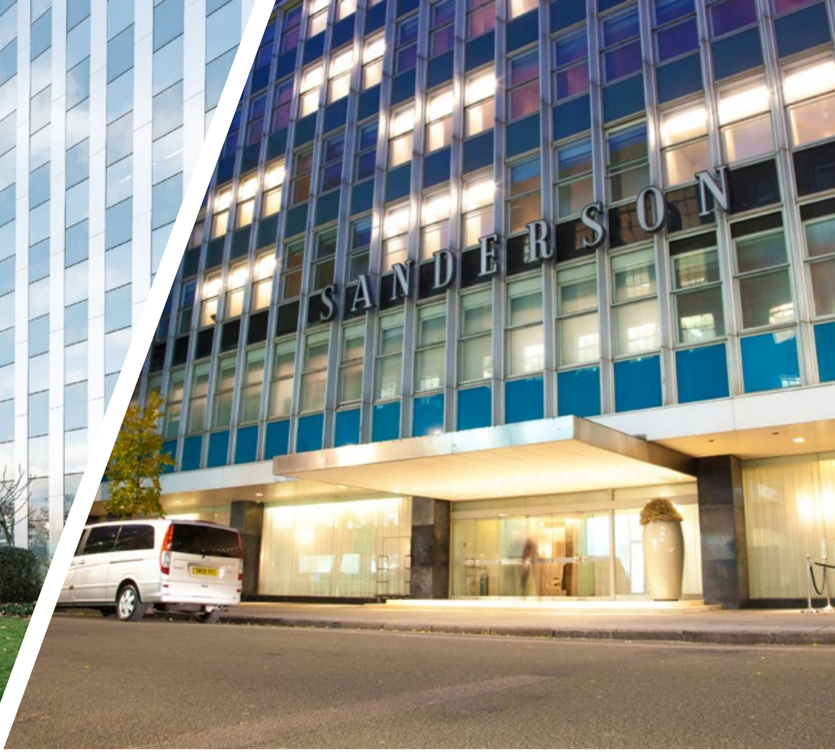


CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023

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

CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2023

Contents

MANAGEMENT REPORT

The Management of the Company hereby presents its management report for the financial year ended on 31 December 2023.

General information

Vivion Investments S.à r.l., (the "**Company**" or "**Vivion**" and together with its consolidated subsidiaries the "**Group**") hereby presents its audited consolidated financial statements for the year ended 31 December 2023. The Company is a commercial real estate company, focusing on the ownership, management, improvement and selective acquisition and disposal of properties predominantly in the United Kingdom and Germany.
The Company 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 31 December 2023 was EUR 12,297 divided into 12,297 shares with nominal value of EUR 1 each.

Important events in 2023 and future developments

A. 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 was 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 12.

B. In March 2024, the Group signed an amendment to the agreement of its existing EUR 67 million loan. In accordance with the amendment, the maturity date has been prolonged until May 2025 and the interest rate was updated to 4% + 1M Euribor capped at 1.5%.

C. In May 2023, the Board of Directors of Golden decided to prepay EUR 200 million of shareholders' loans in two tranches. During 2023, Golden completed the prepayments in two tranches of EUR 100 million each (total interest of EUR 53 million and principal of EUR 147 million were prepaid). In total, Golden prepaid to Vivion Capital Partners S.A. ("**Vivion CP**"), a wholly owned direct subsidiary of Vivion, an amount of EUR 103.6 million. For more information see Note 14.

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

   71% of the 2024 Existing Notes, 100% of 2025 Existing Notes and 100% of the 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 20% cash consideration and 2028 New Notes ("**Bond III**" or "**2028 New Notes**"), the 2025 Existing Notes were exchanged for a 10% cash consideration and 2029 new notes ("**Bond IV**" or "**2029 New Notes**"), and the Convertible Bonds were exchanged for 2028 New Notes. The exchange was completed on 31 August 2023, and included a total cash consideration of EUR 147.9 million and EUR 18.5 million of accrued interest on the exchanged Existing Notes.

