

## Key Developments

- **Asset Realisation Plan Progresses; FIZAN (Polish Investment Fund) Liquidated; 'Bank' Loans Repaid; Cost Reductions Continue; Shareholder Distributions to Continue**
- Avison Young, an independent international real estate broker with local presence in Poland, were appointed to market the Fund's assets for sale via a competitive bidding process in an orderly time-frame and several asset sales have been made (see section immediately below for more detail).
- The Polish Investment Fund was liquidated and all Skarbiec management costs eliminated.
- The Fund repaid the final Sancus loan in full, thus eliminating all interest costs.
- Platinum Towers, Arkada, Rejtana, Szaserow and most of the Wilanow units were sold with net sales proceeds being used to repay the Sancus loan and to fund two interim shareholder distributions on the Preference Shares.
- Asset sales continue with final bids having been received for Jesionowa and Spiska.
- Interim shareholder distributions are expected to continue throughout 2025.

## Asset Sales Process Underway

- **Asset Sales Process Underway**
- Avison Young operate a competitive bidding process over an orderly time-frame with final bid deadlines being set in accordance with the indicative demand from investors and the readiness of the asset for sale.
- Bidders are required to make full cash bids (not financed) for the majority of any asset portfolio with the transaction being completed under a single sales/purchase agreement or a preliminary and final.
- It is important to note that despite the Sancus loan having been repaid and despite the Fund having mortgage release letters from Sancus for all pledged assets, the Fund's real estate assets remain pledged in the eyes of the Polish courts which can take up to a year in Warsaw to register the removal of the pledge. Accordingly, the Fund is realistically restricted to selling to cash buyers who receive the mortgage release letters at the time of the sale so they can register the pledge removal themselves. This avoids the Fund having to wait up to a year to complete a sale transaction, during which time the costs of running the Polish SPVs and real estate management costs continue to accrue.
- Platinum Towers, Arkada, Rejtana, Sazerow and most of Wilanow were sold for a total of PLN 42.2 million.
- Sales of Jesionowa and Spiska are in the advanced stages of negotiation. Jesionowa is a straight forward asset sale. However, Spiska is a compensation claim against the City of Warsaw subsequent to a rezoning. The SPV and its general partner are being sold to a law firm that specialises in litigation in exchange for the buyer covering legal costs and running the claim with the majority of any compensation received being paid to the Fund.
- The process of asset sales will continue until all real estate assets are sold, expected to be achieved by mid-2025. During 2025 the Polish SPV mergers will also be undertaken.
- The Fund has approximately £5m of useable Polish tax losses across its various SPVs and initial attempts to sell SPVs with their real estate assets have proved difficult so far. It may not be possible to realise any value from these tax losses and in this case the structures may simply be merged and liquidated..

## Shareholder Interim Distributions

- **Shareholder Interim Distributions**
- Two interim shareholder distributions were made on the Preference Shares totaling GBP 3.544m with the expectation of the first interim distribution on the Ordinary Shares being made in Q1 2025, subject to the completion of the sale of the Jesionowa asset and sufficient cash resources.
- Shareholder distributions are expected to occur as and when sales proceeds permit, bearing in mind the need to retain sufficient capital for closure costs that are being paid mostly on an ongoing basis.
- Shareholders will be updated as and when any shareholder distributions are expected to be made.
- **It is important for shareholders to ensure their client due diligence is up to date in order that payments may be made. Shareholders are encouraged to contact JTC on the number detailed on the final page of this Investor Report to ascertain their CDD status.**

## Structure Closures

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- Five of the ten remaining Polish SPVs that are limited joint stock partnership structures must be transformed into limited liability companies before they may be merged together. This is expected to be undertaken in Q1 2025 and thereafter the SPVs should be merged into one single SPV which will ultimately be liquidated to the Luxembourg holding company.
- The reduction and elimination of these Polish structures will then eliminate the Polish operating costs.
- Thereafter, the Luxembourg subsidiary of the Fund will be liquidated.
- This work should run alongside the final asset sales.

