CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

as at 30 June 2022

VIVION

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

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as at 30 June 2022

Contents

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To the Shareholders of
Vivion Investments S.à r.l.
155, rue Cents
L-1319 Luxembourg

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of Vivion Investments S.à r.l. (the “Company”) and its subsidiaries (the “Group”) which comprise the condensed consolidated interim statement of financial position as at 30 June 2022, and the condensed consolidated interim statement of profit or loss, the condensed consolidated interim statement of other comprehensive income, the condensed consolidated interim statement of cash flows and the condensed consolidated interim statement of changes in equity for the six-month period then ended, and notes, comprising significant accounting policies and other explanatory information (the “condensed consolidated interim financial information”). Management is responsible for the preparation and fair presentation of this condensed consolidated interim financial information in accordance with IAS 34, “Interim Financial Reporting”, as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” as adopted, for Luxembourg, by the Institut des Réviseurs d’Entreprises. A review of condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at 30 June 2022 is not prepared, in all material respects, in accordance with IAS 34, “Interim Financial Reporting”, as adopted by the European Union.

Luxembourg, 13 September 2022

KPMG Luxembourg
Société anonyme
Cabinet de révision agréé

Thomas Gruenwald
Partner

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

Assets

	Note	30 June 2022	31 December 2021
		EUR thousands	
		UNAUDITED	AUDITED
Non-current assets			
Investment property	5	3,633,760	3,587,888
Advance payments for investment property		71,466	80,380
Financial assets	11,12	200,883	-
Loans to and Investment in equity-accounted investees		54,092	49,997
Restricted bank and other deposits		35,748	40,676
Other assets		56,399	57,965
Total non-current assets		**4,052,348**	**3,816,906**

Current assets			
Trade and other receivables		60,395	58,924
Financial assets	2A	57,438	571,327
Other short term assets	2A	212,303	3,151
Cash and cash equivalents		722,356	803,317
		1,052,492	**1,436,719**
Assets of disposal groups classified as held for sale	6	336,035	62,860
Total current assets		**1,388,527**	**1,499,579**

Total assets		**5,440,875**	**5,316,485**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Equity and liabilities

	Note	30 June 2022	31 December 2021
		EUR thousands	
		UNAUDITED	AUDITED
Equity			
Issued share capital		12	12
Share premium reserve		173,010	154,030
Retained earnings		565,748	570,341
Other reserves		1,073	46,481
Total equity attributable to owners of the Company		**739,843**	**770,864**
Non-controlling interests		524,507	484,274
Total equity		**1,264,350**	**1,255,138**

Liabilities

	Note	30 June 2022	31 December 2021
Non-current liabilities			
Bonds	8	1,261,340	1,325,016
Loans and borrowings	7	429,834	691,187
Convertible bond	8	178,968	175,648
Deferred tax liabilities		274,862	281,711
Long-term lease liabilities		29,761	79,363
Liability for sale and leaseback transaction		66,927	64,048
Derivative financial liabilities	11A	30,281	32,452
Tenant deposits		2,280	2,269
Loans from Shareholders		840,132	803,362
Loans from non-controlling interests		577,466	527,168
Total non-current liabilities		**3,961,851**	**3,982,224**

	Note	30 June 2022	31 December 2021
Current liabilities			
Trade and other payables		35,509	25,145
Income tax payables		1,215	6,377
Other short-term liabilities		61,634	32,251
Current portion of loans and borrowings		293,594	15,350
		391,952	**79,123**
Liabilities of disposal groups classified as held for sale	6	92,722	-
Total current liabilities		**484,674**	**79,123**
Total liabilities		**4,176,525**	**4,061,347**
Total liabilities and equity		**5,440,875**	**5,316,485**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Oliver Wolf, Director

Jan Fischer, Director

Date of approval of the condensed consolidated interim financial statements: **13 September 2022**

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT AND LOSS

	Note	For the six months ended 30 June 2022	For the six months ended 30 June 2021
		EUR thousands	
		UNAUDITED	UNAUDITED
Revenues		**108,812**	**96,175**
Property revaluations and capital gains (losses)		(13,473)	43,109
Share in loss from investment in equity-accounted investees		(1,079)	(1,080)
Property operating expenses		(10,726)	(9,574)
General and administrative expenses		(7,597)	(9,923)
Operating profit		**75,937**	**118,707**
Interest expenses on bank loans and borrowings from third parties, net		(23,878)	(25,179)
Change in short-term financial instruments and derivatives		10,868	-
Other finance expenses		(9,991)	(10,620)
Interest expense on shareholder and non-controlling interest loans		(31,023)	(32,315)
Profit before tax		**21,913**	**50,593**
Current tax expense		(9,163)	(6,861)
Deferred tax (expense) income		(3,877)	(40,968)
Profit for the period		**8,873**	**2,764**
Attributable to:			
Owners of the Company		(4,593)	(14,400)
Non-controlling interests		13,466	17,164
		8,873	**2,764**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME

