



Setting the Record Straight: Response to Short-Seller Report

December 22, 2022



Muddy Waters' understanding of Vivion is incorrect and predicated on cursory knowledge of the Company

On December 14, 2022, Muddy Waters (“MW”) published a report regarding Vivion Investments S.à r.l. (“**Vivion**” or the “**Company**”). In response, Vivion publicly stated that the report contained numerous factual inaccuracies, provably incorrect statements, and flawed conclusions. Vivion has subsequently prepared this report outlining the facts.

- (1) Vivion Founding Shareholders are ultimate beneficial owners of Vivion Holdings S.à r.l.
- (2) €278m equity across 20 UK hotel portfolio contributed at cost for which they were acquired in April 2018; €357m across 33 German commercial properties valued at third-party appraisal (legacy assets accumulated by Founding Shareholders).
- (3) €80m of cash contributed to purchase Zinc portfolio, €36m of cash contributed as deposit for Hallmark portfolio purchase, and additional €16m of cash contributed for transaction costs and other uses.
- (4) As defined in Base Listing Particulars - November 11, 2022, Vivion Investments S.à r.l. €1,000,000,000 Euro Medium Term Note Programme Page 66.

Vivion’s History: Consolidation of two private real estate companies to create one.

- **Vivion was founded in October 2018 by the contribution of 53 real estate assets:** Vivion’s Founding Shareholders⁽¹⁾ contributed 20 UK hotels at cost⁽²⁾ and 33 German commercial real estate assets at fair value⁽²⁾ (as determined by third-party appraisal) to form Vivion. In exchange for these contributions, the Founding Shareholders received shareholder loans – equity-like instruments commonly employed by European companies – and common shares (*further detailed on page 8*).
- **Real estate asset contributions and cash ensured Vivion was well-capitalized at launch (€767m of equity injected in 2018):** Vivion’s Founding Shareholders’ real estate equity contributions totaled €635m at Vivion’s inception. The Founding Shareholders subsequently contributed additional cash of €132m⁽³⁾ in Q4 2018 to fund acquisitions (*further detailed on pages 7 and 11*).
- **Vivion’s shareholders have injected capital into the Company since formation:** Following the Company’s establishment, Vivion’s shareholders have strengthened bondholders’ equity cushion via net cash injections of €21m into the Company since January 1, 2019 (gross cash injections of €360m offset by repayments of shareholder loans of €339m, *further detailed on page 12*). In addition, Vivion has generated Funds From Operation (FFO) of €227m⁽⁴⁾ since January 2020.

MW failed to engage with Vivion prior to issuing its report, resulting in numerous factual inaccuracies and flawed conclusions

Vivion's disclosed portfolio value is based on detailed third-party valuations

- **Valuation for Vivion's German and UK portfolios is conducted annually** (at a minimum) by third-party valuation firms, as was detailed in the Company's Offering Memorandum.⁽¹⁾
- **Vivion reaffirms that – as disclosed – occupancy in its German portfolio is 90%:** This figure is calculated in accordance with market standard and the Company's disclosed methodology and is reflective of the underlying strength of Vivion's business. *(further detailed on page 14).*
- **Performance within Vivion's UK portfolio is strong:** Vivion's triple-net, inflation-protected UK hotel portfolio is performing well; rent collections from 2020 through 2022 were 90%.

Since Vivion's inception, all related-party tenants and transactions have been clearly disclosed

- **Rent24 is NOT a related party:** While Vivion's Founding Shareholders were once investors in Rent24, the Shareholders sold their stake on September 1, 2017. Today, Rent24 represents less than 2.5% of Vivion's total portfolio rent *(further detailed on page 20).*
- **Völklinger Straße 4 acquisition was NOT a related-party transaction:** Acquired in July 2018 from a third party in an arm's length transaction brokered by BNP Paribas *(further detailed on page 21).*
- **Kudamm acquisition:** Acquired from a third party for ~€540m⁽²⁾ in June 2019 by a Vivion-affiliate company to secure an acquisition. Asset was subsequently transferred at cost into Vivion in December 2019 following satisfaction of Vivion-specific governance requirements. The asset was sold to a third party in June 2021 *(further detailed on page 22).*

(1) Offering Memorandum - July 25, 2019, Vivion Investments S.à r.l. 700,000,000 3.00% Senior Notes due 2024.

(2) Includes certain transaction costs.



Vivion's Formation & Capitalization History

Today, Vivion operates a €4B real estate company that delivers attractive cash flows and robust total returns via income generation and capital growth

The Formation of Vivion: A Brief History

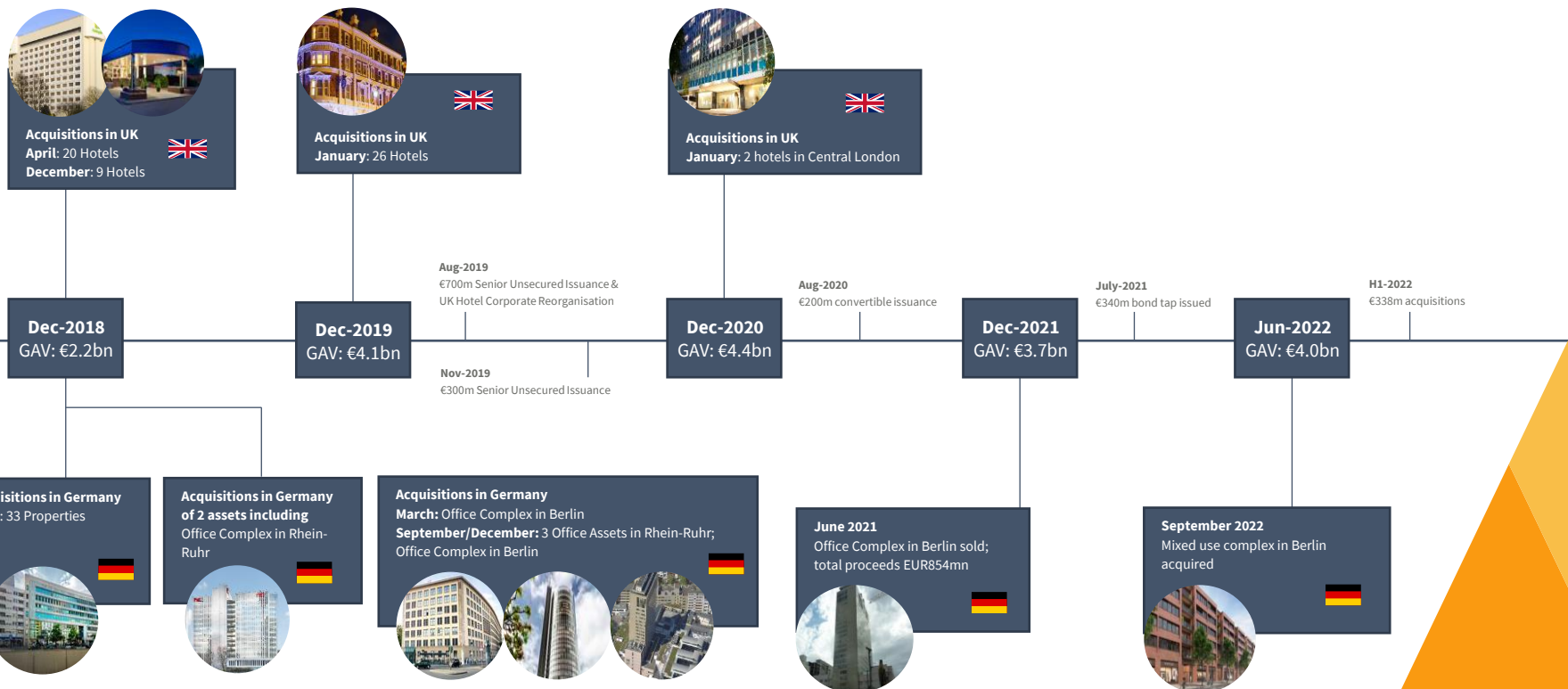
- Vivion is a private real estate company comprised of two primary business lines:
 - 1) 51.5% stake in a German commercial portfolio
 - 2) a wholly-owned UK hotels portfolio
- Vivion was incorporated in October 2018. In November 2018, the Founding Shareholders contributed 20 UK hotels (purchased in April 2018) at cost and a portfolio of 33 German commercial assets at fair value⁽¹⁾ into Vivion.
- In 2018 and 2019 (prior to the Company's initial public bond issuance in August 2019), the Founding Shareholders invested additional cash into Vivion to finance the UK hotel acquisitions and raised equity contributions from institutional third parties to support the growth of the German portfolio.
- In August 2019, Vivion completed its first institutional senior unsecured bond issuance⁽²⁾. Prior to the August 2019 issuance, Vivion's debt and equity were fully privately held.
- From 2019-2022, Vivion continued acquiring prime assets in the UK and Germany and completed successful disposals over this period.
- The Company has executed a thoughtful growth strategy as evidenced by its parallel build-up of meaningful scale in top-tier metropolitan areas across Germany and the UK.