Platinum Towers and Rejtana were sold; Jesionowa is in the process of being sold

### Jesionowa, Katowice



### Platinum Towers, Warsaw



### Rejtana, Poznan



## City Living PCC Limited: Poland Geared Growth Cell Investor Report

31 December 2024

### Remaining Real Estate Portfolio

Portfolio	Valuation (PLN)
Jesionowa (December 2023)	14,529,943
Grodzisk** (December 2024)	7,634,550
Wilanow (December 2023)	1,304,000
Spiska*** (Maximum Compensation Claim Value to Fund)	4,200,000
<b>Total Portfolio</b>	<b>27,668,493</b>

#### Note.

The Fund no longer undertakes quarterly valuations. Full valuations are undertaken at year end to align with the audit or at other times so determined by the Directors where there is a need for a Net Asset Value to be calculated.

\* Jesionowa – last valuation report produced as of 31 December 2023. Valuation not updated as in the process of receiving final bids.

\*\* Grodzisk – 31 December 2024 valuation report as sales process for this asset has not started. Gross price is stated.

\*\*\* Spiska –this reflects the Fund's share of the value of the compensation claim that will be made to the City of Warsaw. There is no guarantee that the Fund will win the case or that the claimed level of compensation will be paid.

## Key Fund Facts

### Total Shares in Issue

▪ 40,178,240.97

### Number of Ordinary Shares in Issue

▪ 38,625,507.64

### Number of Preference Shares in Issue

▪ 1,552,733.33

### Launch Date and Share Launch Prices

- 31 May 2006 – Ordinary Shares at 100.00p
- 28 December 2022 – Preference Shares at 37.50p

### Valuation Points

- Annually at Year End

### Listing

- The International Stock Exchange ('TISE')

### Price published

- Reuters and TISE

### SEDOL Ordinary and Preference

- Ordinary Shares: B125N44

### ISIN Ordinary Shares

- Ordinary Shares: GB00B125N441

### Bloomberg Ticker

- POLGEGR GU

### Administrator

- JTC Fund Solutions (Guernsey) Limited

### Shareholder enquiries

- [investorservices@jtcgroup.com](mailto:investorservices@jtcgroup.com)

## Contact

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## Important Information

- These materials do not constitute an offer to sell or solicitation of an offer to buy shares in the Scheme. The Scheme referred to in this Investor Report constitutes an 'unregulated collective investment scheme' for the purposes of the restriction on the promotion of unregulated schemes under section 238 of the UK FSMA and, accordingly, the Scheme cannot be marketed in the UK to the general public. Past performance is no guide to future performance and the value of the shares in the Fund may go down as well as up.
- This Investor Report should be read in conjunction with, and in the context of, the Information Memorandum of the City Living PCC Limited: Poland Geared Growth Cell (the 'Scheme') which has been prepared to comply with the terms of Rule 4.1(1) of The Authorised Closed-ended Investment Schemes Rules and Guidance 2021 (the 'Rules') as issued by the Guernsey Financial Services Commission pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 2020 (the 'Law'). Expressions of opinion herein are subject to change without notice.
- City Living PCC Limited was established as a protected cell company on 13 June 2006, and is governed by the provisions of the Companies (Guernsey) Law 2008, and subsequent amendments. On 30 November 2022, the Fund wrote to the Guernsey Financial Services Commission confirming its intention to convert from a Class B Scheme to an Authorised Closed-ended Scheme. The Fund converted from a Class B Scheme to an Authorised Closed-ended Scheme, under the Authorised Closed-ended Investment Scheme Rules and Guidance 2021 on 22 December 2022. Prior to this date, the cell was authorised by the Guernsey Financial Services Commission as a Class B Scheme under The Authorised Collective Investment Schemes (Class B) Rules and Guidance.