	Note	For the six months ended 30 June 2022	For the six months ended 30 June 2021
		EUR thousands	
		UNAUDITED	UNAUDITED
Profit for the period		**8,873**	**2,764**
Other comprehensive income (loss) that may be reclassified to profit or loss in subsequent periods:			
Foreign currency translation reserve		(12,475)	37,581
Net change in fair value of financial assets at fair value through other comprehensive income	11	(63,924)	-
Total comprehensive income (loss) for the period		**(67,526)**	**40,345**

Attributable to			
Owners of the Company		(50,001)	23,181
Non-controlling interests		(17,525)	17,164
		(67,526)	**40,345**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.


The Queen at Chester Hotel | Premier Collection by Best Western

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

	Note	For the six months ended 30 June 2022	For the six months ended 30 June 2021
		EUR thousands	
		UNAUDITED	UNAUDITED
Cash flows from operating activities			
Profit before tax		**8,873**	**2,764**
Adjustments to reconcile profit for the period:			
Property revaluations and capital losses (gains)		13,473	(43,109)
Change in short-term financial instruments and derivatives		(10,868)	-
Net finance expense		64,892	68,114
Tax expense		13,040	47,829
Share in loss (profit) from investment in equity-accounted investees		1,079	1,080
Change in trade and other receivables		(5,909)	(13,859)
Change in trade and other payables		5,609	(846)
Taxes paid		(13,995)	(8,475)
Net cash from operating activities		**76,194**	**53,498**

Cash flows from investing activities			
Purchase of and CapEx on investment properties		(142,742)	(33,411)
Acquisition of subsidiary, net of cash acquired		(40,320)	-
Disposal of subsidiaries, net of cash disposed		-	185,470
Proceeds from disposals of investment property		4,150	24,750
Advances in respect of investment property		500	75,000
Proceeds from Financial Assets		115,753	-
Change in restricted bank and other deposits		4,929	(404)
Investment in and Loans granted to equity-accounted investees		(3,666)	(2,501)
Investment in traded securities and other financial assets		(52,404)	-
Net cash from (used in) investing activities		**(113,800)**	**248,904**

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	Note	For the six months ended 30 June 2022	For the six months ended 30 June 2021
		EUR thousands	
		UNAUDITED	UNAUDITED
Cash flows from financing activities			
Proceeds from sale-and-leaseback of freehold rights		-	59,439
Repayment of loans and borrowings		(14,002)	(76,535)
Proceeds from issuance of shares		18,980	-
Proceeds (repayment) from Shareholders loans		29,224	(109,714)
Interest paid to third parties		(12,747)	(13,109)
Repurchase of own bonds		(62,037)	-
Net cash used in financing activities		**(40,582)**	**(139,919)**
Net increase (decrease) in cash and cash equivalents		**(78,188)**	**162,483**
Cash and cash equivalents as at the beginning of the period		803,317	257,507
Effect of exchange rate differences on cash and cash equivalents		(2,773)	3,307
Cash and cash equivalents as at the end of the period		**722,356**	**423,297**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Düsseldorf, Germany

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2022

	Attributable to owners of the Company							
	Issued share Capital	Share premium reserve	Financial assets at fair value through other compre-hensive income reserve	Foreign currency trans-lation reserve	Retained earnings	Total	Non-cont-rolling interests	Total equity
	EUR thousands UNAUDITED							
Balance as at 1 January 2022	**12**	**154,030**	**(11,097)**	**57,578**	**570,341**	**770,864**	**484,274**	**1,255,138**
Total comprehensive income								
Profit (loss) for the period	-	-	-	-	(4,593)	**(4,593)**	13,466	**8,873**
Other compre-hensive income (loss)	-	-	(32,933)	(12,475)	-	**(45,408)**	(30,991)	**(76,399)**
Total compre-hensive loss for the period	**-**	**-**	**(32,933)**	**(12,475)**	**(4,593)**	**(50,001)**	**(17,525)**	**(67,526)**
Transactions with owners, recognized directly in equity								
Issue of ordinary shares	*	18,980	-	-	-	**18,980**	-	**18,980**
Acquisition of subsidiaries	-	-	-	-	-	**-**	57,758	**57,758**
Balance as at 30 June 2022	**12**	**173,010**	**(44,030)**	**45,103**	**565,748**	**739,843**	**524,507**	**1,264,350**

* Less than EUR 500.

