REPORT TO NOTEHOLDERS

For the period ended 30 June 2021

13 September 2021

VIVION

Vivion Investments S.à r.l.
155, Rue Cents
L-1319 Luxembourg

Report to Noteholders for the period ended 30 June 2021

Contents

Opernplatz, Essen

1. INTRODUCTION

Vivion Investments S.à r.l. (the "Company" or "Vivion" and together with its consolidated subsidiaries the "Group") today is publishing its reviewed condensed consolidated interim financial statements as at 30 June 2021 (the "Reviewed H1 2021 FS") The Reviewed H1 2021 FS are available on the website of the Company at www.vivion.eu/investor-relations and attached to this report as Annex.

General Information

The Reviewed H1 2021 FS have been prepared in accordance with IFRS standards. The Company's fiscal year ends on 31 December of each year. References to any fiscal year refer to the year ended 31 December of the calendar year specified.

The following report has been prepared by the Company for (i) the noteholders of the EUR 700 million 3.000% Senior Notes due 2024 ("2024 Notes") and EUR 640 million 3.500% Senior Notes due 2025 ("2025 Notes" and tighter with the 2024 Notes, the "Notes") pursuant to section 9.5 lit. (ab) of the terms and conditions of the Notes and (iii) the holders of the EUR 200 million 2.25% Convertible Bonds due 2025 (the "Convertible Bonds") pursuant to section 11.3 (b) of the terms and conditions of the Convertible Bonds. This report shall be read in conjunction with the Reviewed H1 2021 FS. Capitalised terms in this report, unless otherwise defined, shall have the meaning attributed to them in the Reviewed H1 2021 FS.

Völklinger Straße, Düsseldorf

Holiday Inn Regent's Park, London

Non-IFRS Measures

This report includes certain references to Non-IFRS measures that are not required by, or presented in accordance with, IFRS or any other accounting standards, and which are not audited. We use these non-IFRS measures to evaluate our financial performance. We believe that these non-IFRS measures assist in understanding our trading performance, as they give an indication of our ability to service our indebtedness.

Since the Company was established in 2018 as a private company, the Company has only made limited use of non-IFRS measures in the past. This report contains non-IFRS measures relating to the period covered by the Reviewed H1 2021 FS including GAV, EPRA NRV, EPRA NTA, Net Debt, Net LTV, Secured LTV and Unencumbered assets (ratio).

Certain data contained within this report relating to our properties, tenants and rent levels included in this report, including WAULT, Annualised In Place Rent and Property Occupancy Rate, are derived from our operating systems or management estimates, and are not part of our financial statements or financial accounting records. Unless otherwise indicated, all operating data relating to our property portfolio as presented in this report is as at 30 June 2021. Definitions of the respective non-IFRS measures and other definitions are presented in section 7 in this report.

The non-IFRS measures included in this report are not prepared in accordance with generally accepted accounting principles and should be viewed as supplemental to the Company's financial statements. You are cautioned not to place undue reliance on this information, and should note that these non-IFRS measures, as we calculate them, may differ materially from similarly titled measures reported by other companies, including our competitors. Non-IFRS measures are used by different companies for differing purposes and are often calculated in ways that reflect the particular circumstances of those companies. You should exercise caution in comparing our reported measures to such measures, or to other similar measures, as reported by other companies.

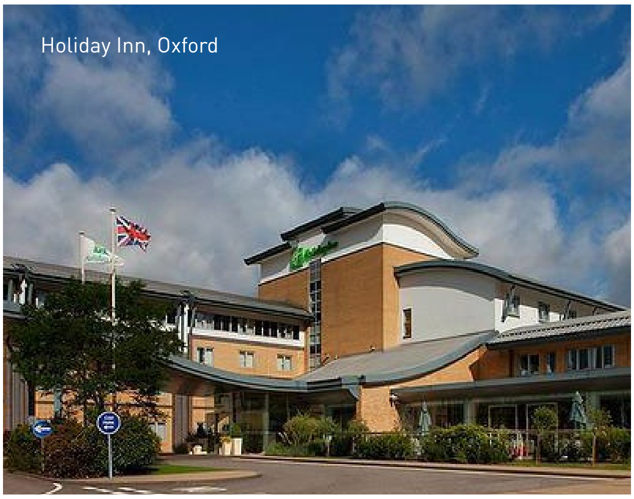
The non-IFRS measures, as used in this report, may not be calculated in the same manner as these or similar terms are calculated, pursuant to the terms and conditions governing the Notes.

Forward Looking Statements

This document may contain information, statistical data and predictions about our markets and our competitive position. We have not verified the accuracy of those statistical data or predictions contained in this document that were taken or derived from industry publications, public documents of our competitors or other external sources. We believe that the information presented in this document provides fair and adequate estimates of the size of our markets and fairly reflects our competitive position within these markets. However, our internal estimates have not been verified by an external expert, and we cannot guarantee that a third party using different methods to assemble, analyse or compute market data would obtain or generate the same results. In addition, our competitors may define our and their markets differently than we do.

The impact of the still ongoing Covid-19 pandemic (Corona) on the general economic conditions in the countries and on the markets in which the Group operates are impossible to predict and require ongoing analysis of the development. The financial information contained in the Reviewed H1 2021 FS reflect our business, net assets, financial condition, cash flows and results of operations situation as of and for the period ended 30 June 2021 and therefore in particular reflect impacts of the strict lock-down periods in Germany and the UK in 2020 and the beginning of 2021. However, economic impacts of the Covid-19 pandemic and the lockdown periods may not be fully visible as of today and further economically detrimental developments may occur within the current financial year.

CP Manchester Airport, Manchester


Holiday Inn, Oxford

Certain statements on this document are not historical facts and are or are deemed to be "forward-looking". In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the words "believes", "estimates", "anticipates", "expects", "intends", "may", "will", "plans", "continue", "on-going", "potential", "predict", "project", "target", "seek" or "should" or, in each case, their negative or other variations or comparable terminology or by discussions of strategies, plans, objectives, targets, goals, future events or intentions. These forward-looking statements include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which we operate.

By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. This is currently the case with the ongoing Covid-19 pandemic. Forward-looking statements are not guarantees of future performance. You should not place undue reliance on these forward-looking statements. Many factors may cause our results of operations, financial condition, liquidity and the development of the industry in which we operate to differ materially from those expressed or implied by the forward-looking statements contained on this document.

Forward-looking statements speak only as of the date they are made. Additionally, forward-looking statements regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. New risks and uncertainties can emerge from time to time, and it is not possible for us to predict all such risks, nor can we assess the impact of all such risks on our business or the extent to which any risks, or combination of risks and other factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, you should not rely on forward-looking statements as a prediction of actual results.

The Company expressly disclaims any obligation or undertaking to release, publicly or otherwise, any updates or revisions to any forward-looking statement contained in the documents on this document to reflect any changes in its expectations or any change in events, conditions, assumptions or circumstances on which any such statement is based unless so required by applicable law.

Disclaimer

The information contained in this document does not constitute an offer of or an invitation to subscribe for or purchase any securities nor should it or any part of it form the basis of, or be relied on in connection with, any contract or investment decision in relation thereto. The information on this document is provided for information purposes only. The information must not be passed on, copied, reproduced, in whole or in part, or otherwise disseminated, directly or indirectly, to any other person or distributed or transmitted directly or indirectly into, or used by any person or entity located in, any jurisdiction where its distribution or use would be unlawful.

This report does not contain all of the information that is material to an investor.

Opernplatz, Essen

2. HIGHLIGHTS

Financial position highlights

In EUR millions unless stated otherwise	30 June 2021	31 December 2020
Total Assets	4,718	4,757
Investment property [1]	3,434	4,350
Net Debt	1,674	1,805
Net LTV [2]	39.0%	40.1%
Secured LTV	7.3%	12.0%
Unencumbered assets	2,770	1,924
Unencumbered assets ratio	59.6%	51.5%
EPRA NRV	1,814	1,853
EPRA NTA	1,811	1,853

Operational Data [3]

In EUR millions unless stated otherwise	30 June 2021	31 December 2020
Annualised in place rent	179	175
Property Occupancy Rate	96%	96%
Number of Assets	91	92
WAULT	12.2 years	12.4 years

Key financials

In EUR millions unless stated otherwise	For the period 1 January 2021 to 30 June 2021	For the period 1 January 2020 to 30 June 2020
Revenues	96,175	95,801
Adjusted EBITDA	79,592	71,694
FFO	47,552	36,331

[1] Including advanced payments for pipeline acquisitions and Investment property classified as held for sale.

[2] Net LTV calculated as Net debt / (Total assets less Cash and cash equivalents). Net LTV as at 31 December 2020 restated for comparative purposes.

[3] Excluding assets held for sale and assets held in other EU jurisdictions, pro forma the completed disposal of hotel operations in July 2021 of the London hotels acquired in January 2020.