(1) German assets owned by Founding Shareholders for varying amounts of time prior to contribution

(2) Listed on the Irish Stock Exchange.

VIVION FORMATION & CAPITALIZATION HISTORY

Vivion's Historical Track Record of Success and Measured Growth



Note: GAV includes investment property, advance payments for future acquisitions and assets held for sale.

VIVION FORMATION & CAPITALIZATION HISTORY

Vivion's Formation: Founding Shareholders' privately-owned assets were contributed to establish Vivion in exchange for shareholder loans and common equity

- At inception, a wholly-owned UK portfolio (comprised of 20 hotels) and a majority ownership stake of a German commercial portfolio (comprised of 33 properties) were contributed to Vivion.
- In exchange for contributing these assets and cash, the Founding Shareholders received shareholder loans and common equity.

Assets Acquired Prior To Vivion's Inception (Pre-October 2018)

German Contributions On April 2, 2018, the Founding Shareholders contributed 33 German assets at fair value⁽¹⁾ into a new entity (that later became a subsidiary of Vivion) with an equity fair value of €357m⁽¹⁾; this value was split into €53m of ordinary equity and €304m in shareholder loans. The value of the underlying assets was determined by third-party appraisals. At year-end 2018, the appraised value per sq m of the German portfolio ranged between €1,904 per sq m to €2,047 per sq m.

Ribbon Portfolio Contribution⁽²⁾ On April 4, 2018, the Founding Shareholders purchased 20 hotels for €873m, comprised of €278m of cash that was provided by the Founding Shareholders and €595m of secured bank financing; this portfolio was then contributed into Vivion in Q4 2018 at cost (in exchange for €278m of shareholder loans⁽³⁾).

Assets Acquired Following Vivion's Inception (November 2018 through January 2019)

Hilton / Zinc Portfolio acquisition⁽²⁾ On December 20, 2018, Vivion purchased 9 hotels for €286m comprised of €80m of cash equity and €206m of bank financing; the Founding Shareholders provided €80m of cash to Vivion to fund the transaction in exchange for which they received €80m of shareholder loans.

Hallmark Portfolio⁽²⁾ On January 31, 2019, Vivion purchased 26 hotels for €212m, comprised of €63m of cash equity and €149m of bank financing; in Q4 2018, the Founding Shareholders provided €36m of cash in exchange for shareholder loans to Vivion so that the Company could pay a deposit for the acquisition. The Founding Shareholders subsequently provided the remaining portion of the cash equity in early 2019.

(1) The gross value of the 33 assets at acquisition was €482m, as disclosed in the financial statements and valued by third-party appraisals. Assets contributed at fair value given legacy assets were purchased by Founding Shareholders at various times.

(2) Shareholder loans denominated in GBP.

(3) The €278m is included in Vivion's 2018 cash flow statement as proceeds from related-party loans (included in the €420m).

How Shareholder Loans Work: Introduction to a widely used, institutionally -accepted equity ownership structure

Shareholder loans are commonly used in Europe and the UK

This equity-like structure is employed by many institutional investors and real estate companies based in Europe and the UK.

Such loans are widely perceived and treated (by both analysts and investors) as equity, given:

- Subordination to all debt
- Long term maturity
- Zero cash coupon
- Ability to convert into equity at any time at the Company's sole discretion

Vivion's shareholder loans conform to market standard

Vivion's shareholder loans conform to market practices and were structured in accordance with third-party corporate advice.

Equity investments for all third-party Vivion investors are structured this way, using shareholder loans in proportion to equity ownership.

Vivion shareholder loan terms:

Interest: annual PIK interest rate of 5.15%-5.5%, payable in the 10th anniversary year (2028 and 2031).

Extension: at its sole discretion, Vivion has the right to extend the loan term by an additional five years.