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021

	Attributable to owners of the Company						
	Issued share Capital	Share premium reserve	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	EUR thousands UNAUDITED						
Balance as at 1 January 2021	**12**	**154,030**	**(12,019)**	**421,786**	**563,809**	**500,540**	**1,064,349**
Total comprehensive income							
Profit (loss) for the period	-	-	-	(14,400)	**(14,400)**	17,164	**2,764**
Other comprehensive income	-	-	37,581	-	**37,581**	-	**37,581**
Total comprehensive income for the period	**-**	**-**	**37,581**	**(14,400)**	**23,181**	**17,164**	**40,345**
Transactions with owners, recognized directly in equity							
Disposal of subsidiaries	-	-	-	-	**-**	(50,634)	**(50,634)**
Sale of shares in subsidiaries to non-controlling interests	-	-	-	-	**-**	1,289	**1,289**
Balance as at 30 June 2021	**12**	**154,030**	**25,562**	**407,386**	**586,990**	**468,359**	**1,055,349**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Potsdamer Straße, Berlin

Gustav-Heinemann-Ring, Ismaning (Munich)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NOTE 1 – CORPORATE INFORMATION

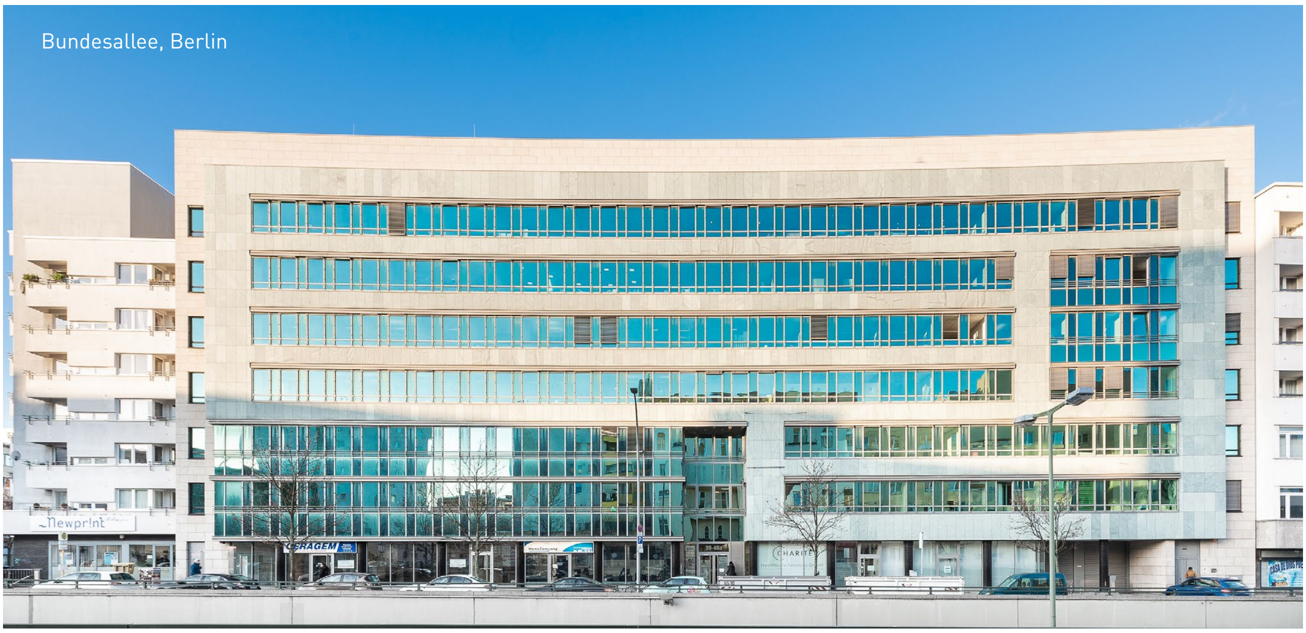
Vivion Investments S.à r.l., (the "**Company**" or "**Vivion**" and together with its consolidated subsidiaries the "Group") was formed in Luxemburg on 19 October 2018 and was registered with the Luxembourg Register of Trade and Companies (*Registre de Commerce et des Sociétés Luxembourg*) on 26 October 2018 under number B228676. The Company has its registered address at 155 Rue Cents, L-1319, Luxembourg.

The issued and fully paid share capital of the Company as at 30 June 2022 was EUR 12,297 (31 December 2021: EUR 12,002) divided into 12,297 shares (31 December 2021: 12,002 shares) with nominal value of EUR 1 each. The Company is a directly held subsidiary of Vivion Holdings S.à r.l ("**Vivion Holdings**") a company incorporated in Luxembourg (30 June 2022: 95.8%; 31 December 2021: 100%, see Note 2(b)). Vivion is a commercial real estate group, focusing on the ownership, management, improvement and selective acquisition and disposal of properties primarily in Germany and in the United Kingdom ("**UK**").