Highlights – H1 2021

Total assets as at 30 June 2021 EUR 4,718 million (EUR 4,757 million as at 31 December 2020). Investment property as at 30 June 2021 EUR 3,434 million (EUR 4,350 million as at 31 December 2020 including EUR 1,001 million of investment property classified as held for sale).

- **EUR 976 million of assets disposed** in German portfolio in first half of 2021, including disposal of 62,503 sqm Berlin asset complex + 44,000 sqm of buildings rights **resulting in a net gain of more than EUR 250 million, a 40% premium on the total investment.** All disposals were done at or above book value validating property valuations.
- **Portfolio valuations remained supportive** with no material change of fair value across the portfolio.
- The Group maintains an active acquisition pipeline with predominantly income producing assets in the top cities in Germany with well diversified and quality tenants.

H1 2021 Revenues EUR 96.2 million (H1 2020: EUR 95.8 million), Adjusted EBITDA EUR 79.6 million (H1 2020: EUR 71.7 million), FFO EUR 47.6 million (H1 2020: EUR 36.3 million). While revenue remained stable in the period, the revenue mix have changed due to the signing of new rental agreements in the German portfolio and by the COVID-19 impact on our hotel operations (which were disposed in July). The increase in rental income as well as operational savings supported the increase in Adjusted EBITDA and FFO. The FFO was further supported by the decrease in net cash interest.

Consolidated position of EUR 1,132 million[1] of cash and other financial assets as at 30 June 2021, with significant influx of cash post reporting date as a result of a tap issue on the EUR 300mn 2025 Bond completed in July 2021 in the amount of EUR 340 million.

The Company has maintained conservative credit ratios: **Net LTV at 39.0%, unencumbered assets ratio at 59.6%. Secured LTV of 7.3%.**

- The Company has **prepaid EUR 76 million of secured financing in the first half of 2021**, including prepayment of GBP 58 million (EUR 68 million) of its secured debt in April 2021. An additional prepayment of GBP 20 million (EUR 23 million) was made in July 2021, further reducing its secured debt in UK and lowering interest expenses on this facility.
- On 2 February 2021, the Group entered into **a sale and lease back agreement for the freehold rights of one of its hotels in London**. The transaction represents attractive financing with a cost of approx. 2% for the Group and net proceeds of GBP 52 million.
- Outstanding unsecured bonds have **sufficient headroom across all covenants**.
- **Average debt maturity of 3.4 years**, Average cost of debt 2.81%.
- **Extended waiver for certain financial covenants** for UK portfolio's secured debt until July 2022.

Strong collection rates across portfolio: approx. **90% collection rate for first half of 2021.**

- **H1 2021 Rent collection German portfolio:** approx. 90%.
- **H1 2021 Rent collection UK hotel portfolio:** 88% with the remainder 12% deferred to be collected in 2021 and 2022.
- **100% collection rate for UK portfolio for Q3 2021.**
- None of provided rental guarantees are invoked and none of the tenants reported insolvency issues.

Continued successful asset management activities in 2021: **Over 18,000 sqm**[2] **of new leases or prolongations signed in first half of 2021** for German portfolio, with strong leasing pipeline for H2 2021, with 2 pre-permits obtained for additional building rights for a total of approx. 19,500 sqm.

[1] Out of which cash position of EUR 423 million and other current financial assets of EUR 709 million.
[2] Including signed LOI with a government related entity.

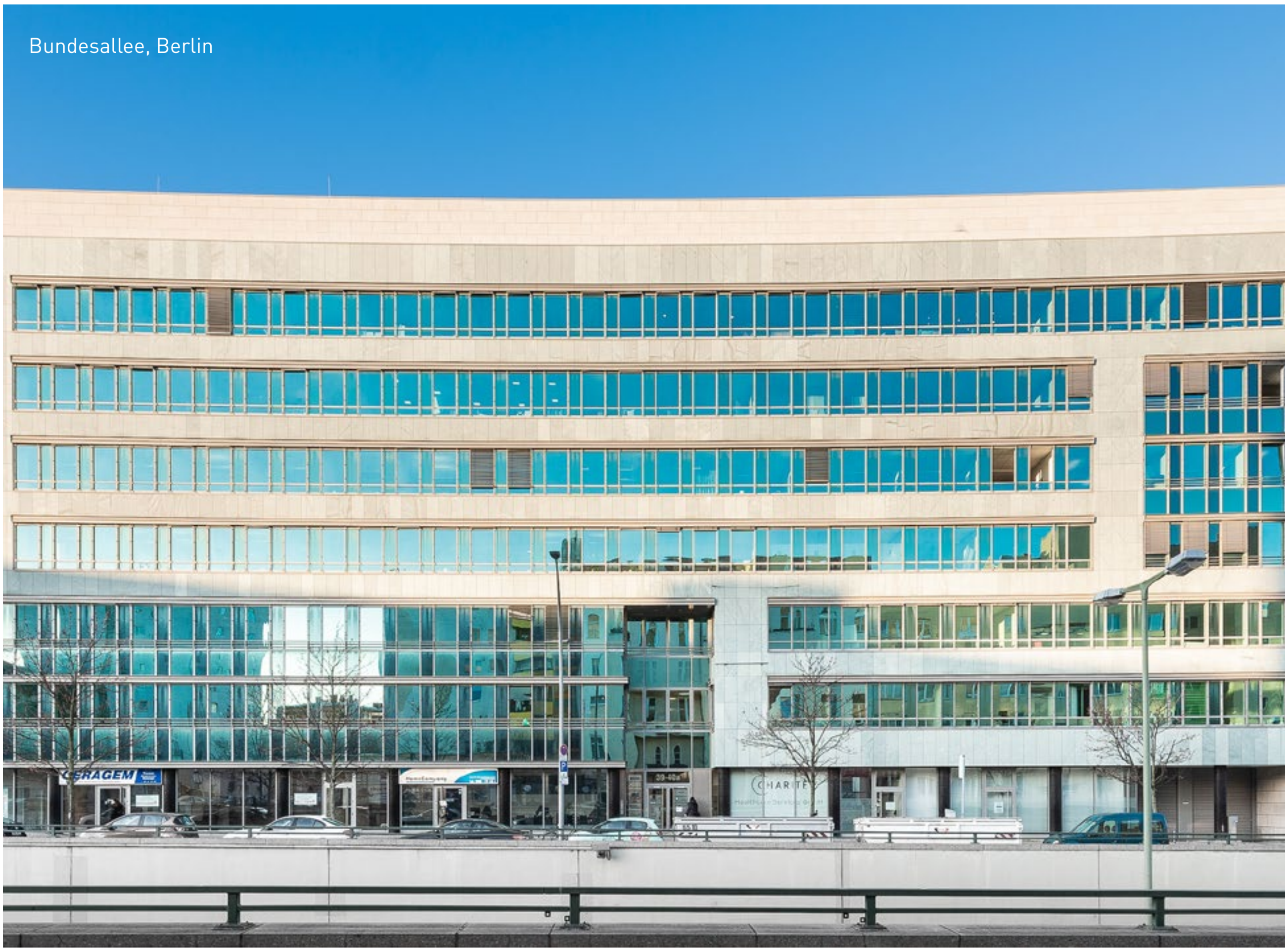
Highlights – Events after the Reporting Period

In July 2021, the Group completed the disposal of hotel operations from the 2 London hotels acquired in January 2020 whereby the operations were transferred outside of the Group to affiliated parties and long-term operational leases have been entered into. Subsequent to the above, **all our UK portfolio is leased in long term operational leases and the Group is not directly exposed to operational risk**. Following the disposal, the hotel operations are expected to be sold to a third party for which an LOI has been signed.

In July 2021 the Group tapped its original EUR 300 million 2025 Notes by placing an additional EUR 340 million of new notes of the same series. The new 2025 Notes have the same terms and conditions as the existing 2025 Notes and form a single consolidated series with the existing 2025 Notes. Following settlement, the aggregate nominal amount of the 2025 Notes in issue increased to EUR 640 million. The Company intends to use the net proceeds of the placement for general corporate purposes including the acquisition of income producing real estate assets, mainly in the German office sector.

The Group prepaid an additional GBP 20 million (EUR 23 million) of its secured debt in July 2021, further reducing its secured debt on its UK portfolio to and further reducing total cost of debt. The Group reduced the outstanding amount on this facility from EUR 524 million as of January 2020 to EUR 333 million as of the date of this report.

Bundesallee, Berlin



3. THE COMPANY

Vivion is a commercial real estate company, focusing on the ownership, management and improvement of properties in Germany and the United Kingdom. Vivion's portfolio comprises a quality office real estate portfolio in Germany which benefits from the strong expertise, reputation and network of its affiliated asset management platform and a well-diversified predominantly 3-4 star hotel portfolio in the United Kingdom let to experienced and internationally known hotel operators. Vivion's German Portfolio consists of predominantly office properties located in top German cities with significant commercial activity, let to a variety of creditworthy tenants including government entities and "blue chip" companies, while its UK Portfolio consists of predominantly mid-market branded hotels mainly located in the UK's largest cities.