Bond III and Bond IV (the "**New Notes**") will mature in August 2028 and February 2029, respectively, and bear an annual coupon of 6.5% paid semi-annually with an addition of Paid-in-Kind interest ("**PIK**") of 1.4% 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 original nominal principal amount (the "**Redemption Fee**"). The PIK will increase to 1.5% in 2025 up to 2.25% in 2028. The New Notes have an Issuer Optional Redemption starting from 31 August 2024 up to (but excluding) the Maturity Date. The early prepayment amount would be the New Notes par value plus the Redemption Fee and the PIK. In addition, the New Notes are fully secured with a certain collateral.

The exchange transaction resulted in a total finance loss of EUR 61.9 million.

The below table summarizes the main details of the exchange of the Existing Notes:

Series of Existing Notes	Participation in Exchange Offer EUR thousands	New Notes	Nominal amount EUR thousands	Cash Consideration EUR thousands
Convertible Bond	200,000	Bond III	608,556	-
Bond I	450,200			90,040
Bond II	578,200	Bond IV	543,880	57,820
Total	**1,228,400**		**1,152,436**	**147,860**

E. On August 2023, following the announcement of the exchange offer, the rating agency S&P Global Ratings ("S&P") assigned a BB+ rating to the New Notes and BB- rating to the Existing Notes. The Company's rating remains "BB" with a Negative outlook.

F. During the Reporting Period the corporation tax rate in the UK increased from 19% to 25%. For further details see Note 23.

Establishing the Board of Managers

The table below lists the current members of the Company's Board of Managers:

Name of manager	Appointment	Type of mandate	End of current term
Eleftherios Kassianos	7th June 2023	Class A Manager	Appointment for indefinite period of time
Ella Zuker	1st June 2022	Class A Manager	Appointment for indefinite period of time
Jan Fischer	1st June 2022	Class A Manager	Appointment for indefinite period of time
Oliver Wolf	1st June 2022	Class A Manager	Appointment for indefinite period of time
Sascha Hettrich	1st June 2022	Class A Manager	Appointment for indefinite period of time
Akiva Aharon Katz	1st June 2022	Class B Manager	Appointment for indefinite period of time
Jacob Aharon Frenkel	7th June 2023	Class C Manager	Appointment for indefinite period of time
Richard Byron Clark	7th June 2023	Class C Manager	Appointment for indefinite period of time

Appointment of auditor

KPMG Audit S.à r.l., Luxembourg was appointed as the auditor of the Company for the financial year ended 31 December 2023.

Future developments

The Group intends to further pursue its strategy of optimizing the portfolio management of its hotel and commercial properties and to optimize its debt maturity profile. The Group's primary strategy is to generate rental income from long-term leases set at stable rental levels, leased to high-quality tenants. The Group strives to maximise this top-line growth through proactive asset management and marketing efforts. The implementation of the strategy is sought through vigilant asset management, including control, monitoring and active portfolio management of the Group's real estate portfolio. Through this, the Group aims to protect and further optimize the overall quality and profitability of its portfolio.

Review of the Group's business and financial position

In 2023, the Group's investment properties produced revenues of EUR 243 million, an increase of 4.3% compared to 2022 revenues. The increase was mainly attributable to:

- Newly acquired properties in Germany completed in 2022, that had a full-year impact in 2023;
- Indexation of rents across the German and UK portfolios;
- Higher GBP rate.

The Group's property operating expenses in 2023 amounted to EUR 30 million (2022: EUR 27.5 million), an increase of 9.1%, mainly as a result of the new acquisitions completed in 2022 that also positively contributed to the revenues.

General and administrative expenses amounted to EUR 42.2 million in 2023 compared to EUR 18.6 million in 2022, an increase of EUR 23.6 million, caused mainly by impairment on rent receivable, originating from the Covid-19 pandemic period.

The Group recognized revaluation losses of EUR 286 million across the portfolio, mainly as a result of market conditions in Germany.

Total interest expense to third parties in 2023 amounted to EUR 98 million (2022: EUR 78 million). The increase is mainly driven by the increased costs of debt due to the exchange of the Existing Notes to New Notes and the refinancing of the secured debt in UK (see Important events in 2023 and future developments (A) and (B) above).

Interest income from third parties of EUR 17 million relates primarily to the Group's liquidity management.

As at 31 December 2023, the Group's Investment property portfolio had a fair value of EUR 3,603 million (31 December 2022: EUR 3,800 million) excluding investment property classified as held for sale (a decrease of 5.2%) and a fair value of EUR 3,763 million (31 December 2022: EUR 3,980 million) including investment property classified as held for sale (a decrease of 5.4%). The changes in the Group's portfolio are attributed mainly to revaluation losses, offset by capital expenditures, disposals and foreign exchange effects.