As at 30 June 2022 ("**Reporting date**") the Company indirectly holds 51.5% (31 December 2021: 51.5%) of the share capital of Golden Capital Partners SA ("**Golden**"). Golden's business activities are focused on the German commercial real estate market with a focus on office properties. As at 30 June 2022 the Group owned 45 properties (31 December 2021: 35 properties) in Germany, which were classified as investment property.

Vivion holds 100% interest in Luxembourg Investment Company 210 S.à r.l. ("**LIC 210**") that focuses its business activities on investing in hotel properties located in the United Kingdom. As at 30 June 2022, LIC 210 indirectly held a portfolio of 52 hotels (31 December 2021: 54 hotels) in the United Kingdom, which were classified as investment property.

The Company's rating remained unchanged with a long-term corporate rating of 'BB' with stable outlook and a 'BB+' rating for the two Senior Unsecured Bonds as at 30 June 2022.



Bundesallee, Berlin

NOTE 2 – EVENTS DURING THE REPORTING PERIOD

A. In March 2022, the Group disposed of the outstanding position of non-traded bonds it received as part of the sale of the Berlin asset complex (i.e. Furst Project), with a book value of EUR 332 million for a total consideration of EUR 321 million to a third-party. The total purchase price was split into an immediate cash payment of ca. EUR 112 million which had been received by the Group and a deferred payment for the remaining amount. The interest on the deferred payment is 2% p.a. The security package for the deferred payment includes a full pledge over the non-traded bonds sold.

B. On 1 June 2022, the Group issued and the parent company sold 4.18% shares and shareholder loans to a long-term investor (the "**Investor**") for a consideration of EUR 55 million.

As part of the share subscription agreements, the Investor provided shareholder loans of EUR 14.5 million and GBP 18.1 million (EUR 21.1 million) to the Group (the "**Investor's Loans**"). The Investor's Loans bear 5.15%-5.50% annual interest rate, payable in the 10th anniversary year. In addition, the Group may, occasionally at its sole discretion, subject to 7 days' notice, convert the loan into its own ordinary shares according to a conversion price which reflects the Group's share capital value based on external valuation report as of the date of conversion. It was also agreed that the Group at its sole discretion, have the right to prepay the loan at any time subject to 3 days' notice, or to extend the loan term by additional five years. The shareholder loan provided from Vivion Holdings to the Group holds the same terms and conditions as the loans provided by the Investor to the Group.

Any prepayment or conversion of the Investor's Loans may be executed only on a pro rata basis according to each shareholder stake in the Group.

Loans from shareholders, including the Investor, are unsecured and subordinated to the other Group debt to third parties.

C. During the reporting period the Group performed a buy-back of its own issued unsecured bonds, in a nominal amount of EUR 65.7 million, which resulted in a profit of EUR 1.2 million. For additional information see Note 8(1).

NOTE 3 – BASIS OF PREPARATION

A. Statement of compliance

These condensed consolidated interim financial statements (the "**Financial Statements**") as at 30 June 2022 (the "**Reporting Date**") and for the six-month period then ended (the "**Reporting Period**") have been prepared in accordance with IAS 34, "**Interim Financial Reporting**", and do not include all information required for full annual financial statements. They should be read in conjunction with the consolidated financial statements as at and for the year ended 31 December 2021 (hereinafter – "**the Annual Financial Statements**").

However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group`s financial position and performance since the last audited annual consolidated financial statements.

B. Use of estimates, judgments and fair value measurement

The preparation of financial statements in conformity with IFRSs requires management to exercise judgment when making assessments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

C. Functional and presentation currency

These Financial Statements are presented in Euro, which is the Group's functional currency. All financial information presented in Euro (or "EUR") has been rounded to the nearest thousand, unless otherwise indicated. Due to rounding, the figures reported in tables and cross-references may deviate from their exact values as calculated.

Heidestraße, Berlin

NOTE 4 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except as described below in Item A, the accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its Annual Financial Statements.