Portfolio

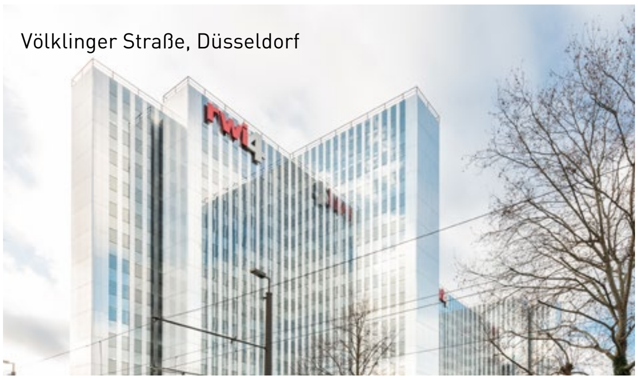
As at 30 June 2021 In EUR millions unless stated otherwise	**Total**	**%**
Investment Property Germany	**1,414.8**	30
Investment Property UK	**1,985.4**	42
Cash & other current financial assets[1]	**1,131.9**	24
Other	**185.7**	4
Total Assets	**4,717.8**	**100**

[1] Out of which cash position of EUR 423 million and other financial assets of EUR 709 million. To be reinvested into assets mainly in Germany office sector and to be used as a liquidity cushion.


Potsdamer Straße, Berlin

30 June 2021 In EUR millions unless stated otherwise	**Total**	**UK**	**Germany**
Fair Value[1]	**3,259.6**	1,985.5	1,274.1
Advance payments for future acquisitions	**70.8**	0	70.8
Investment property held for sale	**69.9**	0	69.9
Total	**3,400.3**	**1,985.5**	**1,414.8**
% of Aggregate Portfolio value	**100**	58	42

[1] Excluding assets held in other EU jurisdictions.

Völklinger Straße, Düsseldorf


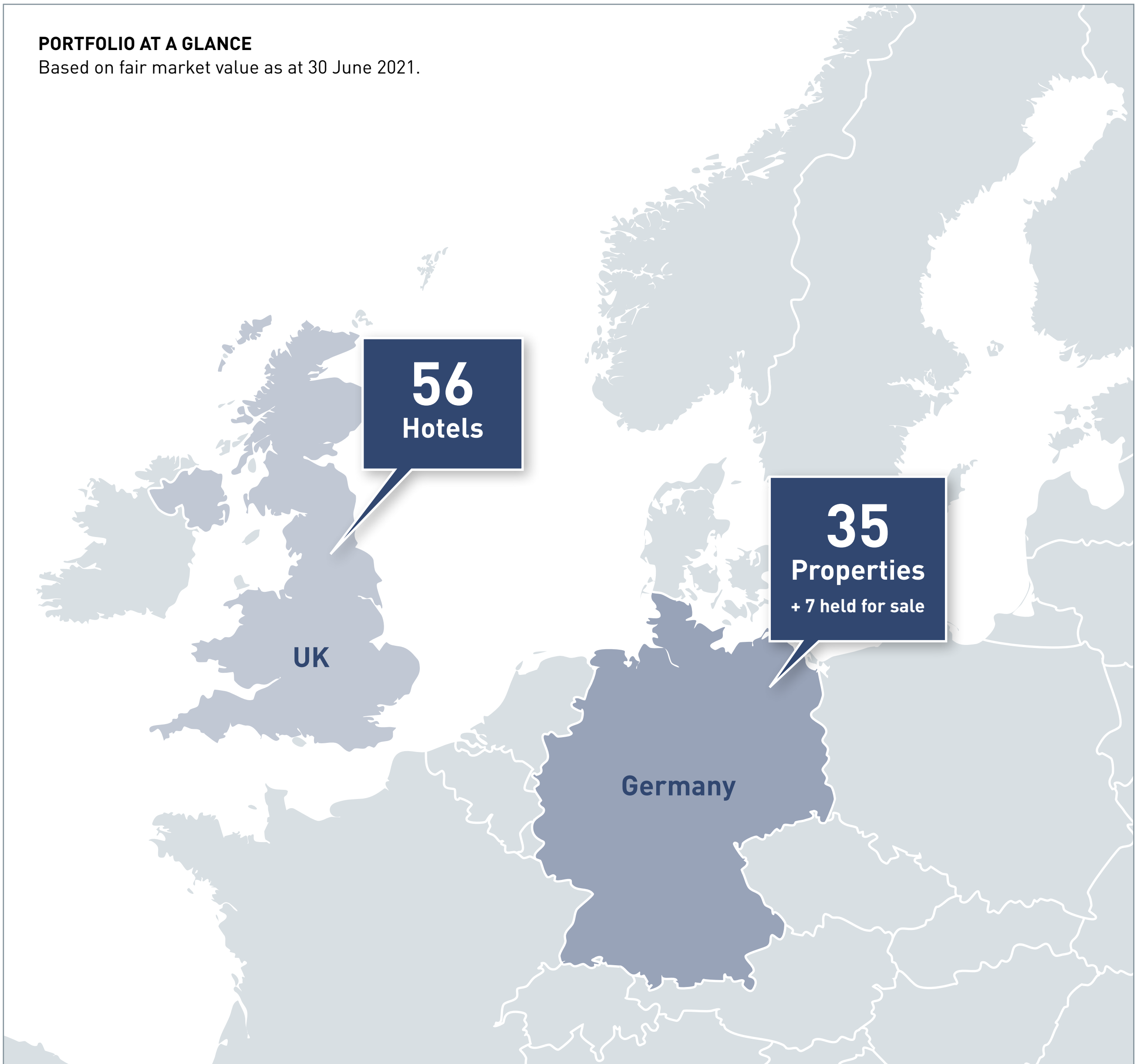
Holiday Inn, London Heathrow Ariel

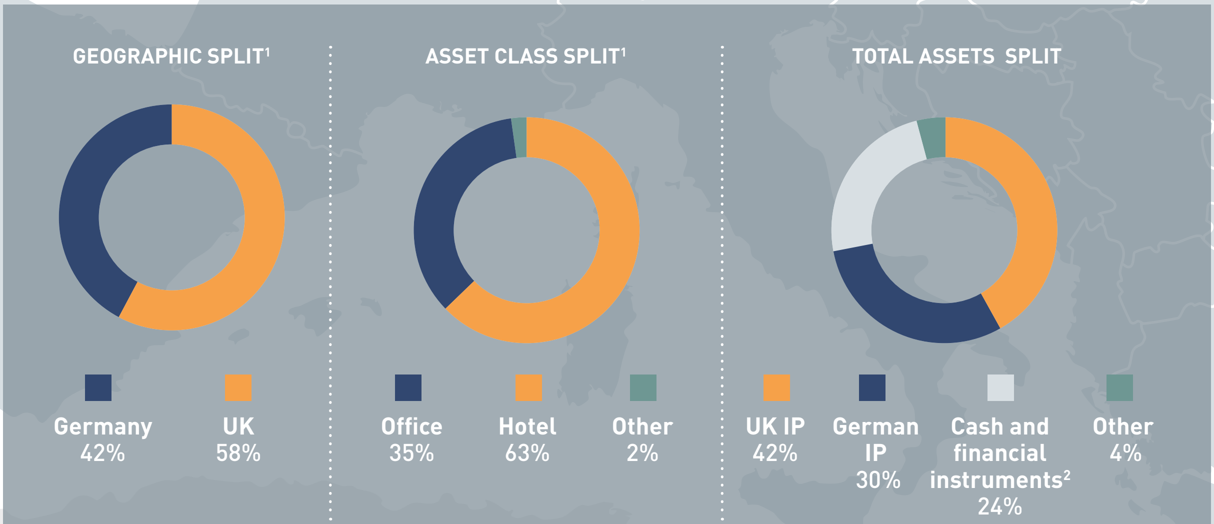

During the first half of 2021, The Group disposed a total of 5 assets in Germany that no longer met the Group's investment criteria, including its interest in an asset complex in the center of Berlin through a share deal. The asset complex consists of 3 existing buildings that include a mix of mainly office space, retail and leisure areas with a total of 62,503 sqm area and 538 parking spaces. Additional building rights for the development of an additional 44,000 sqm were also included in this transaction. resulting in a net gain of over EUR 250 million, a 40% premium on the total investment. The completion of the share deal occurred in June 2021. The sale of this asset complex demonstrates strong continued interest in the German office market in the top-7 cities, the Group's ability to source good off-market transactions and confirms portfolio valuations.

As at 30 June 2021, investment property with a fair value of approx. EUR 70 million was classified as 'held for sale', as these properties no longer meet the Company's investment criteria or have already realised their material potential. *(for more information on held for sale assets as at 30 June 2021 see note 6 to the Reviewed H1 2021 FS, Annex I)*

Potsdamer Straße, Berlin

PORTFOLIO AT A GLANCE
Based on fair market value as at 30 June 2021.





[1] Excludes assets held in other EU jurisdictions, includes assets held for sale, advance payments and IFRS 16 adjustments.

