CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

as at 30 June 2023

VIVION

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

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
as at 30 June 2023

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Independent Auditors' Report on Review of Interim Financial Information

To the Board of Managers of
Vivion Investments S.à r.l.
155, rue Cents
L-1319 Luxembourg
Grand Duchy of Luxembourg

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Vivion Investments S.à r.l. and its subsidiaries (the "Group") as at 30 June 2023, the condensed consolidated interim statement of profit or loss and other comprehensive income, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the six month period then ended, and notes to the interim financial information ("the condensed consolidated interim financial statements"). Management is responsible for the preparation and presentation of this condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements 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 statements 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 statements as at 30 June 2023 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union.

12 September 2023

KPMG Audit S.à r.l.
Cabinet de révision agréé

Thomas Grünwald
Partner

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

Assets

	Note	30 June 2023	31 December 2022
		EUR thousands	
		UNAUDITED	AUDITED
Non-current assets			
Investment property	5	3,732,095	3,800,008
Advance payments for investment property		9,830	2,958
Derivatives	12 A	28,828	32,245
Investment in and Loans to equity-accounted investees		57,239	50,267
Restricted cash and other deposits		67,365	26,279
Loans and other long-term assets		65,331	66,149
Total non-current assets		**3,960,688**	**3,977,906**
Current assets			
Trade and other receivables		77,068	86,723
Income tax receivables		2,509	5,117
Financial assets	4C	63,344	60,902
Other short-term assets	4C	1,726	50,920
Cash and cash equivalents		740,562	839,102
		885,209	**1,042,764**
Assets held for sale	6	185,877	182,637
Total current assets		**1,071,086**	**1,225,401**
Total assets		**5,031,774**	**5,203,307**

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

Equity and liabilities

	Note	30 June 2023	31 December 2022
		EUR thousands	
		UNAUDITED	AUDITED
Equity			
Issued share capital		12	12
Share premium reserve		173,010	173,010
Retained earnings		288,305	345,764
Other reserves		17,151	(10,697)
Total equity attributable to owners of the Company		**478,478**	**508,089**
Non-controlling interests		378,141	454,906
Total equity		**856,619**	**962,995**

Liabilities

	Note	30 June 2023	31 December 2022
Non-current liabilities			
Bonds	8	1,229,049	1,261,407
Loans and borrowings	7	692,610	542,355
Convertible bond	8	185,663	182,343
Deferred tax liabilities		220,127	229,030
Long-term lease liabilities		88,304	81,404
Liability for sale and leaseback transaction		65,181	63,086
Derivative financial liabilities	12A	42,445	42,445
Tenant deposits		4,622	3,826
Loans from Shareholders		882,625	846,104
Loans from non-controlling interests	4D	528,381	604,830
Total non-current liabilities		**3,939,007**	**3,856,830**

	Note	30 June 2023	31 December 2022
Current liabilities			
Trade and other payables		44,554	46,285
Income tax payables		4,992	5,344
Other short-term liabilities		57,520	36,395
Loans from non-controlling interests	4D	48,223	-
Current portion of loans and borrowings		78,473	292,431
		233,762	**380,455**
Liabilities held for sale	6	2,386	3,027
Total current liabilities		**236,148**	**383,482**
Total liabilities		**4,175,155**	**4,240,312**
Total liabilities and equity		**5,031,774**	**5,203,307**

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: **12 September 2023**

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT AND LOSS

	Note	For the six months ended 30 June 2023	For the six months ended 30 June 2022
		EUR thousands UNAUDITED	EUR thousands UNAUDITED
Revenues	9	**119,602**	**108,812**
Property revaluations and capital losses	5	(156,368)	(13,473)
Share in losses from investment in equity-accounted investees		(2,246)	(1,079)
Property operating expenses		(13,747)	(10,726)
General and administrative expenses		(13,576)	(7,597)
Operating profit (loss)		**(66,335)**	**75,937**
Interest expenses to third parties		(44,516)	(35,182)
Interest income from third parties		6,246	11,304
Other finance expense		(7,042)	(9,991)
Change in short-term financial instruments and derivatives		10,021	10,868
Interest expense on shareholders' and non-controlling interest loans		(33,204)	(31,023)
Profit (loss) before tax		**(134,830)**	**21,913**
Current tax expense		(12,455)	(9,163)
Deferred tax (expense) income		13,724	(3,877)
Profit (loss) for the period		**(133,561)**	**8,873**
Attributable to:			
Owners of the Company		(57,459)	(4,593)
Non-controlling interests		(76,102)	13,466
		(133,561)	**8,873**