Presented hereunder is a description of the changes in accounting policies applied in these condensed consolidated interim financial statements and their effect:

A. Initial application of new standards, amendments to standards and interpretations

Standard/ Interpretation/ Amendment	The requirements of the publication	Effective date and transitional provisions	Expected effects
Amendments to IFRS 37, *Provisions, Contingent Liabilities and Contingent Assets*	According to the Amendment, when assessing whether a contract is onerous, the costs of complying with a contract that should be taken into consideration are costs that relate directly to the contract, which include as follows: ▪ Incremental costs; and ▪ An allocation of other costs that relate directly to complying with a contract (such as depreciation expenses for fixed assets used in fulfilling that contract and other contracts).	The Amendment is effective retrospectively for annual periods beginning on or after January 1, 2022, in respect of contracts where the entity has not yet fulfilled all its obligations. Early application is permitted. Upon application of the Amendment, the entity will not restate comparative data, but will adjust the opening balance of retained earnings at the date of initial application, by the amount of the cumulative effect of the Amendment.	Application of the Amendment did not have a material effect on the Group's financial statements.
Amendments to IFRS 3, *Business Combinations*	The Amendment replaces the requirement to recognize liabilities from business combinations in accordance with the conceptual framework, the reason being that the interaction between those instructions and the guidance provided in IAS 37 regarding recognition of liabilities was unclear in certain cases.	The Amendment adds an exception to the principle for recognizing liabilities in IFRS 3. According to the exception, contingent liabilities are to be recognized according to the requirements of IAS 37 and IFRIC 21 and not according to the conceptual framework. The Amendment prevents differences in the timing of recognizing liabilities that could have led to the recognition of gains and losses immediately after the business combination (day 2 gain or loss). The Amendment also clarifies that contingent assets are not to be recognized on the date of the business combination. The Amendment is effective for annual periods beginning on or after January 1, 2022.	Application of the Amendment did not have a material effect on the Group's financial statements.

Völklinger Straße, Düsseldorf

B. New standards, amendments to standards and interpretations adopted by the EU, but not yet effective

Standard/ Interpretation/ Amendment	The requirements of the publication	Effective date and transitional provisions	Expected Effects
Amendment to IAS 1, *Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current*	The Amendment replaces certain requirements for classifying liabilities as current or non-current. Thus for example, according to the Amendment, a liability will be classified as non-current when the entity has the right to defer settlement for at least 12 months after the reporting period, and it "has substance" and is in existence at the end of the reporting period, this instead of the requirement that there be an "unconditional" right. According to the Amendment, a right is in existence at the reporting date only if the entity complies with conditions for deferring settlement at that date. Furthermore, the Amendment clarifies that the conversion option of a liability will affect its classification as current or non-current, other than when the conversion option is recognized as equity.	The Amendment is effective for reporting periods beginning on or after January 1, 2024 with earlier application being permitted. The Amendment is applicable retrospectively, including an amendment to comparative data.	The Group is currently assessing the impact the amendments will have on its current accounting policies and whether the Group may wish to re-assess covenants in its existing loan agreements.
Amendment to IAS 12, *Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	The Amendment narrows the scope of the exemption from recognizing deferred taxes as a result of temporary differences created at the initial recognition of assets and/or liabilities, so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset or a deferred tax liability for these temporary differences at the initial recognition of transactions that give rise to equal and offsetting temporary differences, such as lease transactions and provisions for decommissioning and restoration.	The Amendment is effective for annual periods beginning on or after January 1, 2023, by amending the opening balance of the retained earnings or adjusting a different component of equity in the period the Amendment was first adopted.	The Group is examining the effects of the Amendment on the financial statements with no plans for early adoption.

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Standard/ Interpretation/ Amendment	The requirements of the publication	Effective date and transitional provisions	Expected Effects
Amendments to IAS 1 and IFRS Practice Statement 2, *Disclosure of Accounting Policies*	The Amendments help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include: ■ requiring companies to disclose their material accounting policies rather than their significant accounting policies; ■ clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and ■ clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements. The Amendments are consistent with the refined definition of material as issued in October 2018 by the International Accounting Standards Board: "Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements".	The Amendment is effective for reporting periods beginning on or after January 1, 2023 with earlier application being permitted.	The Group is examining the effects of the Amendments on the financial statements with no plans for early adoption.
Amendments to IAS 8, *Definition of Accounting Estimate*	The Amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The definition of accounting policies remains unchanged. The Amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. Developing an accounting estimate includes both: ■ selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 Financial Instruments; and ■ choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The effects of changes in such inputs or measurement techniques are changes in accounting estimates.	The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the period the Amendment was first adopted.	The Group is examining the effects of the Amendment on the financial statements with no plans for early adoption.