[2] Out of which cash position of EUR 423 million and other financial assets of EUR 709 million. To be reinvested into assets mainly in Germany office sector or to be used as a liquidy cushion.

The length of the leases as well as the tenant profile and diversity reflect the stability of the Company's rental income stream and provides high predictability of the future cash flows. As at 30 June 2021, the WAULT of the Company's portfolio was 12.2 years, which the Group considers to be above industry norm. In addition, the vast majority of the leases are indexed for inflation, providing a protection against future risk of loss of purchasing power. The Groups UK portfolio benefits from long term leases with strong tenants, which is further supported by corporate in-place rent guarantees totaling a weighted average of approx. 38 months of rent across the full lease period, as at 30 June 2021. The Property Occupancy Rate stands at 96%.

As at 30 June 2021[1] In EUR millions unless stated otherwise	**Total**	**UK**	**Germany**
Annualised In-place rent	**179**	122	57
WAULT (in years)	**12.2**	14.3	7.6
Property Occupancy Rate in %	**96.4**	100	91.2
Number of properties	**91**	56	35

Holiday Inn Edinburgh

[1] Excluding assets held for sale and two properties held in other EU jurisdictions. pro forma the completed disposal of hotel operations of the London hotels in July 2021.

3.1. German portfolio

GAV[1]:
EUR 1.3bn

Annualised in-place Rent[1]:
EUR 57m

Number of assets[1]:
35

Property Occupancy Rate[1]:
91%

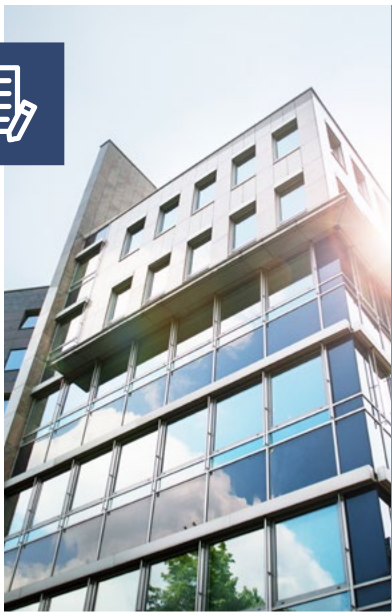
WAULT[1]:
7.6 yrs

As at 30 June 2021, the German portfolio consists of 35 properties (excluding assets held for sale), concentrated in or around Tier 1 cities, with 35.7% and 48.3% of the office properties located in the Berlin and Rhein-Ruhr metropolitan areas, respectively. 86% of the assets are in the office category (percentages according to fair value).

The performance of the German portfolio has remained stable throughout the Covid-19 pandemic and experienced high collection rates of approx. 90% for the first half of 2021.

The Property Occupancy Rate stands at approx. 91% as at 30 June 2021. The Company, supported by the local asset management teams, pursues a number of lease transactions which it expects to crystalize in the second half of 2021 that are expected to increase the Group's Property Occupancy rate. Following a successful 2020 with over 65,000 sqm of new lease and prolongations signed, the Group continued to enter into new mainly double net and inflation indexed, long-term lease agreements with new and existing anchor tenants. In the first half of 2021, over 18,000 sqm[2] of new leases and prolongations were signed. The Company remains on track to increase the Group's Property Occupancy rate.

Completed sales transactions in the first half of 2021 as well as the classification of several assets as held for sale resulted in a reduction in the number of assets between 31 December 2020 and 30 June 2021. Assets which have realised their value potential or no longer meet the Company's investment criteria are classified as held for sale.



GERMAN PORTFOLIO:
Continued successful asset management activities in 2021

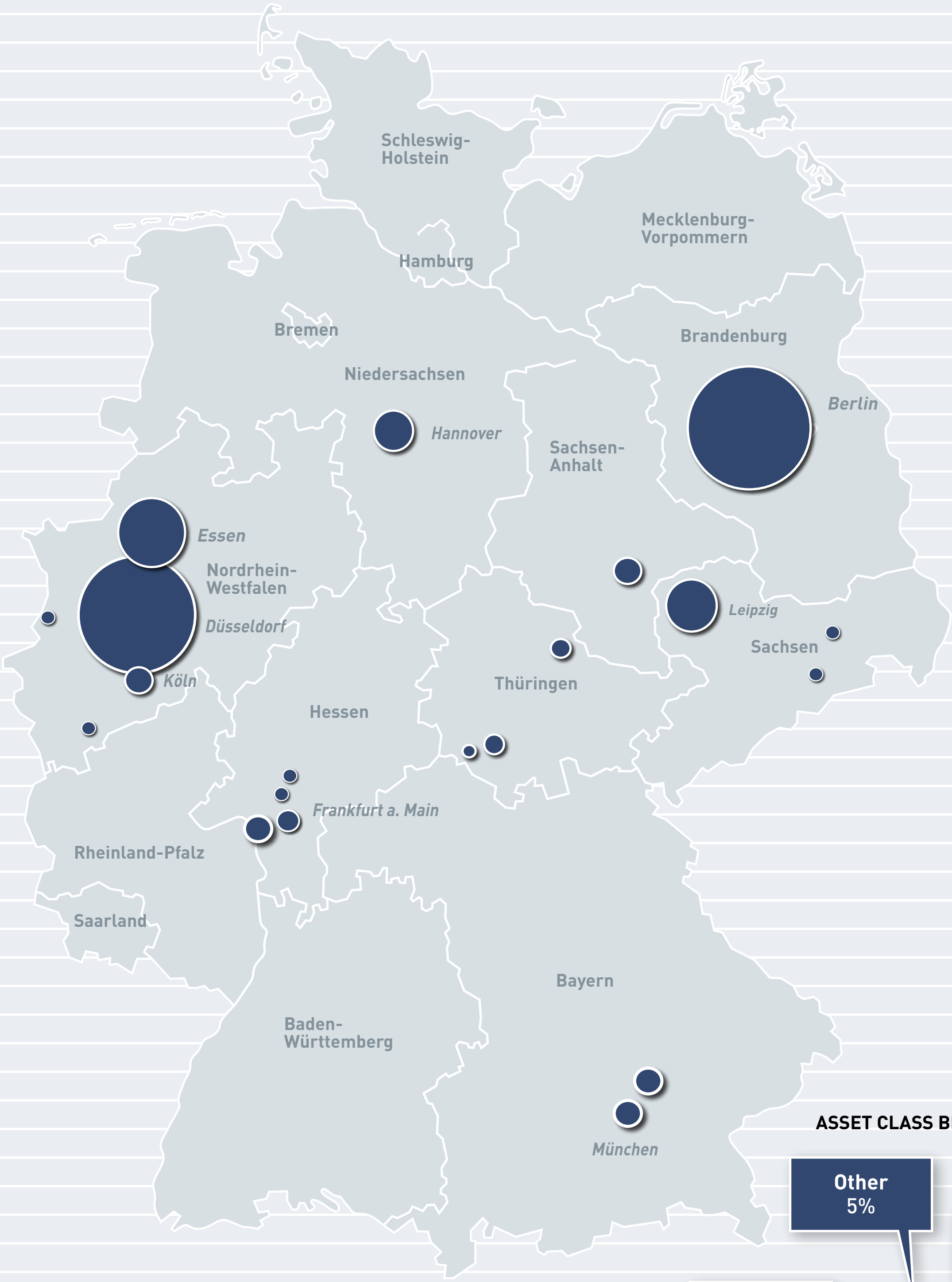
Over 18,000 sqm of new leases or prolongations were signed in first half of 2021 with strong leasing pipeline for H2 2021. The signed contracts in 2021 include lease prolongations with anchor tenants in several properties which assures stable future cashflows. Contracts were signed for properties in Dusseldorf, Berlin, Frankfurt and Hannover, adding over EUR 6.5mn of total contractual rental income. For the second half of 2021, the Group maintains a strong pipeline of substantial leasing prospects for several vacant spaces and 2 pre-permits are obtained additional building rights for a total of approx. 19,500 sqm.

The signing of new leases and the active leasing pipeline demonstrate the quality of the portfolio and Vivion's asset management capabilities.

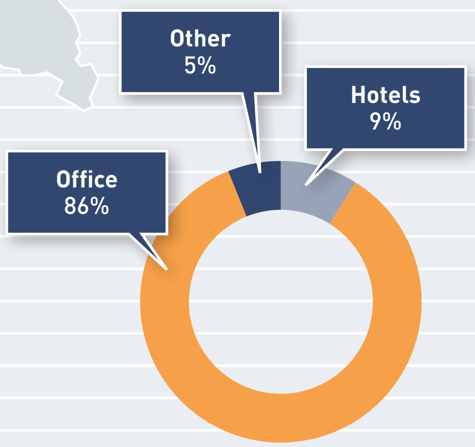
[1] Excluding assets held for sale.
[2] Including signed LOI with a government related entity.

GEOGRAPHIC FOOTPRINT OF GERMAN PORTFOLIO

Based on fair market value as at 30 June 2021, excluding assets held for sale.