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	
		2023	2022
		EUR thousands UNAUDITED	
Profit (loss) for the period		**(133,561)**	**8,873**
Other comprehensive income (loss) that may be reclassified to profit or loss in subsequent periods:			
Net change in fair value of financial assets at fair value through other comprehensive income		(1,367)	(63,924)
Foreign currency translation reserve		28,552	(12,475)
Other comprehensive income (loss)		**27,185**	**(76,399)**
Total comprehensive loss for the period		**(106,376)**	**(67,526)**

Attributable to:			
Owners of the Company		(29,611)	(50,001)
Non-controlling interests		(76,765)	(17,525)
		(106,376)	**(67,526)**

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


Oskar-Jäger-Straße, Cologne

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

	Note	For the six months ended 30 June	
		2023	2022
		EUR thousands UNAUDITED	
Cash flows from operating activities			
Profit (loss) for the period		**(133,561)**	**8,873**
Adjustments for:			
Property revaluations and capital losses	5	156,368	13,473
Change in short-term financial instruments and derivatives		(10,021)	(10,868)
Net finance expense		78,516	64,892
Tax expense (income)		(1,269)	13,040
Share in losses from investment in equity-accounted investees		2,246	1,079
Change in trade and other receivables		9,913	(5,909)
Change in trade and other payables		(8,895)	5,609
Taxes paid		(14,418)	(13,995)
Net cash from operating activities		**78,879**	**76,194**

Cash flows from investing activities			
Purchase of investment properties		-	(134,606)
Capital expenditure on investment properties		(16,314)	(8,136)
Acquisition of subsidiary, net of cash acquired		-	(40,320)
Proceeds from disposals of investment properties		7,500	4,150
Advances received (paid) in respect of investment properties		(6,873)	500
Proceeds from financial assets	4C	50,000	115,753
Change in restricted cash and other deposits		(41,086)	4,929
Investment in and loans granted to equity accounted investees		(9,178)	(3,666)
Investment in traded securities and other financial assets, net		(5,569)	(52,404)
Net cash used in investing activities		**(21,520)**	**(113,800)**

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

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	Note	For the six months ended 30 June 2023	For the six months ended 30 June 2022
		EUR thousands UNAUDITED	EUR thousands UNAUDITED
Cash flows from financing activities			
Repayment of secured loans and borrowings		(300,809)	(14,002)
Proceeds from secured loans and borrowings		228,375	-
Proceeds from issuance of shares		-	18,980
Proceeds from shareholders' loans		-	29,224
Repayments of loans from non-controlling interest	4D	(42,486)	-
Interest paid		(18,539)	(12,747)
Buy-back of corporate bonds		(24,166)	(62,037)
Net cash used in financing activities		**(157,625)**	**(40,582)**

Net decrease in cash and cash equivalents		**(100,266)**	**(78,188)**
Cash and cash equivalents as at the beginning of the period		839,102	803,317
Effect of exchange rate differences on cash and cash equivalents		1,726	(2,773)
Cash and cash equivalents as at the end of the period		**740,562**	**722,356**

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

Holiday Inn Regent's Park, London

VIVION

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

	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 2023	**12**	**173,010**	**(5,879)**	**(4,818)**	**345,764**	**508,089**	**454,906**	**962,995**
Total comprehensive income (loss)								
Loss for the period	-	-	-	-	(57,459)	**(57,459)**	(76,102)	**(133,561)**
Other compre-hensive income (loss)	-	-	(704)	28,552	-	**27,848**	(663)	**27,185**
Total compre-hensive loss for the period	**-**	**-**	**(704)**	**28,552**	**(57,459)**	**(29,611)**	**(76,765)**	**(106,376)**
Balance as at 30 June 2023	**12**	**173,010**	**(6,583)**	**23,734**	**288,305**	**478,478**	**378,141**	**856,619**

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 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 translati-on 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 (loss)								
Loss for the period	-	-	-	-	(4,593)	**(4,593)**	13,466	**8,873**
Other compre-hensive 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								
New shares issued	*	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.

