.2024** | **12.2023** |
| Total assets | 2 692 696 | 2 751 874 | 624 321 | 618 357 |
| Non-current assets | 2 451 751 | 2 514 722 | 568 456 | 565 068 |
| Current assets | 240 945 | 237 152 | 55 865 | 53 289 |
| Total liabilities | 1 629 671 | 1 685 467 | 377 851 | 378 731 |
| Current liabilities | 315 158 | 333 283 | 73 072 | 74 890 |
| Non-current liabilities | 1 314 513 | 1 352 184 | 304 779 | 303 841 |
| Total equity | 1 063 025 | 1 066 408 | 246 470 | 239 626 |
| Retained earnings | 65 550 | 118 912 | 15 198 | 26 720 |

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

Balance sheet items were converted according to the average exchange rate applicable on the last day of the relevant period:

- 30 June 2024 using the average exchange rate – 4,3130
- 31 December 2023 using the average exchange rate – 4,3480
- 30 June 2023 using the average exchange rate – 4,4503

Items from the profit and loss account were converted according to the rates calculated as the arithmetic mean of the average NBP rates on the last day of each month in a given period:

- arithmetic mean of rates for the period from 1 January 2024 until 30 June 2024 – 4,3109
- arithmetic mean of rates for the period from 1 January 2023 until 31 December 2023 – 4,5284
- arithmetic mean of rates for the period from 1 January 2023 until 30 June 2023 – 4,6130.

Signature Not Verified
Dokument podpisany przez Maciej Grabski
Data: 2024.09.23 16:12:47 CEST

Board of Directors,

M. Grabski

David Luksenburg

Signature numérique de David Luksenburg
Nom unique :email=secretariat@atdomco.com, c=BE, l=LU, o=Atdomco Sàrl, ou=B177232, cn=David Luksenburg, sn=Luksenburg, givenName=David, serialNumber=11000830020120116478, title=Professional Administrator
Date : 2024.09.23 12:57:43 +02'00'
Version d'Adobe Acrobat Reader : 2024.003.20112

D. Luksenburg

Markus Josef Leininger

M. Leininger

Jeroen Edwin Missaar

Digitaal ondertekend door Jeroen Edwin Missaar
Datum: 2024.09.23 10:28:45 +02'00'

J.E. Missaar

# CONDENSED INTERIM CONSOLIDATE FINANCIAL STATEMENTS

# TONSA COMMERCIAL REI N.V.

## FOR THE PERIOD FROM 01.01.2024 TO 30.06.2024

Rotterdam, 23.09.2024

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | Note | 30 June 2024 | 31 December 2023 | 30 June 2023 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-current assets** | | **568 456** | **565 068** | **577 055** |
| Standing investments | 15 | 489 811 | 483 836 | 500 850 |
| Development and lands | 15 | 32 335 | 38 866 | 29 641 |
| Right of use assets | | 782 | 725 | 771 |
| Property and equipment | | 0 | 2 | 8 |
| Intangible assets | | 72 | 72 | 48 |
| Deferred tax assets | | 4 976 | 2 863 | 1 723 |
| Long term loans and bonds | 6 | 23 701 | 23 128 | 22 472 |
| Long term derivative financial instruments assets | 20 | 4 333 | 4 070 | 8 610 |
| Other long-term financial assets | 19 | 5 820 | 5 499 | 6 336 |
| Other long-term assets | 19 | 6 626 | 6 007 | 6 596 |
| **Current assets** | | **55 865** | **53 289** | **50 011** |
| Inventories | 17 | 7 916 | 2 395 | 5 420 |
| Receivables from tenants | 18 | 4 623 | 5 409 | 4 345 |
| Other short term receivables | | 1 456 | 1 449 | 0 |
| Income tax receivable | | 0 | 1 | 150 |
| Short term loans and bonds | 6 | 2 978 | 2 907 | 1 129 |
| Short term derivative financial instruments | 20 | 617 | 1 312 | 1 044 |
| Other short-term financial assets | 19 | 1 283 | 2 696 | 1 067 |
| Other short-term assets | 19 | 4 667 | 3 873 | 5 080 |
| Cash and cash equivalents | | 32 323 | 33 247 | 31 776 |
| **TOTAL ASSETS** | | **624 321** | **618 357** | **627 066** |
| | | | | |
| **EQUITY AND LIABILITIES** | | | | |
| **Total equity** | | **246 470** | **239 626** | **244 957** |
| Issued share capital | 22 | 188 010 | 188 010 | 188 010 |
| Reserve capital | | 137 | 137 | 137 |
| Foreign currency translation reserve | | 4 101 | 2 706 | -3 440 |
| Retained earnings | 25 | 48 773 | 45 052 | 45 052 |
| Profit for the year | | 5 449 | 3 721 | 15 198 |
| **Non-current liabilities** | | **304 779** | **303 841** | **276 216** |
| Long term borrowings | 23 | 265 104 | 267 428 | 235 897 |
| Deferred tax liabilities | | 38 087 | 34 076 | 38 810 |
| Long term lease liabilities | 6 | 950 | 910 | 995 |
| Long term derivative financial instruments liabilities | 20 | 463 | 1 254 | 160 |
| Long term accrued income | | 174 | 173 | 353 |
| **Current liabilities** | | **73 072** | **74 890** | **105 893** |
| Trade and other payables | 24 | 2 613 | 5 232 | 3 855 |
| Short term borrowings | 23 | 62 502 | 61 821 | 91 407 |
| Short term lease liabilities | 6 | 135 | 111 | 59 |
| Short term derivative financial instruments liabilities | | 33 | 0 | 0 |
| Income tax payable | 14 | 26 | 83 | 142 |
| Other short term financial liabilities | 25 | 5 785 | 5 129 | 4 896 |
| Other short term liabilities | 25 | 1 496 | 410 | 1 826 |
| Short term accrued income | | 242 | 1 766 | 3 706 |
| Provisions | | 240 | 338 | 2 |
| **TOTAL EQUITY AND LIABILITIES** | | **624 321** | **618 357** | **627 066** |