As at 31 December 2023, the Group had secured loans from credit institutions and third parties in the amount of EUR 748 million (31 December 2022: EUR 835 million) and the New Notes and Existing Notes in the amount of EUR 1,351 million (as at 31 December 2022: EUR 1,444 million including Convertible bonds).

The consolidated cash position amounts to EUR 497 million as at 31 December 2023 (31 December 2022: EUR 839 million), out of which EUR 430 million (31 December 2022: EUR 586 million) are held in Golden.

Principal risks and uncertainties

The Group applies policies for overall risk management, and there are Group policies covering specific areas such as credit risk, liquidity risk, market risks, operational risks and more. A more detailed description of financial risk management is available in Note 26 to these consolidated financial statements.

Environmental information

Environmental factors are integral to the Company's business and are included in the day-to-day business, investment strategy, due diligence process and part of the business plans. The Company continuously seeks opportunities to improve the sustainability performance of it's real estate assets whilst reducing its overall carbon footprint and mitigating climate change risks factors. Environmental risk assessments are regularly conducted, that include all aspects of environmental management.

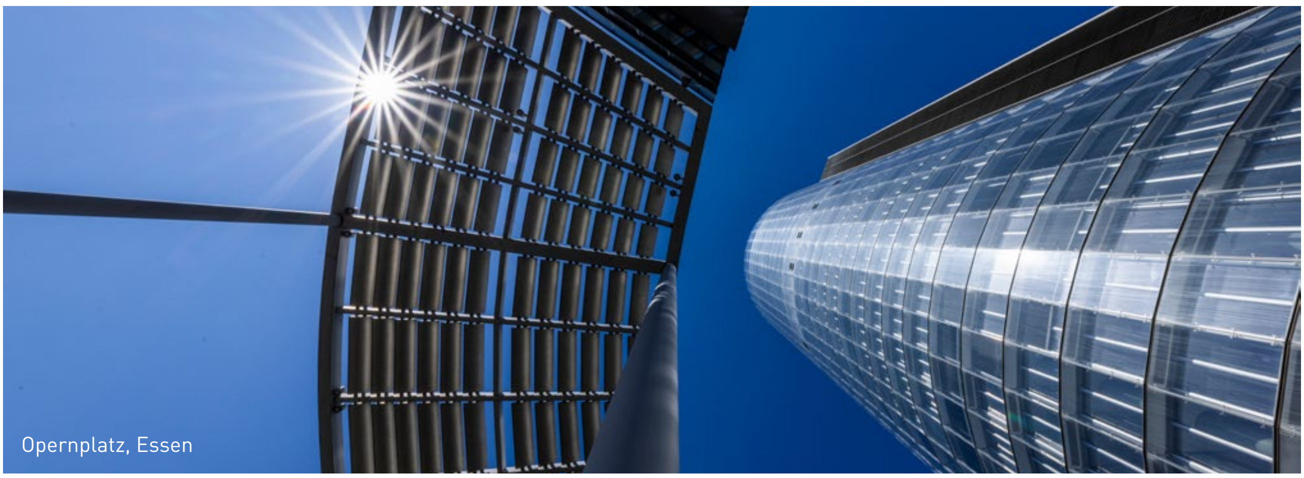
Corporate Governance

As a private company, the Company is not subject to mandatory corporate governance regulations. However, in order to enhance the standards of corporate governance, the Company established a governance framework that is drawn up with due observance of the 'Ten Principles of Corporate Governance of the Luxembourg Stock Exchange'. Committees are constituted to examine and advice the Board of Managers on specific topics. For instance, an Advisory Board to enhance a standard of internal supervision of and advice to the Board of Managers. Furthermore, the Board of Managers has full discretion to establish the committees that it deems useful, appoint, and dismiss their members and to determine their organisation, responsibilities, powers and procedures in internal regulations adopted by way of a resolution. Committees have no powers to represent the Company towards third parties under the Articles of Association or by law. They provide non-binding expert advice and assistance to the Board of Managers.

The Board of Managers established an audit committee. The responsibilities of the audit committee relate to the integrity of the consolidated financial statements, including reporting to the Board of Managers on its activities and the adequacy of internal control systems over financial reporting process and of monitoring of the accounting process. The audit committee shall provide guidance to the Board of Managers about the audit of the annual consolidated financial statements.