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 2023 was EUR 12,297 (31 December 2022: EUR 12,297) divided into 12,297 shares (31 December 2022: 12,297 shares) with nominal value of EUR 1 each. The Company is a directly held subsidiary of Vivion Holdings S.à r.l. ("**Vivion Holdings**" or the "**Parent Company**") a company incorporated in Luxembourg (30 June 2023: 90%; 31 December 2022: 90%). 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 2023 ("**Reporting date**") the Company indirectly holds 51.5% (31 December 2022: 51.5%) of the share capital of Golden Capital Partners S.A. ("**Golden**"). Golden's business activities are focused on the German commercial real estate market with a focus on office properties.

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.

The rating agency S&P Global Ratings ('S&P') assigned the Company a "BB" rating and a "BB+" rating to the 2024 Notes and 2025 Notes in September 2019. Following the announcement of the exchange offer (see Note 4.A), S&P assigned a BB+ rating to the New Secured notes and downgraded the remaining 2024 Unsecured Notes to BB-. The Company's rating remains "BB" with a Negative outlook.

Völklinger Straße, Düsseldorf

NOTE 2 – BASIS OF PREPARATION

A. Statement of compliance

These condensed consolidated interim financial statements (the "**Financial Statements**") as at 30 June 2023 (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 2022 (hereinafter – the "**Annual Financial Statements**").

However, selected explanatory notes are included to describe 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.

Heidestraße, Berlin

NOTE 3 – 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

The Group has applied the following standards and amendments for the first time for the financial year beginning at 1 January 2023:

- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies (issued on 12 February 2021 and effective for annual reporting periods beginning on or after 1 January 2023);
- Amendments to IAS 8: Definition of Accounting Estimate (issued on 12 February 2021 and effective for annual reporting periods beginning on or after 1 January 2023);
- Amendments to IAS 12 Income Taxes: Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (issued on 7 May 2021 and effective for annual reporting periods beginning on or after 1 January 2023).

The above standards and amendments had no material impact on the Group's condensed consolidated interim financial statements.

B. New standards, amendments to standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for reporting period commencing on 1 January 2023 and have not been early adopted by the Group:

- Amendments to IAS 1: Classification of liabilities as current or non-current (issued on 23 January 2020 and 15 July 2020 respectively and effective for annual periods beginning on or after 1 January 2024);
- Amendments to IAS 1: Non-current Liabilities with Covenants (issued on 31 October 2022 and effective for annual reporting periods beginning on or after 1 January 2024);
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (the effective date for these amendments was deferred indefinitely);
- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback (issued on 22 September 2022 and effective for annual reporting periods beginning on or after 1 January 2024). The effect of applying the amendment is in examination by the Group.
- Amendments to IAS 12: International tax reform - pillar two model rules (issued on 23 May 2023 and effective for annual reporting periods beginning on or after 1 January 2023).

These new standards, amendments and interpretations have not been endorsed by the European Union yet. Unless otherwise described above, the new standards and interpretations are not expected to significantly affect the Group's condensed consolidated interim financial statements.

NOTE 4 – EVENTS DURING AND SUBSEQUENT TO THE REPORTING PERIOD

A. In July 2023, the Company invited the holders of its outstanding Senior Unsecured Notes due 2024, Senior Unsecured Notes due 2025 as well as Convertible Bonds due 2025 (together the "**Existing Notes**") to exchange any and all of the Existing Notes for a partial cash consideration and new Senior Secured Notes due 2028 and 2029 (the "**New Notes**").