ASSET CLASS BREAKDOWN



Office class properties

Office properties represent approx. 86% of the Group's German portfolio, where the majority of the tenants were not directly impacted by the lockdown restrictions in Germany.

Funds from the German assets disposals completed in 2021 are planned to be reinvested into the German office sector to increase the office asset class ownership.

The German office portfolio benefits from a highly diversified tenant base with more than 150 tenants comprising a healthy mix of government entities and commercial tenants including "blue chip" companies. Tenants in the office class assets include government and public sector entities such as Bau- und Liegenschaftsbetrieb NRW ('BLB NRW'), an agency of the German Federal state of North Rhine-Westphalia and Landesamt für Geoinformation und Landesvermessung Niedersachsen ('LGLN'), a state surveyor office, as well as blue-chip companies like Innogy, Caterpillar, MyToys (Otto Group) and Volvo.

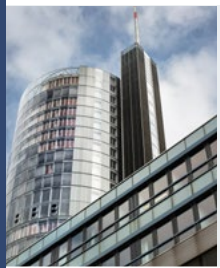
The COVID-19 pandemic continues to shape activity in the top office markets in Germany. However, there are signs that occupiers are again looking into the future with more confidence. Take-up stood around 1.3mn sqm for the first six months of 2021. Office take-up in Frankfurt, Hamburg and Cologne rose appreciably while figures in Düsseldorf and Munich were down compared with the first half of 2020. However, these two cities also show the greatest potential to recover. The average vacancy rate across the top six office markets rose moderately to 3.9%. This is 10 basis points higher than in the previous quarter and 70 basis points higher than in the corresponding period last year. Despite the higher vacancy rate, rents remained stable compared with last year. While the prime rent fell by 0.3% to €35 per sq m, the average rent rose by 0.2% to almost €18 per sq m.

Demand remains high in the core and core plus segment and occupiers are also prepared to pay premium rents. Germany remains a safe haven, which has also held true during the Corona year of 2020 that closed with the second-best investment result ever. With abundant liquidity, it is expected that yields will soften further in 2021.

TOP 5 ASSETS, OFFICE CLASS

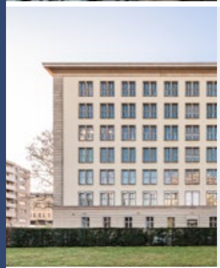
Völklinger Straße

Location: Düsseldorf
NLA: 47.1k sqm



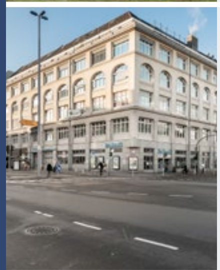
Opernplatz

Location: Essen
NLA: 56.3k sqm



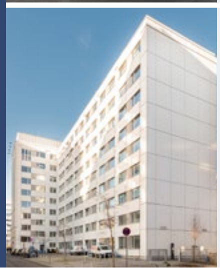
Potsdamer Straße

Location: Berlin
NLA: 22.4k sqm



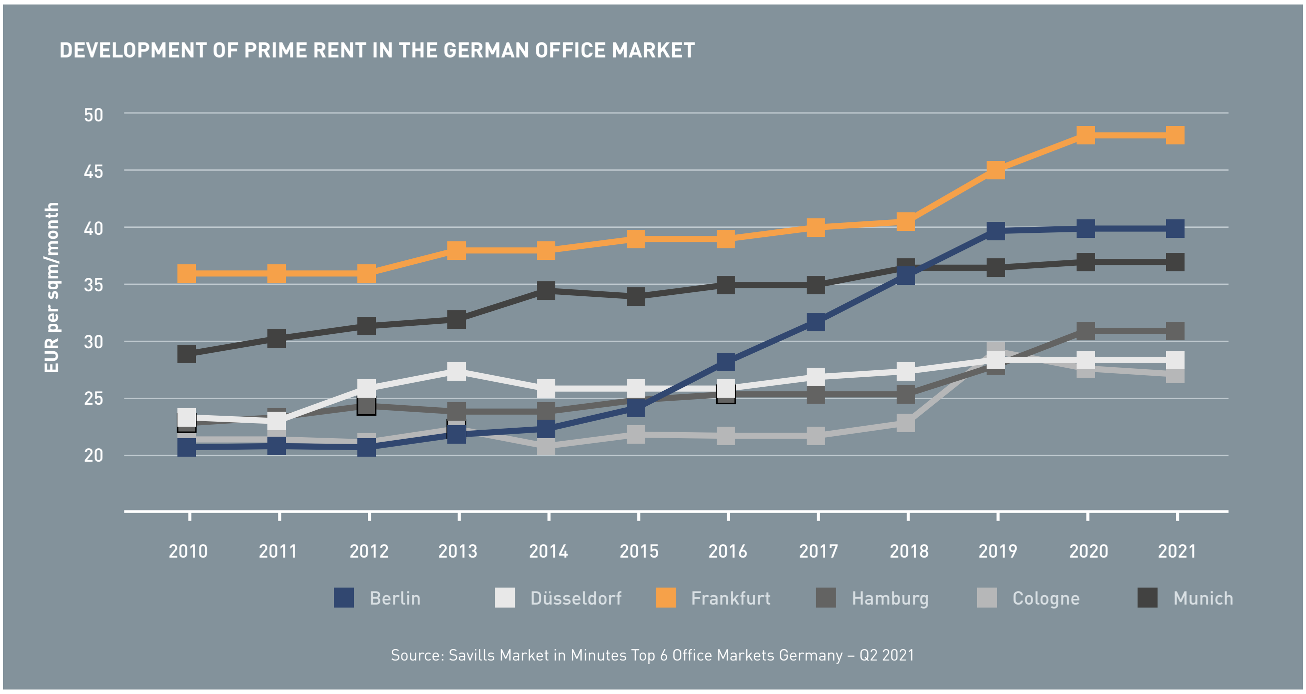
Potsdamer Straße

Location: Berlin
NLA: 18.4k sqm



Karl-Liebknecht-Straße

Location: Berlin
NLA: 7.9k sqm


DEVELOPMENT OF PRIME RENT IN THE GERMAN OFFICE MARKET
EUR per sqm/month
50
45
40
35
30
25
20
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
Berlin
Düsseldorf
Frankfurt
Hamburg
Cologne
Munich
Source: Savills Market in Minutes Top 6 Office Markets Germany – Q2 2021


Karl-Liebknecht Straße, Berlin

3.2. UK portfolio

GAV:	Annualised in-place Rent[1]:	Property Occupancy[1]:	WAULT[1]:	Number of hotels:	Rooms:
EUR 2.0bn	EUR 122m	100%	14.3 yrs	56	8,874

The UK Portfolio consists of 56 hotel properties strategically located throughout the UK. The properties are all well positioned in their local catchment area. Over 50% of the portfolio is located in the Greater London area. The hotels are predominantly positioned as mid-market hotels operating under international brands such as Hilton, Holiday Inn, Best Western and Crowne Plaza. The hotels enjoy a balanced mix of leisure and business from both the UK and abroad.

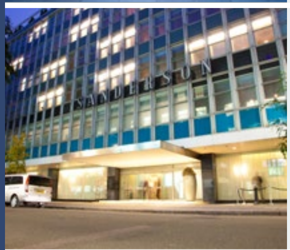
Following the completion of the disposal of the hotel operations for the 2 London hotels acquired in January 2020, the Company is no longer directly and materially exposed to the cyclicality of the hotel operations and benefits from long term fixed and RPI indexed lease agreements with a WAULT of 14.3 years as at 30 June 2021.

All hotels are under separate leases. The Hilton portfolio is covering approx. 24% of the UK hotel portfolio, according to fair value. The rental income generated from the Hilton leases has the benefit of a guarantee that covers the remaining term of the lease (approx. 11.5 years as at 30 June 2021). For the remainder of the leases, substantially all hotel tenants have provided rolling rent guarantees with variable length. The combined rental guarantees cover a weighted average of 38 months of rent (as at 30 June 2021).

TOP 5 ASSETS, HOTEL

St. Martins Lane

Location: Central London
Keys: 204



Sanderson Hotel

Location: Fitzrovia Central London
Keys: 150

HI Regent's Park

Location: Central London
Keys: 339

HI Heathrow M4 Jct4

Location: London
Keys: 615

CP Manchester Airport

Location: Manchester
Keys: 299

[1] Pro forma the completed disposal of hotel operations of the London hotels in July 2021.

OPERATIONS DISPOSAL LONDON HOTEL

The Company acquired the prominent 4 plus star Sanderson and St. Martins Lane hotel in January 2020. The acquisition included both asset and the operations. the Group planned to dispose of the hotel operations for these two hotels and to retain the assets with a long-term, inflation linked lease in place. In July 2021 the hotel operations were disposed to affiliated operating companies outside of the Group and long-term operational leases have been entered into. Following the disposal, the hotel operations are expected to be sold to a third party for which an LOI has been signed.

Subsequent to the above, all of our UK portfolio is leased in long term operational leases and the Group is not directly exposed to operational risk.