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

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD 1 JANUARY 2024 TO 30 JUNE 2024

| | Note | 01-06/2024 | 01-12/2023 | 01-06/2023 |
|---|---|---|---|---|
| Gross rental income | 9 | 17 663 | 33 289 | 14 660 |
| Service charge income | 9, 10 | 7 346 | 12 842 | 6 022 |
| Net property expenses | 10 | -10 194 | -20 167 | -8 306 |
| **Net rental income** | | **14 815** | **25 964** | **12 376** |
| Net result on disposals | 15 | 0 | 0 | 0 |
| Revaluation of standing investments, net | | -70 | -29 916 | -58 |
| Revaluation of developments and land, net | 15 | -1 459 | 7 772 | 0 |
| Other depreciation, amortisation and impairments | | -2 | -55 | -2 |
| Administrative expenses | 11 | -1 394 | -1 667 | -836 |
| **Net operating profit** | | **11 890** | **2 098** | **11 481** |
| Interest expenses, net | 12 | -8 154 | -15 807 | -6 251 |
| Interest income | | 1 662 | 3 029 | 1 631 |
| Interest expense | | -9 816 | -18 836 | -7 882 |
| Foreign currency differences | 6.2 | 1 703 | 15 873 | 10 843 |
| Other financial expenses, net | 13 | 2 113 | -935 | 2 504 |
| **Profit before taxation** | | **7 551** | **1 229** | **18 576** |
| Taxation charge for the period | 14 | -2 102 | 2 492 | -3 378 |
| **Profit after taxation for the year** | | **5 449** | **3 721** | **15 198** |
| Exchange differences on translation of foreign operations | | 1 395 | 17 413 | 11 309 |
| **Other comprehensive income** | | **1 395** | **17 413** | **11 309** |
| **Total comprehensive income for the year** | | **6 844** | **21 134** | **26 508** |
| **Total comprehensive income attributable to the Company shareholder arising from continuing operations** | | 6 844 | 21 134 | 26 508 |

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

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 1 JANUARY 2024 TO 30 JUNE 2024

| All amounts in thousands EUR | Note | Issued share capital | Reserve capital | Foreign currency translation reserve | Retained earnings | Profit for the year | Total |
|---|---|---|---|---|---|---|---|
| **1 January 2024** | | **188 010** | **137** | **2 706** | **45 052** | **3 721** | **239 626** |
| Profit for the year | | 0 | 0 | 0 | 0 | 5 449 | **5 449** |
| Foreign currency translation | | 0 | 0 | 1 395 | 0 | 0 | **1 395** |
| Profit distribution | | 0 | 0 | 0 | 3 721 | -3 721 | **0** |
| **30 June 2024** | | **188 010** | **137** | **4 101** | **48 773** | **5 449** | **246 470** |
| | | | | | | | |
| **1 January 2023** | | **188 010** | **137** | **-14 751** | **18 333** | **26 720** | **218 449** |
| Profit for the year | | 0 | 0 | 0 | 0 | 3 721 | **3 721** |
| Foreign currency translation | | 0 | 0 | 17 413 | 0 | 0 | **17 413** |
| Profit distribution | | 0 | 0 | 0 | 26 720 | -26 720 | **0** |
| Business combination | | 0 | 0 | 44 | -1 | 0 | **43** |
| **31 December 2023** | | **188 010** | **137** | **2 706** | **45 052** | **3 721** | **239 626** |
| | | | | | | | |
| **1 January 2023** | | **188 010** | **137** | **-14 751** | **18 333** | **26 720** | **218 449** |
| Profit for the year | | 0 | 0 | 0 | 0 | 15 198 | **15 198** |
| Foreign currency translation | | 0 | 0 | 11 309 | 0 | 0 | **11 309** |
| Profit distribution | | 0 | 0 | 0 | 26 720 | -26 720 | **0** |
| **30 June 2023** | | **188 010** | **137** | **-3 440** | **45 052** | **15 198** | **244 957** |

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

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD FROM 1 JANUARY 2024 TO 30 JUNE 2024