71% of the 2024 Notes and 100% of the 2025 Notes and Convertible Bonds were exchanged, resulting in an average of 91% of the holders across the three series supporting the extension. The 2024 Existing Notes were exchanged for a cash consideration and 2028 New Notes, whereas the 2025 Existing Notes were exchanged for a cash consideration and 2029 New Notes. The Convertible Bonds were exchange for the 2028 New Notes. The exchange was completed on 31 August 2023, and included a total cash consideration of EUR 166 million including EUR 18.5 million of accrued interest on the exchanged Existing Notes.

The New Notes will mature in August 2028 and February 2029 and bear an annual coupon of 6.5% paid semi-annually with an addition of Paid-in-Kind interest of 1.4%-2.25% which shall be capitalized and added to the outstanding principal amount of the New Notes on each interest payment date and a redemption fee of 1% from the nominal principal amount. The New Notes have an issuer optional redemption date starting from the Initial call Option Date 31 August 2024 up to (but excluding) the Maturity Date.

S&P assigned a BB+ rating to the New Notes and BB- rating to the remaining 2024 Existing Notes.

B. In January 2023, the Group successfully refinanced a secured debt facility associated with part of its UK portfolio. The outstanding amount of GBP 254 million (EUR 287 million) including accrued interest has been fully prepaid using the Group's own liquidity and a new GBP 200 million (EUR 226 million) senior secured facility that had been entered into, bearing an interest of 3.95% plus 5-year SONIA, that was fixed on the date of the drawdown. For more information see Note 7.1.

C. On 31 December 2020 a subsidiary of the Group has engaged with Aggregate Holdings SA ("**Aggregate**") in a contract for the sale of a group of subsidiaries holding an asset complex in the center of Berlin ("**Project Fürst**") through a share deal. The completion of the transaction occurred in June 2021. The consideration for the sale of the shares was settled in cash and financial instruments. The total consideration was ca. EUR 876 million comprising of EUR 156 million in cash and EUR 720 million in financial assets (EUR 220 million of 5.5% 2024 Aggregate Holdings SA bonds (the "**Traded bonds**") and EUR 500 million Project Lietzenburger Strasse PropCo S.à r.l November 2023 bonds (the "**Non-traded bonds**")).

Out of the Non-traded bonds ca. EUR 151 million was settled in cash repayments until 31 December 2021. In March 2022, the Group sold to a third party the remaining Non-Traded bonds with a book value of EUR 336.9 million (which comprises with a Nominal amount of EUR 352.8 million and an Estimated Credit Losses (ECL) of EUR 15.9 million, that were booked already in 2021). The total consideration was EUR 321 million (the "**Total Purchase Price**").

The difference between the book value of the Non-traded bonds and the Total Purchase Price was recorded as financial expense/loss under "other financial losses".

The Total Purchase Price was settled by an immediate cash payment of ca. EUR 112.3 million which has been received by the Group in March 2022 and by a deferred payment of ca. EUR 208.7 million (the "**Deferred Pay-**

ment") carrying a 2% interest rate. The security package for the Deferred Payment included a full pledge over all the sold Non-traded bonds.

In December 2022, the Group received EUR 162.4 million (including EUR 3.1 million accrued interest and EUR 500 thousand interest paid in advance for the unpaid amount of EUR 50 million, representing a rate of 4% p.a.). The remaining outstanding amount of EUR 50 million was received in March 2023.