UK Portfolio: H1 2021 portfolio performance

- 88% collection rate for H1 2021 rents, 12% of rents deferred.
- 53 out of 56 of the hotels are currently open, 1 hotel currently under refurbishment.
- No rent was waived – none of the in place rental guarantees were invoked.
- 100% collection rate for Q3 2021.

The Group reports a collection rate of approx. 88% for its UK portfolio for H1 2021 with the remaining 12% deferred to be collected in 2021 and 2022. None of the provided rent guarantees have been invoked. At the date of the report, none of the tenants in the UK have requested a rent-free period or rent reduction meaning rental income is unaffected. For Q3 2021, the Group received 100% of the rents.


Sanderson Hotel, London


Holiday Inn Heathrow, London

OPEN LOBBY CONCEPT

As part of the capex program, the Group has completed the upgrade of the public spaces for several hotels in its portfolio. The Open Lobby concept is designed to provide guests with one multi-faceted public space to eat, meet, relax, socialise and work as they choose. It includes free Wi-Fi, a 'To Go' cafe, comfortable seating and media lounge. The Open Lobby concept will continue to be rolled out across the portfolio to further improve and upgrade the guest experience across the board and to better accommodate the needs of contemporary business and leisure guests.

In the United Kingdom and Germany federal and state governments had inter alia ordered the preliminary closure of businesses, primarily those with high consumer attendance, such as hotels, restaurants, bars, clubs, retail stores, and others. As a result, some of our hotels in the UK had to close during government-imposed lockdowns in 2020 and the beginning of 2021. Other hotels remained open to host essential workers and government employees. On 19 July 2021, the UK lifted most of the government restrictions originally in place. As of the date of this report, 53 hotels out of the 56 hotels are open and it is expected that the remainder 3 hotels will re-open in the coming months. 1 hotel is currently under refurbishment.

At the start of the Covid-pandemic, a number of hotel operators, with the help of the Groups local asset management team, were able to secure sole-use contracts with the UK government or government related entities to accommodate key workers and other Covid-related guests. The sub-leases support the respective hotel operators in their cashflows. A number of hotels still accommodate key workers and other Covid-related guests as of the date of this report.

The successful and rapid vaccine roll-out in the UK has enabled the government to set out its phased road map to recovery. Hotels in England were finally allowed to reopen on 17 May 2021. This followed earlier reopenings in Wales on 12th April and Scotland on 26th April. Prior to reopening, hotels were only able to accommodate guests for essential, legally permitted reasons such as work and education purposes. The lifting of all COVID-19 trading restrictions on England's 'Freedom Day' on July 19 saw a significant boost at hospitality venues across the country. As hotel performance was heavily affected by the lockdown restrictions, any growth in GDP next year is expected to have a significantly positive impact on hotel performance in 2021 and 2022.

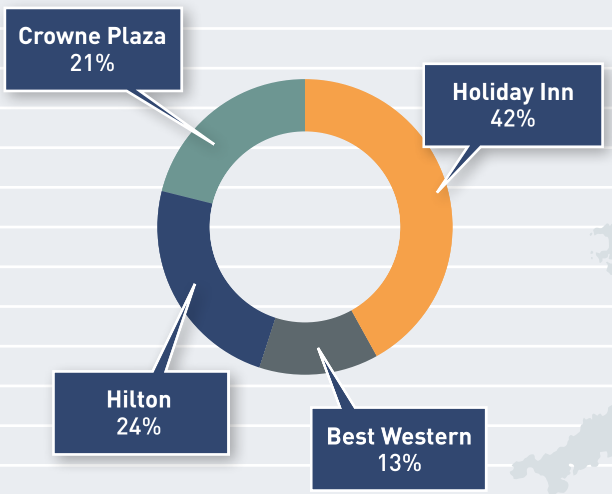
Domestic leisure demand is leading the recovery of the UK regional hotel market. "Bounce-back ability" will be key for recovery, especially in hotels. The strong geographic location of the Group's UK hotel portfolio together with its end user diversification as well as the more resilient 3 / 4-star brands position the hotels to recover well in comparison with its peer set. Some of the Group's regional hotels report already solid trading levels for the summer period that even outperform pre-covid levels.

The hotel tenants continue to benefit from measures introduced by the UK government to boost the hospitality sector. This includes utilizing the Covid-19 Job Retention scheme which has been extended and benefitting from the reduced 5% VAT rate for hospitality and tourism industries which has been extended until the end of September 2021, followed by an interim rate of 12.5% for the rest of the year. The business rates holiday in England has also been extended until the end of June 2021.

GEOGRAPHIC FOOTPRINT OF UK PORTFOLIO

By fair value as at 30 June 2021, excludes IFRS16 adjustments.

BRAND DIVERSIFICATION, BASED ON FAIR MARKET VALUE[1]



[1] Excluding Sanderson and St. Martins lane hotels.

4. CAPITAL STRUCTURE

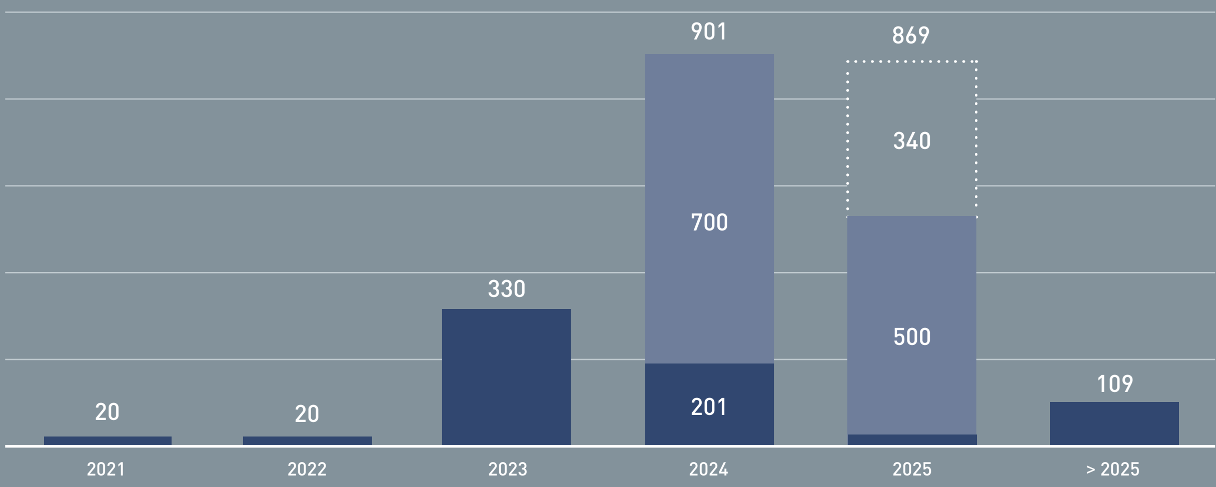
In EUR millions unless stated otherwise	30 June 2021	31 December 2020
EPRA NRV	1,814	1,853
EPRA NTA	1,811	1,853
Net Debt	1,674	1,805
Net LTV	39.0%	40.1%
Secured LTV	7.3%	12.0%

- Conservative capital structure with low LTV ratios.
- EUR 76 million secured debt repaid during H1 2021.
- Average cost of debt: 2.81%. Average debt maturity 3.4 years (as 30 June 2021).
- Additional repayment of GBP 20 million (EUR 23 million) repayment of secured debt in July 2021.

The Company's prudent capital structure is reflected in a low LTV of 39.0% as at 30 June 2021. The Company's management considers the conservative debt metrics to be essential to secure long-term financial strength.

The low LTV level allows the Group to drive further growth, while maintaining a conservative capital structure. Moreover, the Company has no material debt maturing in the next 18 months. Approx. 83% of total debt is not exposed to variable interest. The majority of the secured debt bearing variable interest is hedged to mitigate variable interest risk. The Total outstanding debt has an average maturity of 3.4 years with a weighted average cost of debt of 2.81% p.a. as at 30 June 2021.

DEBT MATURITY PROFILE
x 1 mln, as at 30 June 2021



Scheduled amortization includes GBP 20 million additional secured debt prepayment paid in July 2021 and EUR 340 million bond tap issued in July 2021.
Interest payments excluded. GBP – EUR FX Rate assumed at a constant rate of 1.1654. Excludes long-term lease liabilities, accrued interest and capitalized transaction costs.

Other debt   Unsecured Bond

As at 30 June 2021, the Company has EUR 1.2 billion senior unsecured notes outstanding:

- EUR 700 million senior unsecured notes due July 2024, priced at a coupon of 3.00%
- EUR 300 million senior unsecured notes due November 2025 priced at a coupon of 3.50%.
- EUR 200 million senior unsecured pre-IPO convertible bonds due August 2025 priced at a coupon of 2.25%.