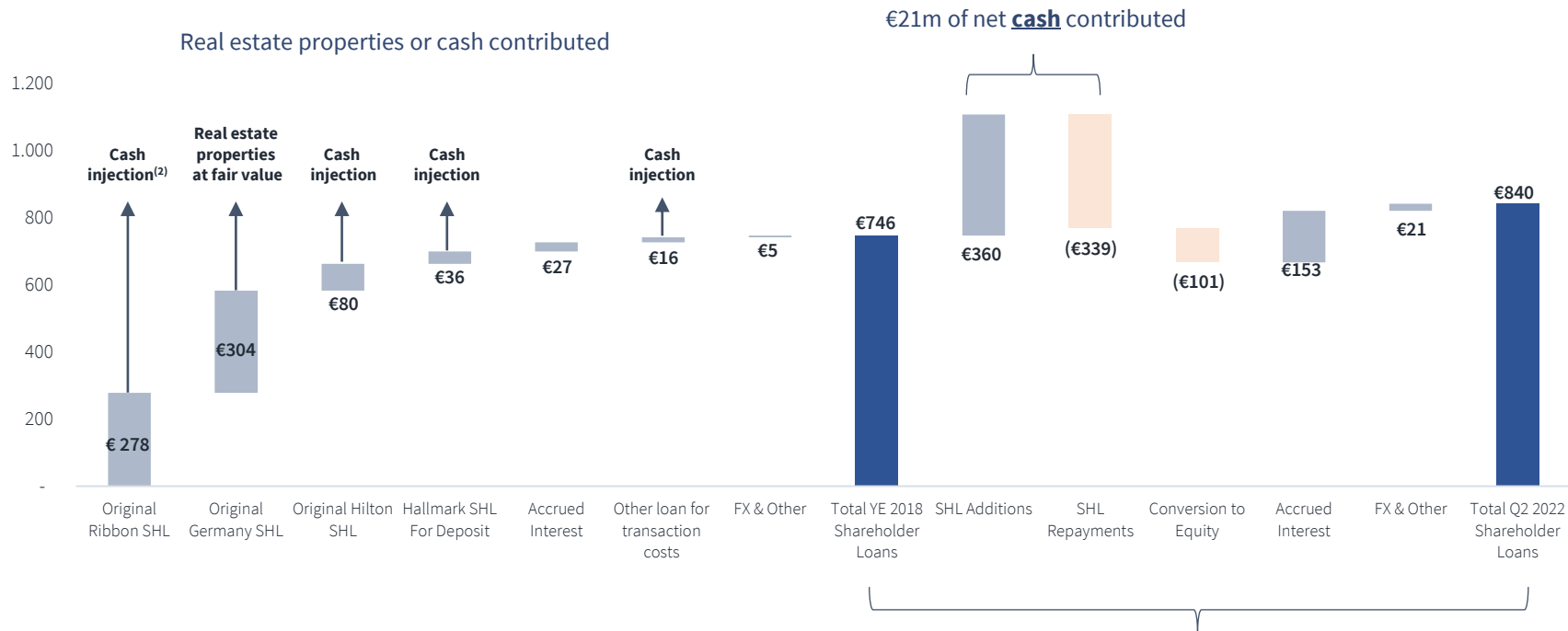
Conversion: Vivion may - at its sole discretion - convert the loan into its own ordinary shares according to a fixed-to-variable conversion price, which reflects the Company's value based on an external valuation report as of the date of conversion.

Subordination: Loans from shareholders and non-controlling interests (similar to other forms of shareholder equity) are unsecured and subordinated to all other Vivion debt to third parties.

VIVION FORMATION & CAPITALIZATION HISTORY

Since inception, shareholders have contributed €775m+⁽¹⁾ of cash and net assets into Vivion

Evolution of Vivion's shareholder loans (in €m)



(1) Includes ~€735m in shareholder loans (directly funded with cash or real estate equity) and ~€53m+ of common equity.

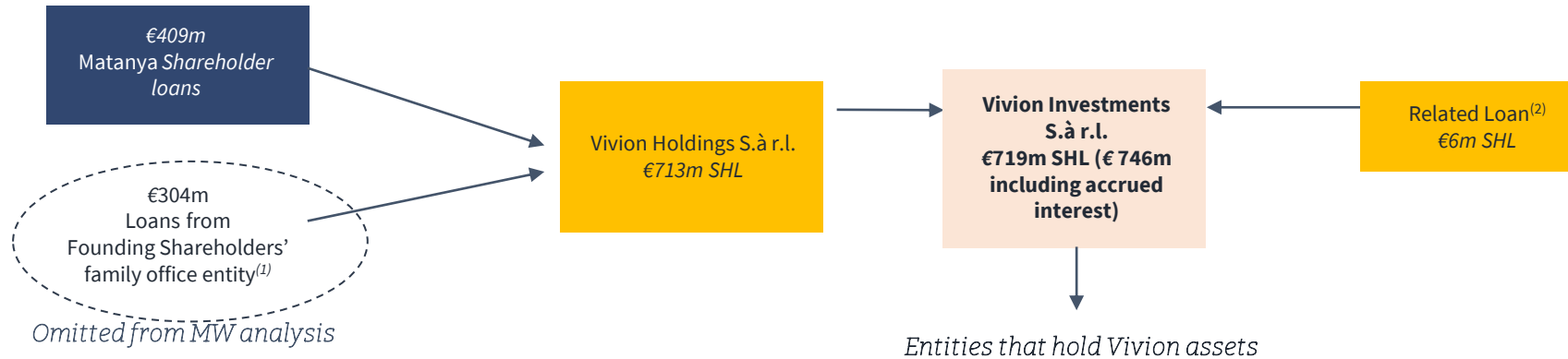
(2) Vivion financial statements classify this as a cash injection, since it occurred in a predecessor entity prior to Vivion's formation.

VIVION FORMATION & CAPITALIZATION HISTORY

False Claim: Stated shareholder loan balances at Vivion's formation do not add up, suggesting the Company was capitalized with less assets (or cash) than are disclosed.

The Facts: Vivion Holdings' entire shareholder loan balance was in fact seeded by two entities.⁽¹⁾ MW analysis omits €304m of shareholder loans from an additional entity.

All Vivion shareholder loans are clearly accounted for:
Vivion shareholder loan structure as of December 31, 2018



(1) Disclosed in 2019 Vivion Holdings S.a r.l. audited financials

(2) Related loan, later merged into Vivion Holdings structure

VIVION FORMATION & CAPITALIZATION HISTORY

False Claim: Shareholders underfunded Vivion at inception. MW argues Vivion was formed with less than €60m of equity / cash contribution from its Founding Shareholders.

The Facts: Vivion was incorporated in October 2018. In November 2018, Vivion's Founding Shareholders contributed previously acquired assets with equity value of ~€635m into Vivion. Subsequently, in Q4 2018, Vivion's Founding Shareholders contributed an additional ~€132m of cash to fund new acquisitions.

Vivion's Founding Shareholders' equity contributions / acquisitions through 2018 (see Appendix for supporting documents)

Portfolio	Date Acquired	Contribution Methodology	Seller	# Properties	Total Purchase Price	Acquisition Financing	Equity Value (EV)	SHL Portion of EV	Common Equity Portion of EV
German Properties ⁽¹⁾	Apr 2, 2018	Contributed based on third-party valuation	Already owned	33	€357m ⁽⁴⁾	€0	€357m	€304m	€53m
Ribbon (Holiday Inn) ⁽¹⁾	Apr 4, 2018	Purchased with cash and then contributed at cost	Apollo subsidiary	20	€873m	€595m	€278m	€278m	€0m
Zinc (Hilton) ⁽¹⁾	Dec 20, 2018	Funded cash into Vivion for acquisition	Administrator	9	€286m	€206m	€80m	€80m	€0m
Hallmark (Best Western) ⁽¹⁾	Jan 31, 2019	Funded cash into Vivion for acquisition	Topland	26	€212m	€149m	€63m ⁽²⁾	€36m deposit in December 2018 (€63m full consideration in 2019)	€0m
Total					€1,728m	€950m	€778m⁽³⁾	€698m	€53m
Additional SHL in cash								€16m	
FX and other loans								€5m	
Total								€719m	
Accrued Interest								€27m	
Total (Including Accrued Int)								€746m	

(1) See appendix for extracts from Vivion financial statements.

(2) Presented here is the final total consideration for the deal. Initial consideration as recorded in financial statement Q2 2019 has been adjusted in accordance with final completion statement.

(3) Includes entire equity for Hallmark acquisition; €26.5m of acquisition funded in early 2019.

(4) German portfolio had in-place debt of ~€125m; total asset value of ~ €482m

VIVION FORMATION & CAPITALIZATION HISTORY

False Claim: MW argues Vivion's shareholders were paid net cash of at least €360m since inception.