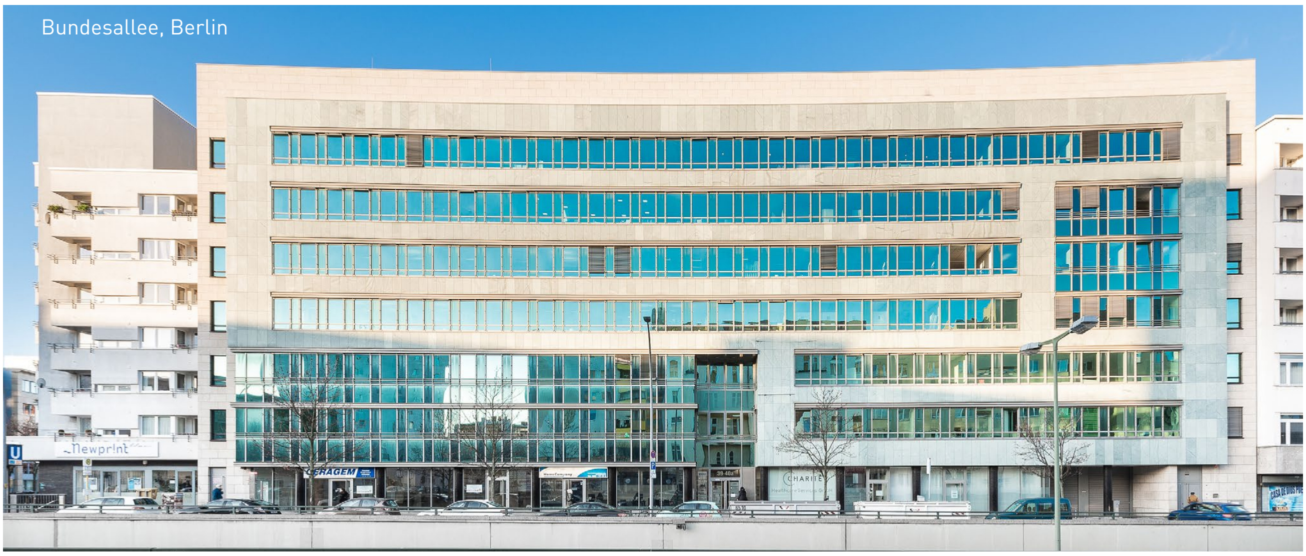
In September 2022, the Group settled with Aggregate Holdings SA nominal EUR 196 million out of the total of nominal EUR 220 million of the Traded bonds through acquisition of an asset located in the Quartier Heidestrasse ("**QH**") project in central Berlin. Upon acquisition, the asset ("**QH Core**") had a total Gross Asset Value of approximately EUR 330 million. Net Asset Value of ca. EUR 196 million, with asset level debt of EUR 130 million with attractive debt terms of 3M Euribor + 1.45% interest, with Euribor capped at 1.2% and maturity at 2030. The asset is newly built, 94% occupied and located in a prime location in Berlin.

The remaining Traded bonds, with a nominal amount of EUR 23 million, were supposed to be settled through the acquisition of the asset QH Spring. In January 2023, the conditions precedent that was agreed in the SPA with Aggregate Holdings SA, were not met and the acquisition was not completed.

D. In May 2023, the Board of Directors of Golden decided to prepay EUR 200 million of Shareholder loans in two tranches. The first tranche of EUR 100 million was prepaid in June and July 2023, of which EUR 42.5 million (interest of EUR 12.5 million and principal of EUR 30.0 million) and EUR 5.7 million were prepaid to non-controlling interests in June 2023 and July 2023, respectively. The remainder was repaid to Vivion Capital Partners S.A. ("**Vivion CP**"), a wholly owned direct subsidiary of Vivion. Subsequent to the Reporting Date, Golden prepaid the second tranche of EUR 100 million shareholder loans, of which EUR 48.2 million was prepaid to non-controlling interests and EUR 51.8 million was prepaid to Vivion CP a wholly owned direct subsidiary of Vivion. In total, up to the date of these Financial Statements Golden has completed the prepayment of the EUR 200 million shareholder loans from the beginning of the year, of which EUR 96.4 million was prepaid to non-controlling interests and EUR 103.6 million was prepaid to Vivion CP.

E. During the Reporting Period the Group performed a buy-back of its own issued unsecured bonds in a nominal amount of EUR 32.4 million, which resulted in a profit of EUR 11.6 million. For additional information see Note 8(1).

F. During the Reporting Period the corporation tax rate in the UK increased from 19% to 25%. For further details see Note 23 (1) of the Annual Financial Statements.