| | Note | 01-06.2024 | 01-12.2023 | 01-06.2023 |
|---|---|---|---|---|
| **Cash flows from operating activities** | | | | |
| Profit before taxation | | 7 551 | 1 229 | 18 576 |
| **Adjustments for:** | | **9 294** | **28 988** | **-5 079** |
| Other depreciation, amortisation and impairments | | 2 | 7 | 2 |
| Revaluation of financial instrument | | -327 | 3 462 | -1 903 |
| Revaluation of standing investments, net | 15 | 76 | 29 969 | 57 |
| Revaluation of developments and land, net | 15 | 1 459 | -7 772 | 0 |
| Foreign exchange loss, net | | -2 190 | -13 863 | -9 537 |
| Income from sale of fixed assets | | 0 | 0 | 0 |
| Interest expense | | 11 109 | 18 807 | 7 728 |
| Interest income | | -835 | -1 622 | -1 427 |
| Other | | 1 | 0 | 0 |
| **Operating cash flows before working capital changes** | | **16 845** | **30 217** | **13 497** |
| Change in receivables from tenants, other receivables, other assets, prepayments and prepaid expenses | | -622 | -1 860 | -1 145 |
| Change in inventories | | 201 | 3 974 | 949 |
| Change in trade, other payables, accrued expenditure and other liabilities | | -1 753 | 289 | 2 577 |
| **Cash flow from operations** | | **14 671** | **32 620** | **15 878** |
| Corporation taxes paid, net | | -513 | -905 | -442 |
| **Net cash flow from operating activities** | | **14 159** | **31 715** | **15 436** |
| Expenditure on investment property completed and under development | | -3 946 | -5 685 | -3 697 |
| Proceed from sale of investment property completed and under development | | 818 | 774 | 672 |
| Acquisition of subsidiary, net of cash acquired | | 0 | 0 | 0 |
| Loans granted | | 357 | -2 218 | -867 |
| Interest received from loans and bonds granted | | 36 | 17 | 75 |
| Expenditure on fixed and intangible assets | | 0 | -24 | 0 |
| **Net cash flow from investing activities** | | **-2 734** | **-7 136** | **-3 817** |
| **Net cash flow before financing activities** | | **11 425** | **24 579** | **11 619** |
| Proceeds from borrowings | 23 | 15 671 | 60 636 | 47 484 |
| Repayment of borrowings | 23 | -17 032 | -49 913 | -41 844 |
| Change of receivables representing restricted cash | | 1 081 | -2 686 | -2 323 |
| Interest paid | | -12 070 | -23 103 | -6 877 |
| Repayments of finance leases | | 1 | -20 | -37 |
| **Net cash flow from financing activities** | | **-12 348** | **-15 086** | **-3 597** |
| **Net change in cash and cash equivalents** | | **-924** | **9 493** | **8 023** |
| **Cash and cash equivalents at the beginning of year** | | **33 247** | **23 754** | **23 754** |
| **Cash and cash equivalents at the end of year** | | **32 323** | **33 247** | **31 777** |

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

# *Notes to the condensed interim 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 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 30 June 2024 the share issued capital of the Company amounted to EUR 188.009.900 and was fully paid.

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

## 2. Material subsidiaries

As at 30 June 2024 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 | Principal activities |
|---|---|---|---|---|
| Olivia Complex Sp. z o.o.** | Gdańsk, Poland | 100% | 0% | Land reserve and development |
| Olivia Gate Sp. z o.o. | Gdańsk, Poland | 100% | 0% | Investment development |
| Olivia Point & Tower Sp. z o.o. | Gdańsk, Poland | 100% | 0% | Investment development |
| Olivia 4 SA | Gdańsk, Poland | 100% | 0% | Investment development |
| Olivia Star SA | Gdańsk, Poland | 100% | 0% | Investment development |
| J-HOME SA | Gdańsk, Poland | 100% | 0% | Investment development |
| Olivia Seven Sp. z o.o. | Gdańsk, Poland | 100% | 0% | Investment development |
| Olivia Prime B Sp. z o.o. | Gdańsk, Poland | 100% | 0% | Investment development |
| Olivia Fin Sp z.o.o. | Gdańsk, Poland | 100% | 0% | General partner |
| Olivia Fin Sp. z o.o. SKA | Gdańsk, Poland | 100% | 0% | Financing |
| Olivia Home Platynowa Park | Gdańsk, Poland | 100% | 0% | Development of investments on residential market |
| TP3 Sp. z o.o. | Gdańsk, Poland | 100% | 0% | The company is not actively involved in operating activities |
| Brillant 3756. GmbH* | Berlin, Germany | 100% | 0% | The company is not actively involved in operating activities |
| OBC Sp. z o.o.** | Gdańsk, Poland | 100% | 0% | Financing |
| Materida Sp. z o.o.*** | Gdańsk, Poland | 100% | 0% | Development of investments on residential market |
| Olivia Home Leśna Sp. z o.o.**** | Gdańsk, Poland | 100% | 0% | Development of investments on residential market |

* Entity was put into liquidation during 2023

** On 29 November 2023 there was a merger Olivia Complex Sp.z o.o. with OBC Sp.z o.o. (acquired company).

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

## 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 periods presented.

## 4. Statement of compliance

The condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting”, adopted by European Union. It doesn’t include all information required in full financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS as adopted by EU”). It includes selected notes and disclosures about events and transactions that are material for understanding changes in Group results and its financial position since last annual consolidated financial statements for a year ended on 31 December 2023.

Most of the Group's entities keep their accounting records in accordance with the accounting policies set forth in the Polish GAAP. These condensed interim 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 by 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 received and paid are presented within cash flows from investing and financing activities. 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

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

On the basis of the assessment carried out the Board of Directors of the Company, considering a.o. the impact of COVID-19, inflation, liquidity and refinancing, 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.

The condensed interim 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 consolidated financial statements in accordance with IFRS as adopted by EU requires the use of certain critical accounting estimates. In the current reporting period, there were no changes to the scope or methodology of making significant estimates. Changes in estimated values resulted from the events that occurred in the reporting period.

The preparation of the condensed interim consolidated financial statements in accordance with the International Accounting Standard 34 "Interim Financial Reporting" approved by the European Union ("EU") requires the Board of Directors to make certain assumptions and make estimates that affect the amounts disclosed in the condensed interim consolidated financial statements and in in the notes to that report. The assumptions and estimates are based on the Board of Directors best knowledge of current and future events and activities. However, actual results may differ from those projected.

The areas requiring a higher degree of judgment or complexity, or areas in which assumptions and estimates are material to the consolidated financial statements, are described later in this report. The Group's accounting principles in the period from 01/01/2024 to 30/06/2024 did not change. A detailed description of the accounting policy is presented in the annual consolidated financial statements for 2023.

Standards, amendments to existing standards and interpretations issued by IASB and endorsed by the European Union applied for the first time in 2024:

- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements,
- Amendments to IAS 1 Presentation of Financial Statements:

  - Classification of Liabilities as Current or Non-current;
  - Non-current Liabilities with Covenants,
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback.