VIVION SHAREHOLDERS HAVE INJECTED NET CASH INTO THE BUSINESS (SINCE JANUARY 1, 2019)

- 1) In 2018, Vivion Founding Shareholders invested ~€765m in the form of asset contributions (~€357m) and cash injections (~€409m)⁽¹⁾.
- 2) From January 2019 to Q2 2022, Vivion's shareholders have made gross cash injections of €360m offset by repayments of shareholder loans of €339m. The net effect of these flows is a positive cash contribution into Vivion of €21m over this period (*further detailed on slide 25*).
- 3) Since January 2020, Vivion has generated ~€227m of FFO, increasing equity cushion for bondholders.

Actual distributions paid were fully in compliance with bond T&Cs and fully disclosed.

ADDITIONAL CLARIFICATION ON NOTABLE DISTRIBUTIONS:

Repayments / Contributions In 2020: At the beginning of 2020, Vivion's Founding Shareholders contributed cash in exchange for shareholder loans, in the amount of €250m to support certain pipeline acquisitions. Following a reduction in the cash needed for the pipeline acquisitions, Vivion's Founding Shareholders were repaid €185.1m⁽²⁾, resulting in a net cash injection of ~€65m.

€109.7m repaid in 2021: Fully disclosed and compliant repayment in 2021.

(1) Ties to €420m on Vivion cash flow statement by including other related loan of €6.3m and €5.4m from GBP / EUR FX methodology.

(2) Repaid partly in 1H 2020 and partly in 2H 2020.

SETTING THE RECORD STRAIGHT: RESPONSE TO SHORT-SELLER REPORT

The Facts: The net effect of all flows into Vivion during the period in question is a net cash contribution of €21m, increasing equity cushion for bondholders.

CHANGES IN SHAREHOLDER LOANS SEMI ANNUALLY (SINCE JANUARY 1, 2019)

Closing balance	31.12.2018	€ 746,137
Cash Additions (Injections)		€ 78,973
Accrued Interest		€ 21,002
FX and Other		€ (19,253)
Closing balance	30.06.2019	€ 826,859
Repayments		€ (44,643)
Accrued Interest		€ 22,246
FX and Other		€ 51,277
Closing Balance	31.12.2019	€ 855,739
Cash Additions (Injections)		€ 250,000
Repayments		€ (28,360)
Accrued Interest		€ 31,052
FX and Other		€ (53,260)
Closing balance	30.06.2020	€ 1,055,171
Repayments		€ (156,758)
Conversion to equity		€ (101,000)
Accrued Interest		€ 21,144
FX and Other		€ 9,857
Closing balance	31.12.2020	€ 828,414
Repayments		€ (109,714)
Accrued Interest		€ 19,332
FX and Other		€ 42,172
Closing balance	30.06.2021	€ 780,204
Cash Additions (Injections)		€ 1,923
Accrued Interest		€ 20,059
FX and Other		€ 1,176
Closing balance	31.12.2021	€ 803,362
Cash Additions (Injections)		€ 29,224
Accrued Interest		€ 18,658
FX and Other		€ (11,112)
Closing balance	30.06.2022	€ 840,132



Vivion's Asset Value & Portfolio Occupancy

VIVION ASSET VALUE & PORTFOLIO OCCUPANCY

False Claim: MW argues German occupancy is < 70% instead of the reported 90%.

MW methodology is flawed: double (and triple) counts vacancies

- MW incorrectly assessed Vivion's vacancy rate by extrapolating listed space for rent.
- To maximize traffic, **Vivion and other landlords often use multiple listings for one space across different size configurations.** This marketing strategy allows landlords to capture a broader client base (with varying space requirements).
- Vivion also **advertises occupied spaces likely to become vacant in the future** (booking ahead 12–24 months).
- As of December 14, Vivion's Potsdamer Straße 180-182 has office space listed on Immobilienscout24 **representing over 5x the actual vacancy in the building.**

The Facts: Vivion reaffirms its Q2 2022 German portfolio occupancy calculation of 90% in accordance with its disclosed market standard methodology.⁽¹⁾

MW anecdotal site visits in Berlin drive incorrect conclusions

MW's vacancy calculation was predicated on onsite visits to Vivion's Berlin assets; most notably, Potsdamer Straße 180-182 was observed to be vacant and its retail space closed. This analysis omits the following:

- Vivion has executed a 15-year lease with strong credit tenant, Aldi GmbH (grocery store), for the ground floor area:
 - Vivion is currently in the process of planning the tenant fit out; work expected to commence upon approval.
 - Given it is signed and binding, this lease is included in Vivion's occupancy rate per disclosed methodology.
- **Property is substantially occupied:** Aldi (1,310sqm), BSBI⁽²⁾ (3,138 sqm), Klinisches Krebsregister (768 sqm), Rent24 (6,903 sqm) and Tandem BTL GmbH (1,782 sqm).

(1) As disclosed in Vivion's EMTN Base Listing Particulars, filed on Nov 11, 2022 and excluding 63m value of assets held for sale; "The Issuer defines "Property Occupancy Rate" as the occupancy in its Property Portfolio measured in square metres of NLA as of 30 June 2022 and additionally giving pro forma effect to by taking into account executed lease agreements with lease terms beginning in the future, excluding properties which are under development, and in all cases excluding assets held for sale."

(2) Parent company of BSBI (GUS Germany GmbH) assumes lease in 2023

VIVION ASSET VALUE & PORTFOLIO OCCUPANCY

False Claim: Current rent in Vivion's German portfolio overstates earnings power.

The Facts: Per the chart below, Vivion's Berlin assets have in-place rents well below market (Berlin market vacancy rate of < 4% supports robust leasing and rent growth).

Vivion's current rents actually understate the assets' earnings power, as legacy leases sit well below Berlin market average rent of ~€30/month⁽²⁾ per sq m, suggesting significant future upside from reletting.

Vacancy and Relative-Rent Analysis for Vivion's Top 4 Berlin Assets

Asset	Sub-market	In-Place Rent ⁽¹⁾	Weighted Avg. Sub-Market Rent ⁽²⁾	Asset Vacancy ⁽¹⁾	Sub-market Vacancy ⁽²⁾
Potsdamer Straße 180 – 182 Potsdamer Straße 188 – 192	Schöneberg Kleistpark	€15.4 / month per sq m	€26.5 / month per sq m	10%	2%
HeideStraße 40 – 42 (Core)	Central station	€22.5 / month per sq m	€31.7 / month per sq m	7%	1%
Karl Liebknecht Straße 34	Alexanderplatz	€25.8 / month per sq m	€33.0 / month per sq m	0%	5%
Bundesallee 39-40a	City west Wilmersdorf	€15.4/ month per sq m	€26.5 / month per sq m	0%	2%

(1) As of 30 September 2022.