In July 2021 the Group tapped its original EUR 300 million 2025 Notes by placing an additional EUR 340 million of new notes. The new notes have the same terms and conditions as the existing 2025 Notes and form a single consolidated series with the existing 2025 Notes. Following settlement, the aggregate nominal amount of the 2025 Notes in issue increased to EUR 640 million. The tap of the EUR 300 million 2025 bonds has further enhanced the company's unsecured / secured debt mix.

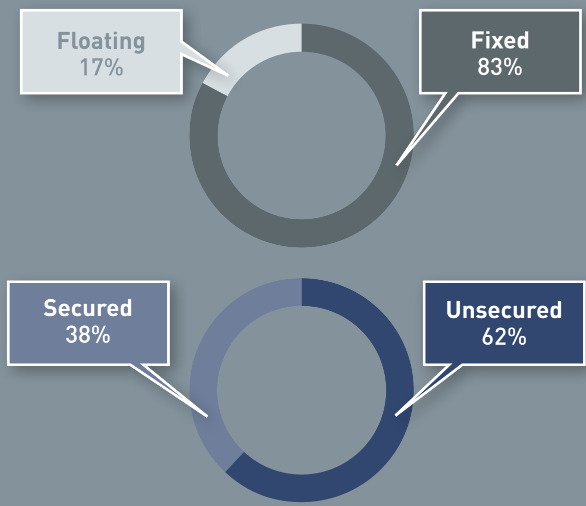
Both 2024 Notes and 2025 Notes have been admitted to the Official List of Euronext Dublin and trade on the Global Exchange Market of Euronext Dublin. S&P assigned the Company a "BB" corporate rating with a stable outlook and a rating of "BB+" to these notes.

The Company's continued activity in the unsecured debt markets and accelerated repayment of secured debt has increased the unsecured portion of the debt funding mix. As at 30 June 2021, the Company has a total outstanding secured debt amount of EUR 738.8 million with various banks.

Sanderson Hotel, London

Debt Profile

DEBT PROFILE
as at 30 June 2021



Floating includes hedged through cap or swap.

In EUR millions unless stated otherwise	As at 30 June 2021
Unsecured debt at Company Level	1,200.0
Secured Debt UK portfolio	359.2
Secured Debt German portfolio	379.6
Total debt	**1,938.8**

Excludes long-term lease liabilities, accrued interest and capitalized transaction costs, unsecured debt includes embedded derivative related to 2025 convertible bond.

In the first half of 2021, the Group repaid a total of EUR 76 million of secured debt, including an additional prepayment of GBP 58 million (EUR 68 million) on its secured senior loan facility on part of its UK portfolio. In July 2021, the Group repaid an additional GBP 20 million (EUR 23 million) on this facility.

On 10 April 2021, the Group received an extension of the financial covenant waiver that was first obtained in July 2020. The closure of hotels during the lockdown in the UK has impacted operational metrics used for covenant testing purposes but has not impacted rental income due to the Group, which continued to be paid. The extended waiver covers a period up to but not including the interest payment date falling on 13 July 2022.

On 31 December 2020, a subsidiary of the Group entered into a sale and lease back agreement for the freehold rights of one of its Hotels in London. The underlying lease is for 200 years with a buy back option at the end of the lease for 1 pound and a lease payment of GBP 1.2 million per annum. The transaction was completed on 2 February 2021. The transaction represents attractive financing with a cost of approx. 2% for the Group and net proceeds of GBP 52 million after depositing the first two years of rent (gross proceeds of GBP 54.3 million).

EPRA NRV and NTA

Following the changes announced by the European Public Real Estate Association ("EPRA"), The Group will report the EPRA Net Reinstatement value ("EPRA NRV") and EPRA Net Tangible Assets (EPRA NTA") going forward.

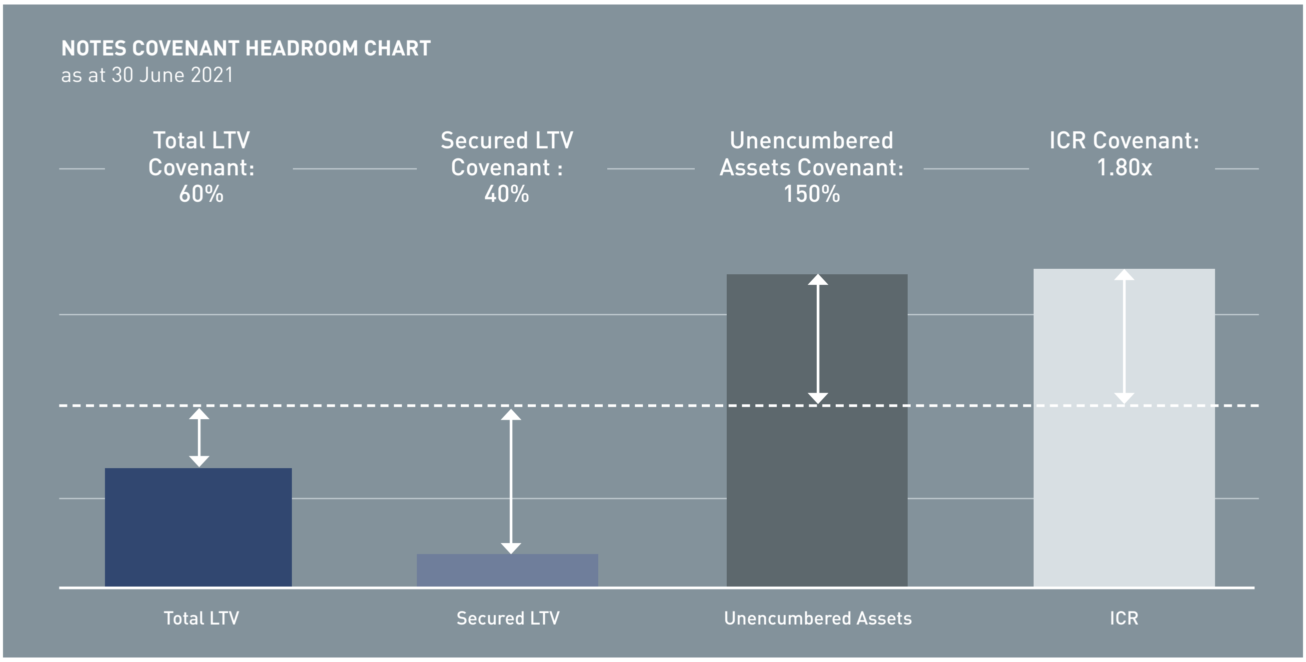
As at 30 June 2021 In EUR millions unless stated otherwise	**EPRA NRV**	**EPRA NTA**
Equity attributable to the owners of the Company[4]	1,367	1,367
Deferred tax liabilities	222	219
Fair value measurement of derivative financial instruments	-	-
Intangible assets	-	-
Net fair value of debt	-	-
Real estate transfer tax	225	225
NAV	1,814	1,811

Fritz-Vomfelde Straße, Düsseldorf

[4] Defined as equity attributable to shareholders + loans from related parties (incl. accrued interest).

Notes covenants

Each of the notes covenants are met with significant headroom as at 30 June 2021. The company has strict internal policies, with thresholds set at more stringent levels to those stipulated by the covenants. (the covenants for the Notes as defined in the terms & conditions):



Cash and Other Current Financial Assets

As at 30 June 2021 The Group has a consolidated position of EUR 1,132 million[4] of cash and other current financial assets as at 30 June 2021. In addition, the high number of unencumbered assets (EUR 2,770 million as at 30 June 2021, excluding assets held for sale) in the Group's portfolio provides scope for further source of liquidity should this be required.

The Group's liquidity was further enhanced by the EUR 340 million bond tap issued in July 2021. The comfortable liquidity position enables the Group to further pursue its active pipeline of mainly income producing office class assets in Germany.


Gustav-Heinemann-Ring, Ismaning (Munich)


Postdamer Straße, Berlin

[4] Out of which cash position of EUR 423 million and other current financial assets of EUR 709 million.

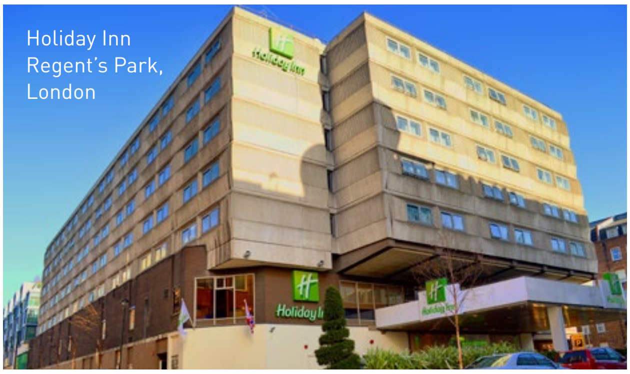
5. OUTLOOK

The Company intends to continue with its strategy and growth path while maintaining its stable cash-flow forecast and its robust and prudent financial structure. The Company's conservative financial structure together with the available liquidity allows the Company the ability to act when attractive market opportunities arise.

The Group maintains an active acquisition pipeline with predominantly income producing assets in the top cities in Germany with well diversified and quality tenants. The Group expect to complete a number of acquisitions in the second half of 2021, increasing its footprint in the German office asset class.