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

Standards, amendments to existing standards and interpretations issued by IASB and endorsed by the European Union but not effective for the accounting periods beginning on 1 January 2024 and not early adopted by the Group – none.

Standards and Interpretations issued by IASB but not yet endorsed by 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:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability(effective for annual periods beginning on or after January 1, 2025),
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) (effective for annual periods beginning on or after January 1, 2026)
- Annual Improvements Volume 11 (effective for annual periods beginning on or after January 1, 2026)
- IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after January 1, 2027),
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after January 1, 2027)
- IFRS 14 Regulatory Deferral Accounts (effective for annual periods beginning on or after January 1, 2016) - the European Commission decided not to endorse this interim standard while waiting for its final version,
- Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in associates and joint ventures"- sale or contribution of assets between the investor and its associate or joint venture and subsequent changes (the effective date of the changes has been postponed until the completion of research on the equity method).

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.

### 5.1. Explanations concerning the seasonality and cyclicality of the activity in the presented period

The Group operates mainly in the segment of commercial real estate for lease, in which the main assets are office buildings completed and commercialized under long-term lease agreements. Seasonality and cyclicality do not generate any significant risk. Sales revenues are generated by the Group throughout the year, regardless of weather conditions or the period in a given year. The fluctuations in revenues are not significant and amount to a maximum of several percent, which has a minor impact on the financial results achieved by the Group during the year.

## *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 30 June 2024 interest rate swaps and CAP options hedged 88% of bank loans outstanding balance in EUR.

*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's policy is to enter into currency hedging transactions with forward foreign exchange contracts; however, it does not opt to use hedge accounting in accordance with the requirements of IFRS 9.

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. 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. 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.

| **30 June 2024** | **Financial assets** | **Financial liabilities** | **Net exposure** |
|---|---|---|---|
| EUR | 26 093 | 270 112 | -244 019 |
| PLN | 49 586 | 67 474 | -17 888 |
| **Total** | **75 679** | **337 586** | **-261 907** |

| **31 December 2023** | **Financial assets** | **Financial liabilities** | **Net exposure** |
|---|---|---|---|
| EUR | 20 798 | 330 503 | -309 705 |
| PLN | 57 470 | 11 382 | 46 088 |
| **Total** | **78 268** | **341 885** | **-263 617** |

Foreign currency differences gain, in the amount of kEUR 1.703, in current year result is mainly caused by valuation of borrowings in EUR, due to increase in PLN/EUR FX rate (4,3130 as at 30 June 2024, whereas as at 31 December 2023: 4,3480).

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 30 June 2024 if the Euro weakened/strengthened by 10% against the Polish Zloty post-tax profit for the year would have been kEUR 19.766 higher/lower.

As at 31 December 2023 if the Euro weakened/strengthened by 10% against the Polish Zloty post-tax profit for the year would have been kEUR 25.086 higher/lower.

*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. See note 6.2.

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 in 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 on notional principal amount. As at 30 June 2024, as in the previous year, after taking into account the effect of interest rate hedging, 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 30 June 2024, if interest rates had been 100 basis points higher (31 December 2023: 100 basis points higher) with all other variables held constant, post-tax profit for the year would have been kEUR 723 (31 December 2023: kEUR 903) lower. If interest rates had been 100 basis points lower (31 December 2023: 100 basis points lower) with all other variables held constant, post-tax profit for the year would have been kEUR 723 (31 December 2023: kEUR 903) 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. 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 favorable 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:

| | 30 June 2024 | 31 December 2023 |
|---|---|---|
| Receivables from tenants | 4 623 | 5 409 |
| Loans and bonds | 26 680 | 26 035 |
| Other financial assets | 7 103 | 8 195 |
| Cash and cash equivalents | 32 323 | 33 247 |
| Total | **70 728** | **72 886** |

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 30 June 2024 and 31 December 2023 approximates the carrying value.

Analysis by credit quality of financial assets is as follows:

| | 30 June 2024 | 31 December 2023 |
|---|---|---|
| Receivables from tenants (gross) | 4 811 | 5 597 |
| Less: Impairment provision | -188 | -188 |
| **Trade receivables - net of provision for impairment** | **4 623** | **5 409** |

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 Millenium SA | BBB+ | Fitch |
| ING Bank N.V. | A+ | Fitch |
| Bank Pekao SA | A2 | Moody's |

### 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 30 June 2024 and 30 June 2023 are used for determining the related undiscounted cash flows..

Table below presents financial liabilities by due date:

| | 30 June 2024 | 31 December 2023 |
|---|---|---|
| Due within one year | 89 538 | 80 666 |
| Due in second year | 84 973 | 94 797 |
| Due within third to fifth year | 200 406 | 194 508 |
| Due after five years | 0 | 0 |
| **Total** | **374 918** | **369 971** |

### 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 30 June 2024 and at 31 December 2023 were as follows:

| | 30 June 2024 | 31 December 2023 |
|---|---|---|
| Borrowings | 327 606 | 329 249 |
| Lease liabilities | 1 085 | 1 021 |
| Less: Cash and cash equivalents | -32 323 | -33 247 |
| Less: Borrowings from related parties | -502 | -361 |
| **Net debt** | **295 866** | **296 662** |
| Total equity | 246 470 | 239 626 |
| Borrowings from related parties | 502 | 361 |
| **Total capital** | **542 838** | **536 649** |
| Gearing ratio | 55% | 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:

| **30 June 2024** | **Level 1** | **Level 2** | **Level 3** | **Total** |
|---|---|---|---|---|
| Derivative financial assets | 0 | 4 951 | 0 | 4 951 |
| Derivative financial liabilities | 0 | 496 | 0 | 496 |

| **31 December 2023** | **Level 1** | **Level 2** | **Level 3** | **Total** |
|---|---|---|---|---|
| Derivative financial assets | 0 | 5 382 | 0 | 5 382 |
| Derivative financial liabilities | 0 | 1 254 | 0 | 1 254 |