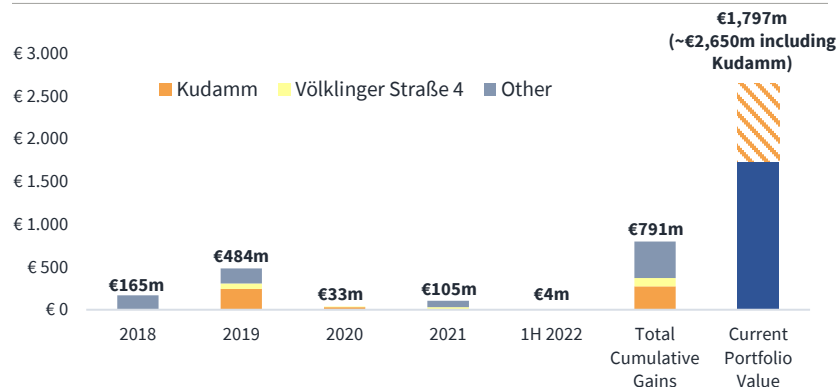
(2) Source: CBRE Berlin Office Market Q3 2022: <https://arcgiscenter.cbre.eu/portal/apps/storymaps/collections/6054119503fc4f7597f9b576243e1663?item=1>.

VIVION ASSET VALUE & PORTFOLIO OCCUPANCY

False Claim: Fair value increases in Vivion's portfolio are unjustified.

Over 30% of valuation gains were crystalized through the disposal of Kudamm

German Portfolio Fair Value Gains^(1,2)



(1) Vivion attribution; total cumulative gains from annual financial statements and portfolio valuation as of Q2 2022 including HFS and excluding advance payments for future acquisitions (page 13 Report To Noteholders For the Period Ended 30 June 2022) and including nonmaterial properties in other EU jurisdictions.

(2) Asset gains shown at 100% full consolidation.

(3) Includes certain transaction costs.

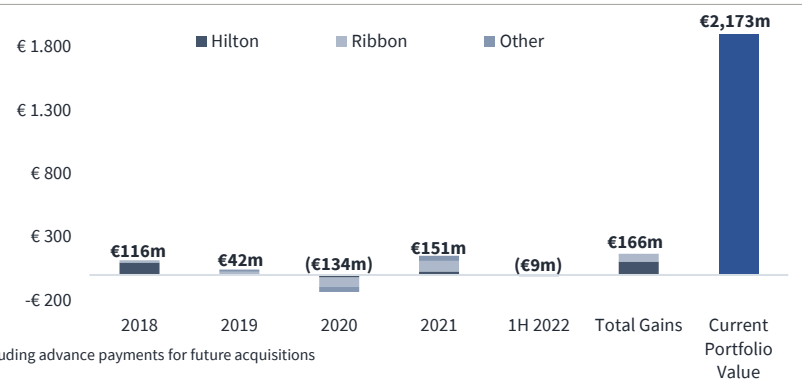
The Facts: A significant portion of Vivion's fair value gains since inception are tied directly to asset performance (e.g., new leases & rent increases), CPI linkage and successful dispositions that have crystallized said gains.

Kudamm Disposal: Kudamm was bought in December 2019 for ~€540m⁽³⁾ and sold in June 2021 for ~€850m (prices reflect 89.9% held by Vivion), **representing more than a €250m gain** relative to the acquisition price (considering capex invested by Vivion since the acquisition).

Völklinger Straße Turnaround: Purchased for €135m⁽³⁾ in 2018 with in-place rent income of €5.4m and WAULT of ~2 years. Through proactive asset management, current in-place rental income is now €8.8m (up 63%) with WAULT of 7.3 years (new tenant is German government credit).

Bloomsbury Hotel Disposal: Bloomsbury was acquired in April 2018 as part of the Ribbon Portfolio acquisition and sold for £90 million in December 2019 – an increase in book value of £70.4m.

UK Portfolio Fair Value Gains⁽¹⁾



VIVION ASSET VALUE & PORTFOLIO OCCUPANCY

False Claim: German portfolio valuation is overstated.

The Facts: Vivion's German assets are evaluated by third-party appraisers, as detailed in the Offering Memorandum.⁽¹⁾ The assets are revalued annually.

Current German portfolio valuation metrics are in line with publicly traded peers

FY2021	Vivion ⁽²⁾	Alstria office REIT ⁽³⁾	CAI Immobilien ⁽⁴⁾
Value per sq m (€)	3,227	3,398	6,203
Average rent per sq m (€)	13.27	13.33	17.67
Rental yield %	4.29%	4.20%	3.27%

(1) July 25, 2019, Vivion Investments S.a.r.l. 700,000,000 3.00% Senior Notes due 2024.

(2) Rental yield calculated as annualized rent of 58.6m divided by portfolio value of 1,367.3m (FY 2021), excluding assets held for sale, See annex UK and Germany key parameters used in the valuation.

(3) Source: https://alstria.de/wp-content/uploads/2022/03/Company_Report_FY_2021.pdf.

(4) Only German office portfolio; Page 48: https://www.caimmo.com/fileadmin/documents/Finanzberichte/2021/CAI_Annual_Report_2021.pdf.

VIVION ASSET VALUE & PORTFOLIO OCCUPANCY

False Claim: UK valuation is overstated by above-market leases with related-party tenants.

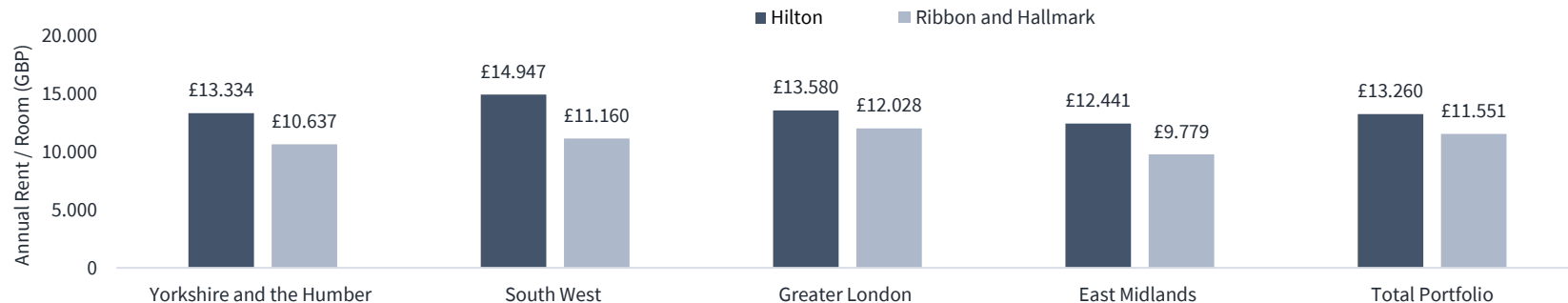
The Facts: Vivion's UK assets are evaluated by a third-party appraiser, as detailed in the Offering Memorandum,⁽¹⁾ and are revalued annually.

Vivion UK rent collections have been strong; 88% of rent due Q1-Q3 2022 and 93% of 2020 & 2021 rent has been paid.

A portion of Vivion's UK hotel assets are leased to Operating Companies (OpCos) that are related parties. This structure is fully disclosed across Vivion's financial statements, Bond OM^(1,2) and EMTN BLP 2022⁽³⁾.

Ribbon / Hallmark rents in-line with Hilton portfolio (no related party)⁽⁴⁾ as of December 31, 2021

Vivion rents on Ribbon and Hallmark portfolio (on a like-for-like basis) are in-line to below Vivion rents on Hilton portfolio (per room basis)



(1) Offering Memorandum - July 25, 2019, Vivion Investments S.a.r.l. 700,000,000 3.00% Senior Notes due 2024.