NOTE 5 – INVESTMENT PROPERTY

A. Reconciliation of investment property, according to its predominant use

	Germany[1]				UK	Totals
	Office	Hotels	Other	Subtotal	Hotels	
	EUR thousands UNAUDITED					
Balance as at 1 January 2022 (incl. held for sale assets)	**1,244,095**	**158,359**	**85,317**	**1,487,771**	**2,162,977**	**3,650,748**
Acquisitions of investment property and investment in capex during the year	123,945	110,254	73,511	**307,710**	55,377	**363,087**
Fair value adjustments	4,343	-	-	**4,343**	(9,401)	**(5,058)**
Foreign currency revaluation effect	-	-	-	**-**	(45,530)	**(45,530)**
Disposal of investment property	-	-	(5,250)	**(5,250)**	-	**(5,250)**
Other adjustments	584	1,917	(9)	**2,492**	9,306	**11,798**
Total	**1,372,967**	**270,530**	**153,569**	**1,797,066**	**2,172,729**	**3,969,795**
Less: classified as held for sale	(56,809)	-	(6,416)	**(63,225)**	(272,809)	**(336,035)**
At 30 June 2022	**1,316,158**	**270,530**	**147,153**	**1,733,841**	**1,899,920**	**3,633,760**

	Germany[1]				UK	Totals
	Office	Hotels	Other	Subtotal	Hotels	
	EUR thousands AUDITED					
Balance as at 1 January 2021 (incl. held for sale assets)	**2,071,407**	**146,959**	**93,338**	**2,311,704**	**1,892,993**	**4,204,697**
Acquisitions of investment property and investment in capex during the year	39,907	434	6,894	**47,235**	7,494	**54,729**
Fair value adjustments	81,042	7,258	17,173	**105,473**	150,737	**256,210**
Foreign currency revaluation effect	-	-	-	**-**	143,791	**143,791**
Disposal of investment property	(951,450)	-	(32,152)	**(983,602)**	(31,451)	**(1,015,053)**
Other adjustments	3,189	3,708	64	**6,961**	(587)	**6,374**
Total	**1,244,095**	**158,359**	**85,317**	**1,487,771**	**2,162,977**	**3,650,748**
Less: classified as held for sale	(56,600)	-	(6,260)	**(62,860)**	-	**(62,860)**
At 31 December 2021	**1,187,495**	**158,359**	**79,057**	**1,424,911**	**2,162,977**	**3,587,888**

[1] The investment property table for Germany contains non-material properties in other EU jurisdictions.

B. Measurement of fair value

The Group values its investment properties through engaging external independent appraisers, using the discounted cash flows method ("DCF"), and the residual value method. Under the DCF methodology the expected future income and costs of the property are forecasted over a period of 10 years and discounted to the date of valuation, by using a discount rate that is suitable in the appraisers' and Group management's view to the specific property location and category, specific characteristics and inherent risk as well as the prevailing market conditions as at the Reporting Date.

The Residual value method uses the present value of the market value expected to be achieved in the future from the property once it is developed less estimated cost to complete. The rental levels are set at the current market levels capitalized at the net yield which reflects the risks inherent in the net cash flows.

The Group's investment property has been categorized as level 3 fair value based on the input to the valuation technique used and was determined considering the highest and best use measurement approach accordingly.

C. Completed transactions

1. During the reporting period, the Group successfully acquired from third parties through an asset deal a portfolio of six assets, predominantly located in Berlin, with Gross Asset Value of EUR 97.2 million, for a total consideration of EUR 85 million (excluding transaction costs and real estate transfer taxes of EUR 9.6 million). The closing of the transaction occurred in April 2022 and the Group obtained control over all the assets as of this date. Following the completion, the Group holds 89.9% in the property companies that own the aforementioned assets. In addition, the Group acquired a resitential property located in Mayfair, London for a consideration of GBP 41 million, including transaction costs and taxes of ca. GBP 6 million (total: EUR 48 million).

2. During the reporting period, the Group successfully carried out a transaction to take over 54% of the issued shares of four German entities holding four properties located in Berlin, with Gross Asset Value of EUR 204.7 million, for a total consideration of approximately EUR 39 million and an acquisition financing of approximately EUR 67 million. The purchase of the entities was treated as purchase of group of assets and liabilities and not as a business combination based on IFRS 3 Business Combinations. Therefore, the total purchase costs were allocated to the assets and liabilities without recognition of goodwill and deferred taxes as follows:

	EUR thousands UNAUDITED
Investment property (including EUR 3.7 million transaction costs)	204,727
Trade and other receivables	3,014
Cash acquired	1,475
Trade and other payables	(4,665)
Total acquired	**204,551**
Attributable to non-controlling interest equity	(57,758)
Loans from non-controlling interests	(36,702)
Loans and borrowings received	(66,976)
Payables for transaction costs	(2,795)
Paid in cash	**40,320**

NOTE 6 – ASSETS AND LIABILITIES HELD FOR SALE

The Company expects to sell properties being held by subsidiaries of the Group within the next 12 months. The Group has initiated selling activities and is in negotiations with potential buyers. As at 30 June 2022 the Company classified the investment properties with fair value of EUR 166 million as Assets of disposal groups classified as held for sale and investment properties with fair value of EUR 170 million as Assets held for sale.