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 30 June 2024 but for which fair value is disclosed.

| 30 June 2024 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Assets** | | | | |
| Receivables from tenants | 0 | 0 | 4 623 | 4 623 |
| Loans and bonds | 0 | 26 680 | 0 | 26 680 |
| Other financial assets | 0 | 7 103 | 0 | 7 103 |
| Cash and cash equivalents | 32 323 | 0 | 0 | 32 323 |
| **Total** | **32 323** | **33 782** | **4 623** | **70 728** |
| **Liabilities** | | | | |
| Trade and other payables | 0 | 2 613 | 0 | 2 613 |
| Borrowings | 0 | 327 606 | 0 | 327 606 |
| Lease liabilities | 0 | 1 085 | 0 | 1 085 |
| Other financial liabilities | 0 | 5 785 | 0 | 5 785 |
| **Total** | **0** | **337 090** | **0** | **337 090** |

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 2023 but for which fair value is disclosed.

| 31 December 2023 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Assets** | | | | |
| Receivables from tenants | 0 | 0 | 5 409 | 5 409 |
| Loans and bonds | 0 | 26 035 | 0 | 26 035 |
| Other financial assets | 0 | 8 195 | 0 | 8 195 |
| Cash and cash equivalents | 33 247 | 0 | 0 | 33 247 |
| **Total** | **33 247** | **34 230** | **5 409** | **72 886** |
| **Liabilities** | | | | |
| Trade and other payables | 0 | 5 232 | 0 | 5 232 |
| Borrowings | 0 | 329 249 | 0 | 329 249 |
| Lease liabilities | 0 | 1 021 | 0 | 1 021 |
| Other financial liabilities | 0 | 5 129 | 0 | 5 129 |
| **Total** | **0** | **340 631** | **0** | **340 631** |

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 investment properties 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.

| 2024.06 | Commercial properties for rent | Residential properties for sale | Other | Eliminations and corporate | Total |
|---|---|---|---|---|---|
| **Net rental income** | **14 027** | **-6** | **-9** | **803** | **14 815** |
| Net result on disposals | 712 | 0 | 0 | -712 | **0** |
| Revaluation of standing investments, net | -70 | 0 | 0 | 0 | **-70** |
| Revaluation of developments and land, net | -1 459 | 0 | 0 | 0 | **-1 459** |
| Other depreciation, amortisation and impairments | 0 | -2 | 0 | 0 | **-2** |
| Administrative expenses | -649 | -226 | -544 | 26 | **-1 394** |
| **Net operating profit** | **12 560** | **-234** | **-553** | **117** | **11 890** |
| Interest expenses, net | | | | -8 154 | **-8 154** |
| Foreign currency differences | | | | 1 703 | **1 703** |
| Other financial result, net | | | | 2 113 | **2 113** |
| **Profit before taxation** | **12 560** | **-234** | **-553** | **-4 222** | **7 551** |
| Taxation charge for the period | | | | -2 102 | **-2 102** |
| **Profit after taxation for the year** | **12 560** | **-234** | **-553** | **-6 324** | **5 449** |
| | | | | | |
| **Total assets** | **667 300** | **12 076** | **58 500** | **-113 555** | **624 321** |
| **Total liabilities** | **417 165** | **14 195** | **58 709** | **-112 218** | **377 851** |

### *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 10,9% 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*

| | 01-06/2024 | 01-12/2023 | 01-06/2023 |
|---|---|---|---|
| Service charge cost, net | 57 | 882 | 651 |
| Modernizations, repairs, renovations cost | 125 | 285 | 140 |
| Other property related costs | 2 666 | 6 158 | 1 492 |
| **Total** | **2 848** | **7 325** | **2 283** |

Division of service charge cost, net:

| | 01-06/2024 | 01-12/2023 | 01-06/2023 |
|---|---|---|---|
| Service charge income | -7 346 | -9 282 | -6 022 |
| Service charge expenses | 7 403 | 10 164 | 6 673 |
| **Service charge cost, net** | **57** | **882** | **651** |

### *11. Administrative expenses*

| | 01-06/2024 | 01-12/2023 | 01-06/2023 |
|---|---|---|---|
| Legal and consulting costs | 208 | 457 | 234 |
| Asset management services | 18 | 147 | 85 |
| Accounting, secretarial and administration costs | 715 | 740 | 356 |
| Taxes and other fees | 14 | 66 | 50 |
| Other | 439 | 258 | 111 |
| **Total** | **1 394** | **1 667** | **836** |

### *12. Interest expenses, net*

| | 01-06/2024 | 01-12/2023 | 01-06/2023 |
|---|---|---|---|
| Interest income | -1 661 | -3 029 | -1 631 |
| Interest expense from lease | 27 | 50 | 25 |
| Interest expense from loans | 7 087 | 13 670 | 5 610 |
| Interest expense from bonds | 2 688 | 5 105 | 2 238 |
| Other | 13 | 11 | 9 |
| **Total** | **8 154** | **15 807** | **6 251** |

### *13. Other financial expenses, net*

| | 01-06/2024 | 01-12/2023 | 01-06/2023 |
|---|---|---|---|
| Impairment of financial instruments | 198 | 1 464 | 585 |
| Derivatives valuation results | -1 916 | -654 | -3 234 |
| Other financial expenses, net | -359 | 125 | 145 |
| **Total** | **-2 113** | **935** | **-2 504** |

### *14. Income taxes*

| | 01-06/2024 | 01-12/2023 | 01-06/2023 |
|---|---|---|---|
| Current tax | 457 | 980 | 428 |
| Deferred tax | 1 645 | -3 472 | 2 950 |
| **Total** | **2 102** | **-2 492** | **3 378** |

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.