(2) Offering Memorandum - October 25 2019, Vivion Investments S.a.r.l. 300,000,000 3.50% Senior Notes due 2025.

(3) Base Listing Particulars - November 11, 2022, Vivion Investments S.a.r.l €1,000,000,000 Euro Medium Term Note Programme.

(4) Including Held for sale assets.



Transparent Disclosure Across Transactions

TRANSPARENT DISCLOSURE ACROSS TRANSACTIONS

False Claim: Vivion tenant Rent24 is a related party and represents a significant portion of the Company's business.

Rent24 Overview

- Rent24 is a co-working operator that currently leases ~13,000 sq m in Vivion's German portfolio.
- MW incorrectly claims that Rent24 is the sole tenant in Vivion's KLS property. In addition to Rent24, the tenants in the premises includes: Flink, Chabad, Project Together, BIMA, etc.
- MW claims that Rent24 leased ~50% of the space in Kudamm, an asset that was acquired by Vivion. This is incorrect - Rent24 occupied only 6.3% (out 108,000 sq m of area).

The Facts: Vivion's shareholders have no ownership interest in Rent24. While Vivion's Founding Shareholders were early investors in Rent24, this stake was sold on September 1, 2017. Rent24 currently accounts for less than 2.5% of Vivion's revenue.⁽¹⁾

Vivion's exposure to Rent24⁽²⁾

Rent24	Lettable Area in sq m
Karl-Liebknecht-Straße 34	4.139
Potsdamer Straße 180-182	6.903
Potsdamer Straße 188-192	2.179
Total Rent24	13.221
Total German portfolio Lettable area	599.846
exposure to Rent24	2.2%

(1) Vivion calculation based on annualized contractual rent at Q2 2022 compared to annualized contractual rent for all of Vivion.

(2) Vivion calculation as of Sep 30, 2022.

TRANSPARENT DISCLOSURE ACROSS TRANSACTIONS

False Claim: Vivion's Völklinger Straße 4 asset was acquired in a related-party transaction.

Transaction background

- Vivion's German subsidiary bought Projekt Völklinger Str 4 Düsseldorf GmbH (formerly Brillant 2934 GmbH) on July 10, 2018, to house a future acquisition. Völklingerstr 4 Düsseldorf GmbH held no assets at the time of Vivion's purchase.
- On July 19, 2018, Projekt Völklinger Str 4 Düsseldorf GmbH signed a purchase agreement with third-party seller Rheinisch-Westfälische Immobilien to purchase the asset for ~€126m.⁽¹⁾

(1) Excludes €9m in real estate transfer tax paid Finanzamt Düsseldorf Sud.

The Facts: The property was acquired in July 2018 from third party Rheinisch-Westfälische Immobilien "RWI" (BNP Paribas was the broker for the sale). Since acquisition, Vivion has grown in-place rental income by over 60% and more than doubled average WAULT through successful leasing to high-credit tenants.

Vivion's Völklinger Straße Asset (Düsseldorf)



TRANSPARENT DISCLOSURE ACROSS TRANSACTIONS

False Claim: Vivion's Kudamm property was acquired from a related party in 2019.

Transaction background

- As per the governance procedures of Vivion, any acquisition exceeding certain thresholds requires special approvals (Kudamm acquisition met this threshold).
- Prior to obtaining approval, in order to secure the transaction, a Vivion affiliate signed an acquisition agreement in June 2019 for a purchase price of ~€540m.^(1,2)
- In December 2019, required approvals were obtained, and the asset was transferred into Vivion's German office subsidiary at a cost basis of ~€540m.^(1,2)

(1) Price reflects 89.9% held by Vivion.

(2) Includes certain transaction costs.

The Facts: Kudamm property purchase agreement was signed with a third party in June 2019 and acquired by Vivion in December 2019 for ~€540m^(1,2) (subsequently sold in June 2021 for ~€850m).⁽¹⁾

MW's analysis misconstrues the gap between (i) signing by a Vivion affiliate and (ii) the date on which the property was transferred into Vivion's German subsidiary. This process was required for Vivion to receive internal approvals per the Company's corporate governance procedures. **Asset was transferred at cost (~€ 540m).**

Kurfürstendamm Asset (Berlin)



The 108,000 sq m asset is located at the intersection of Kurfürstendamm and Uhlandstraße in Berlin, a prime location for retail, residential and office tenants. The asset is predominantly for office use.

TRANSPARENT DISCLOSURE ACROSS TRANSACTIONS

False Claim: Vivion overpaid for its 2019 acquisition of **Potsdamer Straße** 180-182, 184.

The Facts: Vivion acquired **Potsdamer Straße 180-182, Potsdamer Straße 184 and Potsdamer Straße 188-192 in January 2019 in an arm's length transaction, for ~€152m or ~€3,200 / sq m.**

Subsequent transactions in the area suggest further appreciation in the asset in the years following the transaction.

Recent transactions at a large premium to Vivion purchase price

Object	Address	Purchase price in € million	Lettable area	Purchase price (€/sq m)	Signing
Büro- und Geschäftsensemble	Genthiner Straße 48	14	2.880	4,900	2022 Q2
Forum im Wirtschaftswunder	Potsdamer Straße 125	180	15.800	11,400	2022 Q3
Oberberg Fachklinik für Kinder- und Jugendpsychiatrie	Schaperstraße 36	27	3.500	7,773	2022 Q2
Am Karlsbad 11	Am Karlsbad 11	76	10.100	7,530	2019 Q4
Bürohaus Pohlstraße 20	Pohlstraße 20	47	7.800	6,028	2020 Q4

Vivion's Potsdamer Strasse Asset (Berlin)



The office buildings situated in the vibrant Schöneberg district of Berlin. Potsdamer Straße is one of the main North-South thoroughfares in Berlin. The asset complex is located at the southern end of the route beside the Kleistpark U-bahn (underground railway) station.



Appendix: Supporting Documents

APPENDIX: SHAREHOLDER LOAN SCHEDULE

Supporting Document Extracts

Changes in shareholder loans semi annually since YE 2018

Closing balance	31.12.2018	€ 746,137
Additions		€ 78,973
Accrued Interest		€ 21,002
FX and Other		€ (19,253)
Closing balance	30.06.2019	€ 826,859
Repayments		€ (44,643)
Accrued Interest		€ 22,246
FX and Other		€ 51,277
Closing balance	31.12.2019	€ 855,739
Additions		€ 250,000
Repayments		€ (28,360)
Accrued Interest		€ 31,052
FX and Other		€ (53,260)
Closing balance	30.06.2020	€ 1,055,171
Repayments		€ (156,758)
Conversion to equity		€ (101,000)
Accrued Interest		€ 21,144
FX and Other		€ 9,857
Closing balance	31.12.2020	€ 828,414
Repayments		€ (109,714)
Accrued Interest		€ 19,332
FX and Other		€ 42,172
Closing balance	30.06.2021	€ 780,204
Additions		€ 1,923
Accrued Interest		€ 20,059
FX and Other		€ 1,176
Closing balance	31.12.2021	€ 803,362
Additions		€ 29,224
Accrued Interest		€ 18,658
FX and Other		€ (11,112)
Closing balance	30.06.2022	€ 840,132