NOTE 5 – INVESTMENT PROPERTY

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

	Germany[1]				UK	Totals
	Office	Hotels	Other	Subtotal	Hotels[2]	
	EUR thousands UNAUDITED					
Balance as at 1 January 2023 (incl. held for sale assets)	**1,675,520**	**225,877**	**117,782**	**2,019,179**	**1,960,859**	**3,980,038**
Capital expenditure	3,866	3,329	339	**7,534**	10,375	**17,909**
Fair value adjustments[3]	(121,845)	(21,303)	2,463	**(140,685)**	(13,543)	**(154,228)**
Foreign currency revaluation effect through OCI	(46)	(71)	320	**203**	65,693	**65,896**
Disposal of investment property	(7,950)	-	-	**(7,950)**	-	**(7,950)**
Other adjustments	687	2,418	4	**3,109**	10,891	**14,000**
Total	**1,550,232**	**210,250**	**120,908**	**1,881,390**	**2,034,275**	**3,915,665**
Less: classified as held for sale	(127,860)	-	(55,710)	**(183,570)**	-	**(183,570)**
At 30 June 2023[4]	**1,422,372**	**210,250**	**65,198**	**1,697,820**	**2,034,275**	**3,732,095**

[1] The investment property table for Germany contains non-material properties in other EU jurisdictions.
[2] Includes one residential property.
[3] Excludes capital losses of EUR 2.1 million.
[4] Includes Right-of-use assets of EUR 88.6 million.


Holiday Inn, Bristol

	Germany[1]				UK	Totals
	Office	Hotels	Other	Subtotal	Hotels[2]	
	EUR thousands AUDITED					
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	536,139	106,768	36,222	**679,129**	48,086	**727,215**
Capital expenditure	3,377	1,763	1,149	**6,289**	10,926	**17,215**
Fair value adjustments[3]	(103,570)	(46,058)	(4,877)	**(154,505)**	(162,837)	**(317,342)**
Foreign currency revaluation effect through OCI	-	-	-	**-**	(112,725)	**(112,725)**
Disposal of investment property	(5,250)	-	-	**(5,250)**	(8,028)	**(13,278)**
Other adjustments	729	5,045	(29)	**5,745**	22,460	**28,205**
Total	**1,675,520**	**225,877**	**117,782**	**2,019,179**	**1,960,859**	**3,980,038**
Less: classified as held for sale	(130,320)	-	(49,710)	**(180,030)**	-	**(180,030)**
At 31 December 2022[4]	**1,545,200**	**225,877**	**68,072**	**1,839,149**	**1,960,859**	**3,800,008**

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

[2] Includes one residential property.

[3] Excludes capital losses of EUR 8 million.

[4] Includes right-of-use assets of EUR 81.7 million.

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, and an exit value at the end of the detailed cash flow period.

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.

The Group obtained third party valuation reports for its entire German portfolio and a third party assessment (that confirmed no material change in the value) for its entire UK portfolio. Both valuation reports and assessments were received from independent appraisers.

NOTE 6 – ASSETS AND LIABILITIES OF DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE

The Group expects to sell non-core 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 2023, the Company classified the investment properties with fair value of EUR 55.7 million as Assets of disposal groups classified as held for sale and investment properties with fair value of EUR 127.9 million as Assets held for sale.

	30 June 2023 EUR thousands UNAUDITED
Assets	
Investment property	183,570
Trade and other receivables	1,588
Cash and cash equivalents	719
	185,877

Liabilities	
Trade and other payables	1,033
Other long-term liabilities	22
Deferred tax liabilities	1,331
	2,386

Sanderson Hotel, London

NOTE 7 – SECURED LOANS AND BORROWINGS

1. In January 2023, the Group refinanced a secured debt facility associated with part of its UK portfolio. The outstanding facility of GBP 254 million (EUR 287 million) including accrued interest had been fully prepaid using the Group's own liquidity and a new GBP 200 million (EUR 226 million) senior secured facility. The new senior secured facility will be bearing a fixed interest of 3.95% plus 5-year SONIA, that was fixed on the date of the drawdown, paid quarterly, maturing in October 2027. An interest reserve and restricted capex reserve, are presented under Restricted cash and other deposits in the statement of financial position.

