

## Key Developments

- **Asset Sales Continue; Preference Shares Repaid and Fully Redeemed; Shareholder Distributions to Continue; Two Polish Companies Sold; Remaining Polish Companies Merged into Single Company; Polish and Luxembourg Companies to be Liquidated; Cost Reductions Continue.**

## Asset Sales Process Underway

- **Asset Sales Process Underway**
- **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 to manage the sales process.**
- Avison Young operated 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 assets with the transaction being completed under a single sales/purchase agreement or preliminary/final agreements.
- It is important to note that despite the Sancus loan having been fully repaid and the Fund having mortgage release letters from Sancus for each asset, the Fund's real estate assets remain pledged in the eyes of the Polish courts which can take more than a year in Warsaw to register the removal of the pledge. Accordingly, the Fund is realistically restricted to selling to only cash buyers who receive the mortgage release letters at the time of the sale so they may register the pledge removal themselves. This avoids the Fund having to wait for more than a year to complete a sale transaction, during which time the costs of running the Polish companies and real estate management costs would continue to accrue.
- Platinum Towers, Arkada, Rejtana, Sazerow and most of Wilanow were sold through Avison Young.
- The Polish company owning the land plot, 'Spiska', and its general partner were sold to a Polish litigation law firm that specialises in real estate litigation in exchange for the buyer funding all legal and company running costs with the majority of any compensation proceeds being paid to the Fund should the litigation be successful
- Jesionowa apartments have also now been sold via a local real estate agent, RedNet.
- The final real estate asset to be sold is Grodzisk, a commercial retail asset, which is being marketed for sale by a Polish real estate agent. 'Remax', who specializes more in commercial assets.

## Shareholder Interim Distributions

- **Shareholder Interim Distributions**
- The Preference shares have been fully repaid, redeemed and de-listed.
- The Directors expect to make the first interim distribution on the Ordinary Shares shortly.
- Shareholder distributions are expected to continue when further sales proceeds permit, bearing in mind the need to retain sufficient capital for closure costs that are being paid on an ongoing basis and to accrue for the final liquidation of the Fund.
- 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 Group on the number or email address detailed on the final page to ascertain their CDD status.**

## Structure Closures

- **Structure Closures**
- Two of the Polish companies were sold with the remaining eight being merged into City Living Polska 3 Sp. Zoo. Thereafter, CLP3 will be liquidated with its assets being transferred to City Living Luxembourg Sarl, its sole shareholder. .
- The reduction and subsequent elimination of all Polish and Luxembourg structures will then eliminate the associated operating costs.

## Key Fund Facts

### Total Shares in Issue

▪ 38,625,507.64

### Number of Ordinary Shares in Issue

▪ 38,625,507.64

### Number of Preference Shares in Issue

▪ None.

### Launch Date and Share Launch Price

▪ 31 May 2006 – Ordinary Shares at 100.00p

### 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.