Changes in shareholder loans annually since YE 2018

Closing balance	31.12.2018	€ 746,137
Additions		€ 34.330
Repayments		€ -
Accrued Interest		€ 43.248
FX and Other		€ 32.024
Closing balance	31.12.2019	€ 855,739
Additions		€ 64.882
Repayments		€ -
Conversion to equity		€ (101.000)
Accrued Interest		€ 52.196
FX and Other		€ (43.403)
Closing balance	31.12.2020	€ 828,414
Additions		€ -
Repayments		€ (107.791)
Accrued Interest		€ 39.391
FX and Other		€ 43.348
Closing balance	31.12.2021	€ 803,362
Additions		€ 29.224
Repayments		€ -
Accrued Interest		€ 18.658
FX and Other		€ (11.112)
Closing balance	30.06.2022	€ 840,132

Changes in shareholder loans since YE 2018- June 2022 total

Closing balance	31.12.2018	€ 746,137
Additions		€ 360.120
Repayments		€ (339.475)
Conversion to equity		€ (101.000)
Accrued Interest		€ 153.493
FX and Other		€ 20.857
Closing balance	30.06.2022	€ 840,132

APPENDIX: SUPPORTING DOCUMENTS

Supporting Document Extracts

Supporting documentation for shareholder loan balances provided for the acquisitions of Ribbon and Hilton portfolios

Vivion 2018 Consolidated Financial Statements dated May 28, 2019

Ribbon Acquisition

B. Business combination

On 4 April 2018 the Company's subsidiary UK Investment Company 210 Limited ("UK210") acquired 100% of the share capital of LGH Hotels Management Limited ("LGH") in an off-market transaction from a third-party seller in consideration for GBP 243 million (EUR 278 million). The transaction resulted in a bargain purchase gain of GBP 38 million (EUR 43 million) compared against the market value of the acquired portfolio at the moment of acquisition.

The acquisition was financed by shareholders loan (see Note 12). At the acquisition date LGH refinanced the bank and shareholders loans by a new bank loan in amount of GBP 519 million (EUR 595 million), see Note 11.

The Group currently operates the hotels, however its involvement in their operation is expected to be short-term as its intentions are to seek a third party manager for the operation of the hotels. Therefore, the hotels are classified as investment property and subsequently measured at fair value.

The transaction was treated by UK 210 as a business combination according to IFRS 3. The purchase price was allocated to the net identifiable assets and liabilities based on their relative fair values at the Acquisition Date, as follows:

	EUR thousands
Property, plant and equipment	331
Investment properties	962,055
Inventory	412
Financial assets	12,965
Deferred tax liabilities	(64,194)
Other financial liabilities	(590,877)
Total identifiable assets	320,493
Gain on bargain purchase	(43,207)
Total consideration	277,486
Satisfied by:	
cash	277,486
Cash flow analysis:	
Cash consideration	309,857
Less: cash and cash equivalent balances acquired	(32,371)
Net cash outflow arising on acquisition	277,486

The total consideration paid in cash amounted to GBP 243 million (EUR 278 million). Transaction costs amounted to GBP 3.3 million (EUR 3.8 million), and are included in administrative expenses (see Note 17).

Hilton Acquisition

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



From the date of acquisition, UK210 has contributed EUR 65.1 million to the profit after tax and EUR 162.4 million to revenues. If the combination had taken place at the beginning of the year, the contribution to the profit after tax for the Group would have been EUR 61.9 million and revenue would have been EUR 212.7 million.

C. Hotel portfolio - Assets Acquisition

On 20 December 2018 the Company's subsidiary LIC 210 indirectly acquired through wholly-owned subsidiaries, 9 hotels (100%) in the United Kingdom in an asset deal. The total consideration paid in cash amounted to GBP 260 million (EUR 286 million).

Note 11 – Interest Bearing Loans and Borrowings

Presented hereunder are details of the Group's loans and borrowings from banks:

Interest Type	Loan date	Original amount of loan	Interest mechanism and rate	Payment date of principal	Principal value EUR thousands	Carrying amount EUR thousands
Variable	02. Apr 18	449.8 GBP million	3M Libor + 3.19%	01. Apr 23	502,834	494,103
Variable	02. Apr 18	49.2 GBP million	3M Libor + 6.25%	01. Apr 23	77,359	76,972
Variable	28. Feb 16	105.1 EUR million	Euribor + 1.82%	28. Feb 21	105,071	104,829
Variable	20. Dec 18	153.8 GBP million	3M Libor + 2.5%	20. Dec 23	171,876	168,487
Variable	20. Dec 18	30.8 GBP million	3M Libor + 7%	20. Dec 23	34,376	34,376
					891,510	878,767

APPENDIX: SUPPORTING DOCUMENTS

Supporting Document Extracts

Vivion German Portfolio (equity contributions of €357m)

Vivion 2018 Consolidated Financial Statements dated May 28, 2019

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



Note 5 – Assets' acquisition and business combination

A. Golden Assets' Acquisition

On 2 April 2018 (the "Acquisition Date") the Company's subsidiary Golden Capital Partners S.A. ("Golden") completed several share deals for the purchase of 33 properties in Germany (the "Golden Assets' Acquisition"). The holding stake in the acquired property companies is 94% (with one exception of 50% stake). The total consideration for the purchased shares amounted to approximately EUR 357.3 million and was fully settled by way of debt assignment to the Company against shareholder loans provided to Golden by the Company.

The Golden Assets' Acquisition was treated as a purchase of a group of assets and liabilities and not as a business combination based on IFRS 3, Business combinations, mainly since the Group's view was to purchase a portfolio of assets and not to acquire activities, processes and previous management. Therefore, the total purchase price was allocated to the assets and liabilities based on their relative fair values at the Acquisition Date without the recognition of goodwill and deferred taxes, as follows:

	EUR thousands
Cash and cash equivalents	8.377
Other current assets	14.069
Investment properties	481.826
Other non-current assets	20.640
Current liabilities	(25.565)
Bank loans and borrowings	(124.580)
Other financial liabilities	(1.164)
Non-Controlling interests	(16.273)
Total consideration	357.328
Consideration settled against loans and capital	(357.328)
Total Consideration paid in cash	-

The total increase in cash and cash equivalents as a result of the Golden Assets' Acquisition amounted to EUR 8.377 thousand.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY



Consolidated statement of changes in equity for the year ended 31 December 2018

	Issued share Capital EUR thousands	Share premium reserve EUR thousands	Foreign currency translation reserve EUR thousands	Result for current period EUR thousands	Total EUR thousands	Non- controlling interests EUR thousands	Total equity EUR thousands
Balance as at 2 April 2018 *	-	-	-	-	-	-	-
Profit (loss) for the current period	-	-	-	234.004	234.004	43.905	277.909
Other comprehensi- ve income	-	-	(1.059)		(1.059)	-	(1.059)
Total comprehensi- ve income for the period	-	-	(1.059)	234.004	232.945	43.905	276.850
Transactions with owners, recognized directly in equity							
Issue of ordinary shares net of issue costs	12	-	-	-	12	-	12
Conversion of share- holders' loans into share premium	-	53.030	-	-	53.030	-	53.030
Non-controlling interests arising on initial consolidation	-	-	-	-	-	63.974	63.974
Sale of subsidiary's shares to non-cont- rolling interests	-	-	-	-	-	4.619	4.619
Balance as at 31 December 2018	12	53.030	(1.059)	234.004	285.987	112.498	398.485