2. As part of the bank loans received by the Group, the Group companies have undertaken to maintain certain financial ratios, inter-alia, Loan-to-value ("LTV"), debt service coverage, interest coverage, Net Operating Income ("NOI") Debt Yield minimum and loan to annual rent.

   As at 30 June 2023, the Group is fully compliant with all covenant requirements.

NOTE 8 – SENIOR UNSECURED BONDS AND CONVERTIBLE 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 2023	31 December 2022
						EUR thousands	
						UNAUDITED	AUDITED
Bond I (1) (2) (3)	EUR	633,600	3.00%	100.0	08/2019 - 08/2024	629,849	649,948
Bond II (1) (2) (3)	EUR	601,700	3.50%	98,68	10/2019 - 10/2025	599,200	611,459
Total						**1,229,049**	**1,261,407**
Convertible Bond (2) (3) (4)	EUR	200,000	2.25%	100.0	08/2020 - 08/2025	185,663[5]	182,343
Total Senior Unsecured Bonds						**1,414,712**	**1,443,750**
Total accrued interest						**34,841**	**14,328**

* Net of notes bought back by the Group.

1. During the reporting period the Group performed a buy-back of its own issued unsecured bonds in a nominal amount of EUR 32.4 million (EUR 20.0 million from Bond I; EUR 12.4 million from Bond II), which resulted in a profit of EUR 11.6 million.

2. As at 30 June 2023, the Group is fully compliant with all covenant requirements on all Bonds and Convertible bonds.

3. Following Note 4.A, the Group has completed the exchange of its senior unsecured bonds.

4. As part of the Convertible bond Terms and Conditions, the Convertible bonds will be redeemed, in case of redemption without a qualifying IPO, at a price of EUR 124,198 for each EUR 100,000 principal outstanding amount.

5. Excluding derivative financial liability of EUR 37 million.

NOTE 9 – REVENUES

A. Rental income

	For the six months ended	
	30 June 2023	30 June 2022
	EUR thousands UNAUDITED	
Rental income	107,740	98,009

B. Contracts with customers

	For the six months ended	
	30 June 2023	30 June 2022
	EUR thousands UNAUDITED	
Service charge income	11,862	10,803

For further information regarding reportable segments, see Note 10 Operating Segments.

NOTE 10 – 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 (84% 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 3 of the Annual Financial Statements 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 include 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 cash 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 2023			
Revenues	72,844	46,758	**119,602**
Property revaluations and capital losses	(13,543)	(142,825)	**(156,368)**
Property operating expenses	(1,429)	(12,318)	**(13,747)**
General and administrative expenses	(837)	(6,659)	**(7,496)**
Reportable segment operating profit (loss)	**57,035**	**(115,044)**	**(58,009)**
Share in losses from investment in equity-accounted investees			**(2,246)**
Corporate general and administration expenses			**(6,080)**
Net finance expenses			**(68,495)**
Profit (loss) before tax	**57,035**	**(115,044)**	**(134,830)**

	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 losses	(9,432)	(4,041)	**(13,473)**
Property operating expenses	(907)	(9,819)	**(10,726)**
General and administrative expenses	(734)	(5,141)	**(5,875)**
Reportable segment operating profit	**61,155**	**17,583**	**78,738**
Share in losses from investment in equity-accounted investees			**(1,079)**
Corporate general and administration expenses			**(1,722)**
Net finance expenses			**(54,024)**
Profit before tax	**61,155**	**17,583**	**21,913**

* The operating segments table for Germany contains non-material properties in other jurisdictions.

NOTE 11 – RELATED PARTIES

The immediate Parent of the Company is disclosed in Note 1.