The biggest not taxable amounts are related to cost of interests exceeding mPLN 3 limit, representation expenses and tax paid on investment property, even if the entity suffered loss in current period (minimal tax required by Polish law).

### *15. Standing investments and Developments and lands*

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

| | 30 June 2024 | | 31 December 2023 | |
|---|---|---|---|---|
| | Standing investments | Developments and lands | Standing investments | Developments and lands |
| **At the beginning of the reporting period** | **483 836** | **38 866** | **473 294** | **27 892** |
| Gains or Losses included in the revaluation of investment properties | -70 | -1 459 | -29 916 | 7 772 |
| Disposals | -818 | 0 | -774 | 0 |
| Construction, technical improvements and extensions | 2 868 | 332 | 4 970 | 659 |
| Transfers from developments and land to inventory | 0 | -5 723 | 0 | 0 |
| Currency translation difference | 3 995 | 319 | 36 262 | 2 543 |
| **At the end of the reporting period** | **489 811** | **32 335** | **483 836** | **38 866** |

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 June 2024 there were no active projects in the land reserve in Developments and lands (at the end of 2023: there was the land reserve).

**Valuation processes**

The Group's investment properties were valued as at 31 December 2023 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.

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. There are the active projects regarding the construction of Olivia 10 building with nearly 250 investment apartments and the residential project in Sopot – Leśna with 18 apartments.

A summary of movement in inventories is set out below:

| | 30 June 2024 | 31 December 2023 |
|---|---|---|
| **Beginning of the year** | **2 395** | **6 369** |
| Development costs incurred | 7 780 | 2 514 |
| Disposals (recognised in net result on disposal) | -1 663 | -6 802 |
| Effect of currency translation | -596 | 314 |
| **End of the year** | **7 916** | **2 395** |

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

| | 30 June 2024 | 31 December 2023 |
|---|---|---|
| In respect of sale of property under development | 0 | 2 610 |
| In respect of sale of completed property | 1 663 | 4 192 |
| Amortization of contract cost assets | 0 | 0 |
| **Total** | **1 663** | **6 802** |

### *18. Receivables from tenants*

| | 30 June 2024 | 31 December 2023 | 30 June 2023 |
|---|---|---|---|
| Receivables | 4 811 | 5 597 | 4 476 |
| Less: Provision for impairment | -188 | -188 | -131 |
| **Total** | **4 623** | **5 409** | **4 345** |

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 the first half of 2024 the Group hasn't recognised a loss relating to the impairment of its trade receivables (2023: kEUR 51). 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:

| | 01-06.2024 | 01-12.2023 | 01-06.2023 |
|---|---|---|---|
| **Beginning of the year** | **188** | **131** | **87** |
| Impairment losses recognized | 0 | 51 | 44 |
| Effect of currency translation | 0 | 6 | 0 |
| **End of the year** | **188** | **188** | **131** |

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*

| | 30 June 2024 | | 31 December 2023 | |
|---|---|---|---|---|
| | **Assets** | **Liabilities** | **Assets** | **Liabilities** |
| Interest rate swaps and CAP options | 4 951 | 496 | 5 382 | 1 254 |
| Forward foreign exchange contracts | 0 | 0 | 0 | 0 |
| **Total** | **4 951** | **496** | **5 382** | **1 254** |

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.

The notional principal amounts of the outstanding forward foreign exchange contracts as at 30 June 2024 were kEUR 0 (2023: kEUR 0). The notional principal amounts of the outstanding interest rate swap and CAP options as at 30 June 2024 were kEUR 238.363 (2023: kEUR 217.813).

Maturity dates of financial instruments are presented below:

| Entity | Type of hedging transaction | Maturity date | Notional value kEUR |
|---|---|---|---|
| Olivia Star SA | IRS | 27.01.2025 | 77 852 |
| Olivia Star SA | IRS | from 27.01.2025 to 26.01.2026 | * |
| Olivia Star SA | IRS | from 26.01.2026 to 29.01.2027 | * |
| Olivia 4 SA | CAP | 15.12.2025 | 16 415 |
| Olivia 4 SA | CAP | 15.12.2025 | 3 223 |
| Olivia Prime B Sp. z o.o. | IRS | 30.11.2026 | 28 952 |
| Olivia Gate Sp. z o.o. | IRS | 13.08.2026 | 23 498 |
| J-Home SA | IRS | 13.08.2026 | 23 053 |
| Olivia Point&Tower Sp. z o.o. | IRS | 27.12.2025 | 27 051 |
| Olivia Seven Sp. z o.o. | IRS | 31.12.2024 | 38 319 |

* security will be continuated

### *21. Non-current assets classified as held for sale*

The Group did not classify any assets as held for sale.

### *22. Issued share capital*

The total authorised number of ordinary shares is 1.880.099 (2023: 1.880.099) with a par value of EUR 100 each (2023: EUR 100 per share). All issued shares are fully paid (2023: 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.

| | 30 June 2024 | 31 December 2023 |
|---|---|---|
| **Loans and bonds** | **57 039** | **62 045** |
| long term | 39 107 | 46 748 |
| short term | 17 932 | 15 297 |
| **Bank loans** | **270 567** | **267 204** |
| long term | 225 997 | 220 680 |
| short term | 44 570 | 46 524 |
| **Total** | **327 606** | **329 249** |

The borrowings include amounts secured in majority on investment property.