* Reference is made to notes 1 and 4 (Basis of consolidation)

APPENDIX: SUPPORTING DOCUMENTS

Supporting Document Extracts

Supporting documentation for shareholder loan balances provided for the acquisitions of Best Western (former Hallmark)

Vivion 2019 Consolidated Financial Statements dated April 23, 2019, page 50

A. Business Combinations

In January 2019 the Group acquired 26 hotels in the United Kingdom in a share deal for a consideration of GBP 55.0 million (EUR 62.8 million). The Group paid a down payment of GBP 32.5 million (EUR 36.3 million) in December 2018. The acquisition is accounted for as a business combination based on IFRS 3, Business combinations. As the transaction occurred in an off-market transaction from a third-party seller, it resulted in a bargain purchase gain of GBP 34.5 million [EUR 39.4 million].

In August 2019 the Group completed the transfer of its hotel operations within the UK to affiliated operating companies outside of the Group [the "Hotel OpCos"], whereby the operations of the acquired hotels were transferred outside of the Group [the "PropCo Reorganisation"]. Therefore, the hotels are classified as investment property and subsequently measured at fair value. As per 31 December 2019 the Company earns rental income from the respective tenants of each of the properties in the portfolio.

The purchase price was allocated to the net identifiable assets and liabilities based on their fair values at the Acquisition Date, as follows:

	EUR thousands
Investment properties	319,508
Cash	3,899
Prepayments	863
Trade and other receivables	2,384
Inventory	474
Deferred tax liabilities	[22,470]
Other financial liabilities	[202,469]
Total identifiable assets	102,189
Gain on bargain purchase	[39,378]
Total consideration	62,811
Satisfied by:	
Cash	62,811
Cash flow analysis:	
Cash consideration	62,811
Less: cash and cash equivalent balances acquired	[3,899]
Less: advance payments before Reporting period	[37,099]
Net cash outflow arising on acquisition in Reporting period	21,812

Transaction costs amounted to approximately GBP 6.5 million [EUR 7.7 million] and are included in Administrative expenses in the Statement of Profit and Loss.

Vivion 2019 Condensed Interim Consolidated Financial Statements dated September 25, 2019, page 22

Note 6 – Loans and Borrowings

A. Presented hereunder are details of new issues or acquired loans during the six month period ended 30 June 2019, relating to the Group's principal loans and borrowings from banks:

Interest Type	Loan date	Original amount of loan	Interest mechanism and rate	Payment date of principal	30 June 2019 unaudited	
					Principal value EUR thousands	Carrying amount EUR thousands
Variable	January 2019	GBP 133.6 million	Libor + 3%	January 2024	148,973	146,475
Variable	January 2019	EUR 81.9 million	3M Euribor + 2.2%	February 2022	81,900	80,752
Fixed	March 2015*	EUR 28 million	2.24%	February 2025	28,000	25,433
Fixed	November 2017*	EUR 22 million	2.27%	September 2027	22,000	21,066
Fixed	February 2015*	EUR 5 million	2.24%	February 2025	5,000	4,627
Total new loans issued or acquired during the reporting period					285,873	278,353
Loans and borrowings as at 31 December 2018						878,767
Foreign exchange effects on loans denominated in GBP						[5,101]
Total loan balance as at 30 June 2019						1,152,021

* Loans were acquired as part of an asset acquisition as included in Note 4.

APPENDIX: SUPPORTING DOCUMENTS

Supporting Document Extracts

Conversion to Equity

Vivion 2020 YE Consolidated Financial Statements dated April 27, 2021, pages 18, 45

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2020

	Issued share Capital	Share premium reserve	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	EUR thousands						
Balance as at 1 January 2020	12	53,030	28,794	512,432	594,268	393,036	987,304
Total comprehensive income							
Profit (loss) for the year	-	-	-	(90,646)	(90,646)	15,931	(74,715)
Other comprehensive income	-	-	(40,813)	-	(40,813)	-	(40,813)
Total comprehensive income (loss) for the period	-	-	(40,813)	(90,646)	(131,459)	15,931	(115,528)
Transactions with owners, recognized directly in equity							
Equity contributions (Note 12)	-	101,000	-	-	101,000	97,898	198,898
Debt/equity restructuring of non-controlling interest	-	-	-	-	-	(6,325)	(6,325)
Total transactions with owners	-	101,000	-	-	101,000	91,573	192,573
Balance as at 31 December 2020	12	154,030	(12,019)	421,786	563,809	500,540	1,064,349

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

► NOTE 12 – TOTAL EQUITY

A. Equity attributable to the owners of the Company

Share capital and share premium

As at 31 December 2020 the issued and fully paid share capital of the Company consists of 12,002 ordinary shares of EUR 1 each (2019: 12,002) with a nominal value of EUR 12,002 (2019: 12,002).

The movement of the share premium reserve is as follows:

Share premium reserve	2020	2019
	EUR thousands	
As at 1 January	53,030	53,030
Contributions	101,000	-
At 31 December	154,030	53,030

During the reporting period, the Company's shareholder converted part of its shareholder loans into an equity contribution. Refer to **Note 16**.

APPENDIX: SUPPORTING DOCUMENTS

Supporting Document Extracts

Supporting documentation for Potsdamer Acquisition

Vivion 2019 HY Consolidated Financial Statements dated September 25, 2019, page 19

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS



B. Assets' acquisitions

On 2 January 2019 the Group acquired 89,8% holding stake in three companies which hold three office buildings in Germany through a share deal. The total consideration paid in cash amounted to EUR 104 million, out of which EUR 65 million was already paid in 2018. The acquisition was treated as an asset acquisition in which the company acquired investment property of EUR 152 million and bank loans amounting to EUR 52 million and working capital for amount of EUR 4 million.

APPENDIX: SUPPORTING DOCUMENTS

Supporting Document Extracts

Overview Funds from operation 2019-2022

Vivion 2020 EMTN Programme dated November 11, 2022, page 66

FFO calculation:	As of and for the six months ended 30 June 2022	As of and for the six months ended 30 June 2021	As of and for the year ended 31 December 2021	As of and for the year ended on 31 December 2020
	Unaudited, in thousands of €			
Adjusted EBITDA	93,124	79,576	166,038	138,773
(-) Interest expense on bank loans and borrowings from third parties	23,878	25,179	46,645	55,741
(-) Current tax expense.....	9,163	6,861	23,273	11,798
FFO	60,083	47,536	96,120	71,234

Occupancy definition

November 11, 2022, Vivion Investments S.a.r.l €1,000,000,000 Euro Medium Term Note Programme in page ix

The Issuer defines “Property Occupancy Rate” as the occupancy in its Property Portfolio measured in square metres of NLA as of 30 June 2022 and additionally giving *pro forma* effect to by taking into account executed lease agreements with lease terms beginning in the future, excluding properties which are under development, and in all cases excluding assets held for sale.

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