The Group's investments in significant subsidiaries are listed in the following table:

Subsidiary	Country of incorporation	Principal activities	30 June 2023	31 December 2022
			% Equity interest	
Subsidiaries held directly and indirectly by the Company				
Lux Investment Company 210 S.à r.l.	Luxembourg	Financing	100.0%	100.0%
Ribbon HoldCo Limited	United Kingdom	Holdings	100.0%	100.0%
UK Investment Company 211 Mezz HoldCo Limited	United Kingdom	Holdings	100.0%	100.0%
Zinc Hotels HoldCo Limited	United Kingdom	Holdings	100.0%	100.0%
Vivion Capital Partners S.A.	Luxembourg	Financing	100.0%	100.0%
Golden Capital Partners S.A.	Luxembourg	Holdings	51.5%	51.5%

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

	30 June 2023	31 December 2022
	EUR thousands	
	UNAUDITED	AUDITED
Consolidated statement of financial position		
Rent and other receivables from related parties	41,648	48,988
Loans to equity-accounted investee	35,149	27,439
Payables to related parties	(6,012)	(3,211)
Loans from Shareholders	(793,127)	(760,588)

	For the six months period ended 30 June	
	2023	2022
	EUR thousands	
	UNAUDITED	UNAUDITED
Consolidated statement of profit or loss		
Rental and service charges income	61,726	59,874
Interest income on loans to equity-accounted investee	969	1,961
Services and management fee charges	(6,500)	(2,358)
Interest expenses on loans from Shareholders	(17,428)	(18,658)

The terms and conditions of the related parties loans and services are as mentioned in Note 14 and 25, respectively of the Annual Financial Statements.

Director fees

During the Reporting Period, the Group paid Director's fees of approximately EUR 128 thousand (for the six months period ended 30 June 2022: EUR 25 thousand).

NOTE 12 – FINANCIAL INSTRUMENTS

A. Fair value measurement hierarchy

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

- Level 1: the fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period.
- Level 2: the fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable data and rely as little as possible on entity-specific estimates. If all significant input required to fair value of financial instrument are observable, the instrument is included in level 2.
- Level 3: if one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

	30 June 2023 **Fair value measurement using** EUR thousands UNAUDITED			
	Total	**Level 1**	**Level 2**	**Level 3**
Financial assets				
Financial assets at fair value through profit and loss[1]	37,987	37,987	-	-
Financial assets at fair value through other comprehensive income	6,592	6,592	-	-
Derivative financial instruments[2]	28,828	-	28,828	-
Total	**73,407**	**44,579**	**28,828**	**-**
Financial liabilities				
Derivative financial liabilities	42,445	-	-	42,445
Total	**42,445**	**-**	**-**	**42,445**

	31 December 2022 Fair value measurement using EUR thousands AUDITED			
	Total	Level 1	Level 2	Level 3
Financial assets				
Financial assets at fair value through profit and loss[1]	34,718	34,718	-	-
Financial assets at fair value through other comprehensive income	7,959	7,959	-	-
Derivative financial instruments[2]	32,245	-	32,245	-
Total	**74,922**	**42,677**	**32,245**	**-**
Financial liabilities				
Derivative financial liabilities	42,445	-	-	42,445
Total	**42,445**	**-**	**-**	**42,445**

[1] As at 30 June 2023, Financial assets includes a financial instrument measured at amortised cost in the amount of EUR 18.7 million (31 December 2022: EUR 18.2 million).

[2] Variable interest rate bank loans are hedged with interest cap rate and interest swap rate derivatives with a fair value of EUR 28.8 million as at 30 June 2023 (31 December 2022: EUR 32.2 million).

B. Financial instruments measured at fair value for disclosure purpose only

The carrying amounts of certain financial assets and liabilities, including cash and cash equivalents, trade receivables, other receivables, restricted cash 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 2023		31 December 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
	EUR thousands			
	UNAUDITED		AUDITED	
Loans and borrowings*	44,267	43,660	44,988	44,988
Loans from non-controlling interests*	529,207	491,844	557,898	557,898
Shareholder loans	882,625	550,709	846,104	846,104
Convertible bond	185,663	151,707	182,343	151,700
Senior Unsecured Bonds	1,229,049	918,065	1,261,407	987,046

* Fixed rate loans.

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