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:

| | 30 June 2024 | | 31 December 2023 | |
|---|---|---|---|---|
| | Loans and bonds | Bank loans | Loans and bonds | Bank loans |
| Due within one year | 17 932 | 44 570 | 15 297 | 46 524 |
| Due in second year | 25 335 | 60 680 | 20 191 | 61 687 |
| Due within third to fifth year | 13 772 | 165 317 | 26 557 | 158 993 |
| Due after five years | 0 | 0 | 0 | 0 |
| **Total** | **57 039** | **270 567** | **62 045** | **267 204** |

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 until end of June 2024:

| | Loans and bonds | Bank loans | Total |
|---|---|---|---|
| **1 January 2023** | **45 136** | **271 091** | **316 227** |
| Proceeds from borrowings | 20 829 | 39 807 | 60 636 |
| Repayments of borrowings | -12 341 | -60 625 | -72 966 |
| Other movements | 5 227 | 12 139 | 17 366 |
| Foreign exchange borrowings | 3 193 | 4 792 | 7 985 |
| **31 December 2023** | **62 045** | **267 204** | **329 249** |
| Proceeds from borrowings | 7 076 | 8 626 | 15 702 |
| Repayments of borrowings | -12 279 | -4 753 | -17 032 |
| Other movements | -263 | -671 | -934 |
| Exchange rate differences | 460 | 161 | 622 |
| **30 June 2024** | **57 039** | **270 567** | **327 606** |

Bank loans are monitored based on various indicators (bank covenants). Investment loans are monitored by debt service coverage ratio (DSCR) 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 June 2024 were at a safe level and there was no breaches.

Details regarding bank covenants in particular entities are presented below:

| | Historical DSCR | period | Forecasted DSCR | period | LTV | Other |
|---|---|---|---|---|---|---|
| **Olivia Seven Sp. z o.o.** | 120% | 12M | 120% | 12M | 70% during the loan agreement | Equity including subordinated debt above 0 |
| **Olivia Gate Sp. z o.o., J-Home SA** | 135% | 12M | 135% | 6M | 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.** | 120% | 12M | 120% | 6M | 65% during the loan agreement | Equity including subordinated debt above 0 and at the same time not lower than the value of the Borrower's core capital |
| **Olivia Point&Tower Sp. z o.o.** | 120% | 12M | 120% | 6M | 67% in 2023, 66,25% in 2024, 65,50% in 2025, 64,75% in 2026 and 64% in 2027 | 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 | 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 | 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 2023 | 31 December 2023 |
|---|---|---|
| Trade payables | 1 402 | 3 274 |
| Payables connected with development/construction | 1 212 | 1 958 |
| Trade payables | **2 613** | **5 232** |

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 combination*

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 X project.

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. If the acquisitions had occurred on 1 January 2024, consolidated pro-forma revenue would have been the same and profit would have been lower by kEUR 0,13, for the period ended 30 June 2024.

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.

### *28. Contingencies and commitments*

The Group has no contingencies and commitments.

### *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.

Transactions carried out in first half of 2024 or balances outstanding as at 30 June 2024 with related parties (which are entities controlled by the same ultimate owner) are presented below:

| | Loans given | Trade and other receivables | Borrowings | Trade and other payables | Sales | Purchases |
|---|---|---|---|---|---|---|
| TONSA S.A. - SICAF-RAIF | 1 | 0 | 378 | 20 | 0 | 0 |
| AZO DIGITAL Sp. z o.o. | 126 | 0 | 0 | 0 | 0 | -4 |
| B1-OP3 Sp.z o.o. SKA | 5 158 | 0 | 0 | 0 | 1 | -104 |
| BMP1 Sp. z o.o. | 1 726 | 0 | 0 | 2 | 0 | 93 |
| Construction+ Sp. z o.o. | 1 319 | 1 | 0 | 125 | 11 | 282 |
| Fundacja Gdańsk Global | 768 | 354 | 0 | 0 | 1 076 | -19 |
| GPT Invest Sp z o.o. | 556 | 0 | 0 | 0 | 0 | -6 |
| Maintenance+ Sp. z o.o. | 0 | 0 | 0 | 651 | 1 | 1 989 |
| Olivia Home Sp. z o.o. | 137 | 1 | 0 | 24 | 22 | 194 |
| Olivia Serwis Sp. z o.o. | 5 567 | 2 553 | 0 | 258 | 1 628 | 797 |
| Olivia Six Sp. z o.o. | 94 | 194 | 21 | 133 | 0 | 0 |
| Pekabex BET Sp. z o.o. | 0 | 3 | 0 | 218 | 0 | 185 |
| PSDW Sp. z o.o. | 1 672 | 0 | 0 | 0 | 0 | 48 |
| RS Sp. z o.o. | 4 123 | 1 | 0 | 0 | 2 | -96 |
| Security+ Sp. z o.o. | 0 | 0 | 0 | 98 | 35 | 488 |
| STE Sp. z o.o. | 1 258 | 0 | 0 | 0 | 0 | -17 |
| TP2 Sp. z o.o. | 1 394 | 0 | 0 | 0 | 0 | 40 |
| Other | 0 | 29 | 0 | 40 | 8 | 25 |
| **Total** | **23 900** | **3 136** | **399** | **1 570** | **2 785** | **3 896** |