	30 June 2022 EUR thousands UNAUDITED
Assets	
Investment property	335,596
Trade and other receivables	439
	336,035

Liabilities	
Loans and borrowings	33,350
Long-term lease liabilities	45,901
Trade and other payables	2,619
Other long-term liabilities	2,346
Deferred tax liabilities	8,506
	92,644

Potsdamer Straße, Berlin

NOTE 7 – LOANS AND BORROWINGS

As part of the bank loans received by the Group, the Group companies have undertaken to maintain certain financial ratios, inter-alia, LTV ratios, debt service coverage ratio, interest coverage ratios, NOI Debt Yield minimum and loan to annual rent ratio. Additionally, following Note 12(2) to the Consolidated Financial Statements as of 31 December 2021, a waiver is no longer required to comply with the covenants in the UK portfolio.

As at 30 June 2022, the Group is fully compliant with all covenant requirements on all loans.

NOTE 8 – SENIOR UNSECURED BONDS

The below overview summarizes the outstanding Senior Unsecured Bonds per the Reporting Date:

Senior Unsecured Bonds	Currency	Nominal amount (in thousands)	Coupon rate (p.a., %)	Issue price (%)	Issuance-maturity	30 June 2022	31 December 2021
						UNAUDITED	AUDITED
Bond I	EUR	659,600	3.00%	100.0	08/2019 - 08/2024	651,468	690,555
Bond II	EUR	614,700	3.50%	98.7	10/2019 - 10/2025	609,872	634,461
Convertible Bond (see Note 11)	EUR	200,000	2.25%	100.0	08/2020 - 08/2025	178,968	175,648
Total Senior Unsecured Bonds						**1,440,308**	**1,500,664**
Total accrued interest on Senior Unsecured Bonds						**36,642**	**13,677**

1. During the reporting period the Group performed a buy-back of its own issued unsecured bonds, in a nominal amount of EUR 65.7 million (EUR 40.4 million from Bond I; EUR 25.3 million from Bond II), which resulted in a profit of EUR 1.2 million.

2. As at 30 June 2022, the Group is fully compliant with all covenant requirements on all Bonds and Convertible bonds.

Sanderson Hotel, London

Crowne Plaza Birmingham NEC

NOTE 9 – OPERATING SEGMENTS

The Group has two reportable segments - as described below, which form the Group's strategic business units. The allocation of resources and evaluation of performance are managed separately for each business unit because they have different asset class and different geography, hence exposed to different risks and required yields.

For each of the business units, the Group's chief operating decision maker (CODM) reviews management reports on at least a quarterly basis for:

- Properties located in Germany;
- Properties located in the United Kingdom.

Commercial properties in Germany include predominately office asset class (78% of the total fair value of the German portfolio as of the Reporting Date). The other asset class in Germany include hotels, residential and retail investment property. None of these segments meets any of the quantitative thresholds for determining reportable segments during the Reporting period.

The accounting policies of the operating segments are the same as described in Note 4 regarding significant accounting policies presented above. Performance is measured based on segment operating profit as included in reports that are regularly reviewed by the CODM. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the segments' results. Segment results reported to the CODM including items directly attributable to a segment on a reasonable basis. Financial expenses, financial income and taxes on income are managed on a group basis and, therefore, were not allocated to the different segment activities. Segment assets comprise mainly investment property, cash and equivalents and operating receivables whereas segment liabilities comprise mainly borrowings and operating payables.

Information regarding the results of each reportable segment is provided below:

	United Kingdom	Germany*	Total Consolidated
		EUR thousands UNAUDITED	
For the six months period ended 30 June 2022			
Revenues	72,228	36,584	108,812
Property revaluations and capital gains	(9,432)	(4,041)	(13,473)
Property operating expenses	(907)	(9,819)	(10,726)
General and administrative expenses	(734)	(6,863)	(7,597)
Reportable segment operating profit	**61,155**	**15,861**	**77,016**
Share in loss from investment in equity-accounted investees			(1,079)
Net finance expenses			(54,024)
Profit before tax	**61,155**	**15,861**	**21,913**

* The operating segments table for Germany contains non-material properties in another EU jurisdiction.

	United Kingdom	Germany*	Total Consolidated
		EUR thousands UNAUDITED	
For the six months period ended 30 June 2021			
Revenues	58,666	37,509	96,175
Property revaluations and capital gains	-	9,116	9,116
Property operating expenses	(746)	(8,828)	(9,574)
General and administrative expenses	(2,074)	(7,849)	(9,923)
Reportable segment operating profit	**55,846**	**29,948**	**85,794**
Share in loss from investment in equity-accounted investees			(1,080)
Profit on disposal			33,993
Net finance expenses			(68,114)
Profit before tax	**55,846**	**29,948**	**50,593**

* The operating segments table for Germany contains non-material properties in another EU jurisdiction.