The Company has a 'BB' rating by Standard & Poor's rating service (S&P). The Company continues to strive to achieve a long-term target rating of Investment grade.

The Company believes its diversified portfolio with long-term, inflation linked leases that provide stable rental income and its conservative financial structure will support an upgrade in the near future. *(for more information please see S&Ps credit rating report dated 22 October 2020).*


Holiday Inn Regent's Park, London


Völklinger Straße, Düsseldorf

6. OPERATING AND FINANCIAL REVIEW

Profit & Loss

In EUR thousands unless stated otherwise	1 January 2021 to 30 June 2021	1 January 2020 to 30 June 2020
Rental income	86,423	81,645
Service charge income	8,597	7,703
Hotel income	1,155	6,453
Total revenues	**96,175**	**95,801**
Total operating expenses	(9,574)	(13,819)
Net operating income	**86,601**	**81,982**
Selling & administrative expenses	(9,923)	(21,767)
Net gains (losses) on investment property	42,029	(51,436)
Interest expenses on related parties and non-controlling interest loans	(32,315)	(31,027)
Interest expenses on third parties	(25,179)	(28,463)
Other finance expenses (net)	(10,620)	(2,835)
Profit (loss) before tax	**50,593**	**(53,546)**

Revenues

Revenue composition as per: In EUR thousands unless stated otherwise	**H1 2021**		**H1 2020**	
Rental income	86,423	90%	81,645	85%
Service charge income	8,597	9%	7,703	8%
Hotel income	1,155	1%	6,453	7%
Total revenues	**96,175**	**100%**	**95,801**	**100%**

In the first half year of 2021 the Group generated Revenues of EUR 96.2 million (H1 2020: EUR 95.8 million) from Rental income, Service charge income and Hotel income.

While Total revenues remained stable in comparison to the first half year of 2020, the revenue mix has changed due to the signing of new rental agreements (crystallizing the agreements that were signed subsequent to H1 2020) in the German portfolio and by the COVID-19 impact on the Group's hotel operations (which were disposed in July 2021).

The proportion of the hotel income from the portfolio income have been reduced to 1% in this period (H1 2020: 7%). In July 2021 the group disposed of the remainder of its hotel operations in accordance with the Groups strategy.

Bundesallee, Berlin

The Queen at Chester Hotel | Premier Collection by Best Western

Total Operating Expenses

In the first half year of 2021 Total Operating expenses amounted to EUR 9.6 million (H1 2020: EUR 13.8 million). The decrease is attributed to additional operational efficiencies in the German portfolio and the reduced activity in the Group's hotel operations.

Net operating income

Net operating income margin improved from 86% in H1 2020 to 90% in H1 2021. The increase is the result of the Group's efforts to reduce operating expenses, improved revenue mix as well as currency impact.

Selling & administrative expenses

Selling & administrative expenses amounted to EUR 9.9 million in H1 2021 compared to EUR 21.8 million in H1 2020, a decrease of 54%. Expenses for H1 2020 included, amongst others, transaction costs of EUR 7.0 million relating to the acquisition of two hotels in London in January 2020 and other one-time expenses.

The main other items under these expenses are professional and legal fees.

Net gains on investment property

The Group recorded a net gain on investment property of EUR 42.0 million in H1 2021, compared to a net loss of EUR 51.4 million in H1 2020. The net gain of EUR 42.0 million includes EUR 9.1 million of valuation gains on its German commercial real estate portfolio as well as a profit of EUR 32.0 million due to disposals in the period.

Finance Expenses

Total net finance costs amounted to EUR 68.1 million for H1 2021 (H1 2020: EUR 62.3 million), which were largely driven by third party and bonds interest expenses in amount of EUR 25.2 million and non-cash interest expense on shareholder loans in the amount of EUR 32.3 million.

Cash Flow

In EUR thousands unless stated otherwise	1 January 2021 to 30 June 2021	1 January 2020 to 30 June 2020
Net cash flow from operating activities	53,498	50,920
Net cash flow from (used in) investing activities	248,904	(401,718)
Net cash flow from(used in) financing activities	(139,919)	512,469
Net increase in cash and cash equivalents	**162,483**	**161,671**

Net cash flows from operating activities

The Group generated net cash from operating activities of EUR 53.5 million during the reporting period, an increase of 5% compared to the previous year.

Net cash flow from (used in) investment activities

Net cash from investment activities amounts to EUR 248.9 million in H1 2021 compared to cash used in investing activities of EUR 401.7 million in H1 2020. The Group received EUR 210.2 million as a result of the disposal of various subsidiaries and non-core investment properties.

Net cash flow from financing activities

Net cash flows from financing activities were driven mainly by repayments of EUR 76.5 million on its existing loans and borrowings. The Group received EUR 59.4 million due to the sale-and-leaseback for one of its hotels' freehold rights in London.

Liquidity and Capital Resources

The Group's liquidity requirements mainly arise from the need to fund new acquisitions. As at 30 June 2021 The Group has a consolidated position of EUR 1,132 million of cash and other current financial assets as at 30 June 2021.

As at 30 June 2021, the Group had credit institution financing and senior unsecured notes in total of EUR 1,918.2 million and cash and cash equivalents of EUR 423.3 million (excluding restricted cash of EUR 50.3 million).

Potsdamer Straße , Berlin

7. CERTAIN DEFINITIONS

Below are certain definitions relating to non-IFRS measures and other operating data used in this report.

- "GAV" is a performance measure used to evaluate the total value of the properties owned by the Company excluding assets held for sale and including advance payments for investment property (including leasehold properties due to the application of IFRS 16).

- EPRA Net Tangible Assets ("EPRA NTA") is defined by the European Public Real Estate Association (EPRA) and aims to reflect the tangible value of a company's net assets assuming entities buy and sell assets, crystalizing certain levels of unavoidable deferred tax liabilities. Therefore, EPRA NTA excludes intangible assets and goodwill, and adds back the portion of deferred tax liabilities that is not expected to crystalize as a result of long-term hold strategy. When calculating the EPRA NTA we interpret shareholder loans, including accrued interest to be treated as equity.

- "EPRA Net Reinstatement Value ("EPRA NRV") is defined by the European Public Real Estate Association (EPRA) and it's purpose is to reflect the value of the net assets required to rebuild a company on a long-term basis assuming entities do not sell assets. Thefore, balance sheet items that are not expected to crystalize in normal circumstances such as the fair value movements of financial derivatives and deferred tax liabilities are added back to the equity. Additionally, gross purchaser's costs are added back since this metric is aiming to reflect what would be needed to recreate a company through the investment market based on its capital and financing structure. When calculating the EPRA NRV we interpret shareholder loans, including accrued interest to be treated as equity.

- "Net Debt" is a performance measure used to evaluate company indebtedness. We calculate Net Debt as the sum of non-current and current interest-bearing loans and borrowings, comprising liabilities due to financial institutions and corporate bonds and includes the impact of IFRS 16 (long term lease liabilities), less cash and cash equivalents and excluding interest bearing liabilities held for sale and shareholder loans.

- "Unencumbered Assets" is defined as total assets not subject to any security interest as of the date of determination (excluding assets held for sale).

- "Unencumbered Assets Ratio" is calculated as the amount of Unencumbered assets divided by total assets (excluding held for sale).

- "EBITDA" is a non-IFRS performance measure used to evaluate the operational results of a company by adding back to the profit the tax expenses, net finance expenses, total depreciation and amortisation.

- "FFO" is an industry standard performance indicator for evaluating operational recurring profit of a real estate firm.

- The loan to value ratio ("Net LTV") assesses the degree to which the total value of the real estate properties are able to cover financial debt. The Net LTV is calculated as a ratio of Net Debt to Total assets less cash and cash equivalents.

- The secured loan to value ratio ("Secured LTV") is calculated as a ratio of Net secured indebtedness to Total assets less cash and cash equivalents.

- "Annualised In Place Rent" is defined as contracted monthly rents as at 30 June 2021, without deduction for any applicable rent free periods, multiplied by twelve, and including signed lease agreements with lease terms beginning in the future and signed letters of intent.

- We define "WAULT" as weighted average unexpired lease terms (i.e. the remaining average lease term for unexpired leases with a contractual fixed maturity, not taking into account special termination rights as at 30 June 2021, including signed lease agreements with lease terms beginning in the future and signed letters of intent.

- "Property Occupancy Rate" is defined as the occupancy in the Aggregate Portfolio measured in sqm of NLA as at 30 June 2021, including signed lease agreements with lease terms beginning in the future and signed letters of intent.

- The aggregate amount of rent guaranteed on a weighted average basis pursuant to the rent guarantees relating to the hotel properties in the UK, which we calculate by dividing the total amount of rent guaran-teed under the rent guarantees, by the total monthly rent payable under the relevant leases, assuming that all of our options to extend leases under the relevant leases are exercised and excluding the impact of inflation with respect to inflation linked leases www.vivion.eu

VIVION

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