Transactions carried out in 2023 or balances outstanding as at 31 December 2023 with related parties (which are entities controlled by the same ultimate owner) are presented below:

| | Loans given | Trade and other receivables | Borrowings | Trade and other payables | Sales | Purchases |
|---|---|---|---|---|---|---|
| TONSA S.A. - SICAF-RAIF | 1 | 0 | 374 | 19 | 0 | 0 |
| AZO DIGITAL Sp. z o.o. | 121 | 0 | 0 | 0 | 0 | 0 |
| B1-OP3 Sp.z o.o. SKA | 6 592 | 0 | 0 | 0 | 2 | 0 |
| BMP1 Sp. z o.o. | 0 | 0 | 0 | 19 | 1 | 160 |
| Construction+ Sp. z o.o. | 1 726 | 7 | 0 | 1 027 | 23 | 600 |
| Fundacja Gdańsk Global | 732 | 498 | 0 | 0 | 1 962 | 1 |
| GPT Invest Sp z o.o. | 533 | 0 | 0 | 0 | 1 | 0 |
| Maintenance+ Sp. z o.o. | 0 | 323 | 0 | 716 | 3 | 3 992 |
| Olivia Serwis Sp. z o.o. | 5 239 | 1 978 | 0 | 291 | 2 875 | 1 797 |
| Olivia Six Sp. z o.o. | 63 | 223 | 33 | 132 | 1 | 0 |
| PSDW Sp. z o.o. | 1 611 | 0 | 0 | 0 | 0 | 0 |
| RS Sp. z o.o. | 3 993 | 0 | 0 | 0 | 2 | 0 |
| Security+ Sp. z o.o. | 0 | 1 | 0 | 330 | 69 | 1 003 |
| STE Sp. z o.o. | 1 208 | 0 | 0 | 0 | 1 | 0 |
| TP2 Sp. z o.o. | 1 342 | 0 | 0 | 0 | 0 | 0 |
| Olivia Home Sp. z o.o. | 132 | 0 | 0 | 64 | 38 | 135 |
| Other | 0 | 31 | 0 | 68 | 45 | 109 |
| **Total** | **23 292** | **3 060** | **407** | **2 666** | **5 024** | **7 797** |

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

### *30. Other disclosures*

The Group's employees comprise 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 129 in 2023 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.

### *31. Other information significantly affecting the assessment of the Group's assets, financial position and profit or loss*

None.

### *32. Events after the balance sheet date*

On 19 August 2024, Olivia Fin Sp. z o. o. SKA issued an additional series of P2024A bonds for a total amount of EUR 11,678 million. The issuance was accepted by Komisja Nadzoru Finansowego on 25 June 2024. The bonds in this series are secured by a guarantee from Tonsa Commercial REI NV, and the maturity date of this series is on 7 August 2028.

On 11 September 2024 a resolution was adopted by Extraordinary Meeting of Shareholders of Olivia Home Platynowa Park Sp. z o. o. pursuant to which the company's share capital was increased from PLN 5,000.00 to PLN 60,000,00, i.e. by the amount of PLN 55,000.00 through the issue of 1.100 shares with a nominal value PLN 50.00 each share. All shares were acquired by the current sole shareholder, i.e. Tonsa Commercial REI N.V. based in Rotterdam, which will be covered them with a cash contribution in the amount of PLN 5,500,000.00.

On 11 September 2024 a resolution was adopted by Extraordinary Meeting of Shareholders of TP3 Sp. z o. o. pursuant to which the company's share capital was increased from PLN 5,000.00 to PLN 61,000,00, i.e. by the amount of PLN 56,000.00 through the issue of 1.120 shares with a nominal value PLN 50.00 each share. All shares were acquired by the current sole shareholder, i.e. Tonsa Commercial REI N.V. based in Rotterdam, which will be covered them with a cash contribution in the amount of PLN 5,600,000.00.

On 11 September 2024 a resolution was adopted by Extraordinary Meeting of Shareholders of Olivia Fin Sp. z o. o. pursuant to which the company's share capital was increased from PLN 5,000.00 to PLN 19,000,00, i.e. by the amount of PLN 14,000.00 through the issue of 280 shares with a nominal value PLN 50.00 each share. All shares were acquired by the current sole shareholder, i.e. Tonsa Commercial REI N.V. based in Rotterdam, which will be covered them with a cash contribution in the amount of PLN 1,400,000.00.

On 12 September 2024, a resolution was adopted by the Extraordinary Meeting of Shareholders of Olivia Fin Sp. z o. o. SKA, pursuant to which the company's share capital was increased from PLN 170,000.00 to PLN 190,000,00, i.e. by the amount of PLN 20,000.00 through the issue of 400 registered and non-preference series "E" shares with a nominal value PLN 50.00 each share. All shares were acquired by the current sole shareholder, i.e. Tonsa Commercial REI N.V. based in Rotterdam, which will be covered them with a cash contribution in the amount of PLN 2,000,000.00.

All above share increases will be covered by dividend received by Tonsa Commercial REI N.V. sole shareholder of Olivia Complex Sp. z o.o. based on the resolution adopted by Ordinary Meeting of Shareholders of Olivia Complex Sp. z o.o. on 11 September 2024 pursuant to which the dividend to sole shareholder in amount of PLN 14,500,0000.00 will be paid.

No other events have occurred since the end of reporting period, which would require adjustment to, or disclosure in the condensed interim consolidated financial statements.

Board of Directors

Signature Not Verified
Dokument podpisany przez
Maciej Grabski
Data: 2024.09.23 16:13:54 CEST

M. Grabski

David
Luksenburg

Signature numérique de David Luksenburg
Nom unique :email=secretariat@atdomco.com,
c=BE, l=LU, o=Atdomco Sàrl, ou=B177232,
cn=David Luksenburg, sn=Luksenburg,
givenName=David,
serialNumber=11000830020120116478,
title=Professional Administrator
Date : 2024.09.23 12:58:20 +02'00'
Version d'Adobe Acrobat Reader :
2024.003.20112

D. Luksenburg

Markus
Josef
Leininger

M. Leininger

Jeroen
Edwin
Missaar

Digitaal ondertekend
door Jeroen Edwin
Missaar
Datum: 2024.09.23
10:29:13 +02'00'

J. Missaar

Rotterdam, 23 September 2024