NOTE 10 – RELATED PARTIES

The following balances with related parties are included in the condensed consolidated interim financial statements:

	30 June 2022	31 December 2021
	EUR thousands	
	UNAUDITED	AUDITED
Consolidated statement of financial position		
Receivables from related parties	23,783	20,061
Loans to equity-accounted investee	25,521	21,841
Payables to related parties	(156)	(4,197)
Loans from Shareholders	(804,345)	(803,362)

	For the six months period ended 30 June 2022	For the six months period ended 30 June 2021
	EUR thousands	
	UNAUDITED	UNAUDITED
Consolidated statement of profit or loss		
Rental and service charges income	59,874	49,328
Interest income on loans to equity-accounted investee	1,961	929
Services and management fee charges	(2,358)	(1,735)
Interest on loans from Shareholders	(18,658)	(19,332)

The terms and conditions of the related parties loans and services are as mentioned in Note 14 to the Consolidated Financial Statements of the Company as at 31 December 2021. For further information regarding the loans, see Note 2.

NOTE 11 – FINANCIAL INSTRUMENTS

A. Fair value hierarchy of financial instruments measured at fair value

The table below presents an analysis of financial instruments measured at fair value on the temporal basis using valuation methodology in accordance with hierarchy fair value levels. The various levels are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical instruments
- Level 2: inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly
- Level 3: inputs that are not based on observable market data (unobservable inputs).

	30 June 2022 **Fair value measurement using** EUR thousands UNAUDITED				
	Carrying amount	**Total fair value**	**Quoted prices in active market (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (level 3)**
Financial assets and liabilities at fair value					
Financial assets at fair value through profit and loss[2]	57,438	57,438	57,438	-	-
Financial assets at fair value through other comprehensive income	76,650	76,650	76,650	-	-
Derivatives financial instruments[1]	124,233	124,233	-	-	124,233
Derivatives financial liabilities	(30,281)	(30,281)	-	-	(30,281)
Total	**228,040**	**228,040**	**134,088**	**-**	**93,952**


Saint Martin's Lane, London

	31 December 2021 Fair value measurement using EUR thousands AUDITED				
	Carrying amount	Total fair value	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (level 3)
Financial assets and liabilities at fair value					
Financial assets at fair value through profit and loss	**24,406**	**24,406**	**24,406**	**-**	-
Financial assets at fair value through other comprehensive income	**138,600**	**138,600**	**138,600**	**-**	-
Derivatives financial instruments	**71,451**	**71,451**	**-**	**-**	71,451
Derivatives financial liabilities	**(32,452)**	**(32,452)**	**-**	**-**	(32,452)
Total	**202,005**	**202,005**	**163,006**	**-**	**38,999**

[1] The Group holds Derivatives financial instruments of total value of EUR 124.2 million as of 30 June 2022. The Derivatives were received by the Group as part of the Berlin Asset Disposal, as a seller protection (see Note 12). The fair value of these Derivatives which are classified as level 3 were measured by external valuators. The methodology used by the external valuator was based on discounting the cash flows from the underlying assets (i.e. level 1 Financial assets at fair value through other comprehensive income) in accordance with the Discounted Cash Flow (DCF) model.

[2] During the Reporting Period the Group purchased traded securities as part of its liquidity management. The balance of the financial assets measured at fair value through profit or loss as of the reporting date is EUR 57.4 million.

B. Financial assets and liabilities at amortized cost

The carrying amounts of certain financial assets and liabilities, including cash and cash equivalents, trade receivables, other receivables, restricted bank and other deposits, other financial assets, loans to equity-accounted investees, loans and borrowings, trade payables, other payables are the same or proximate to their fair value.

	30 June 2022		31 December 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
	EUR thousands			
	UNAUDITED		AUDITED	
Convertible bond	178,968	158,355	175,648	175,002
Senior Unsecured Bonds	1,261,340	1,084,412	1,325,016	1,308,468
Total	**1,440,308**	**1,242,767**	**1,500,664**	**1,483,470**

NOTE 12 – SUBSEQUENT EVENTS

In September 2022, the Group has entered into a transaction with Aggregate Holdings SA to settle the remaining outstanding position of the traded bonds, with a nominal amount of ca. EUR 220 million (market value of EUR 77 million as at 30 June 2022). The consideration of the settlement was done through acquisition of two assets of the Quartier Heidestrasse ("QH") project in central Berlin. The two assets ("QH Core" and "QH Spring") has total Gross Asset Value of approximately EUR 456 million, and Net Asset Value of ca. EUR 220 million. The assets are newly built, income producing, well occupied and located in a prime location in Berlin. As of the date of this report, the acquisition of QH Core has been completed, while the closing of QH Spring is subject to certain condition precedents.

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