Signed on 25 April 2024 by:

Oliver Wolf, Director *Jan Fischer, Director*



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

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Vivion Investments S.à r.l. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of cash flows, and the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "réviseur d'entreprises agréé" for the audit of the consolidated financial statements » section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Managers is responsible for the other information. The other information comprises the information stated in the consolidated annual report including the management report but does not include the consolidated financial statements and our report of the “réviseur d'entreprises agréé” thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Managers and Those Charged with Governance for the consolidated financial statements

The Board of Managers is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as adopted by the European Union, and for such internal control as the Board of Managers determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Managers is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Managers either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

Responsibilities of the réviseur d'entreprises agréé for the audit of the consolidated financial statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “réviseur d'entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managers.

— Conclude on the appropriateness of the Board of Managers' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Group to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

— Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Report on other legal and regulatory requirements

The management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

Luxembourg, 26 April 2024

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

Thomas Grünwald
Partner

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

	Note	31 December 2023	31 December 2022
		EUR thousands	
Non-current assets			
Investment property	6	3,603,417	3,800,008
Advance payments for investment property		18,739	2,958
Derivatives	26.2.1	21,910	32,245
Investment in and Loans to equity-accounted investees	7	58,271	50,267
Restricted cash and other deposits	26.1	62,997	26,279
Loans and other long-term assets	26.1	45,718	66,149
Total non-current assets		**3,811,052**	**3,977,906**

Current assets			
Trade and other receivables	10	67,553	86,723
Income tax receivables		2,604	5,117
Financial assets	26.2.1	38,595	60,902
Other short-term assets	8	10,829	50,920
Cash and cash equivalents	26.3.5	497,068	839,102
		616,649	**1,042,764**
Assets held for sale	9	160,675	182,637
Total current assets		**777,324**	**1,225,401**

Total assets		**4,588,376**	**5,203,307**

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

Equity and liabilities

	Note	31 December 2023	31 December 2022
		EUR thousands	
Equity			
Issued share capital		12	12
Share premium reserve	11.A	153,986	173,010
Retained earnings		154,632	345,764
Other reserves		7,005	(10,697)
Total equity attributable to owners of the Company		**315,635**	**508,089**
Non-controlling interests	11.B	284,284	454,906
Total equity		**599,919**	**962,995**

Liabilities

Non-current liabilities			
Bonds	13	1,172,060	1,261,407
Loans and borrowings	12	493,793	542,355
Convertible bond	13	-	182,343
Deferred tax liabilities	23	206,520	229,030
Long-term lease liabilities	18.A	87,150	81,404
Liability for sale and leaseback transaction		69,623	63,086
Derivative financial liabilities	26.1	6,283	42,445
Tenant deposits		5,162	3,826
Loans from Shareholders	14	893,422	846,104
Loans from non-controlling interests	14	527,007	604,830
Total non-current liabilities		**3,461,020**	**3,856,830**

Current liabilities			
Trade and other payables	16	45,015	46,285
Income tax payables		5,578	5,344
Other short-term liabilities	17	41,516	36,395
Current maturities on bonds, loans and borrowings	12/13	433,812	292,431
		525,921	**380,455**
Liabilities held for sale	9	1,516	3,027
Total current liabilities		**527,437**	**383,482**
Total liabilities		**3,988,457**	**4,240,312**
Total liabilities and equity		**4,588,376**	**5,203,307**

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

Oliver Wolf, Director

Jan Fischer, Director

Date of approval of the consolidated financial statements: **25 April 2024**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	For the year ended 31 December 2023	For the year ended 31 December 2022
		EUR thousands	
Revenues	19	**242,827**	**232,994**
Property revaluations and capital losses	6	(286,086)	(325,370)
Share in loss from investment in equity-accounted investees	7	(5,746)	(10,418)
Property operating expenses	20	(30,018)	(27,501)
General and administrative expenses	21	(42,203)	(18,560)
Operating loss		**(121,226)**	**(148,855)**
Interest expenses to third parties	22	(98,426)	(78,117)
Interest income from third parties	22	17,161	17,780
Other finance expenses	22	(14,902)	(14,039)
Change in short-term financial instruments and derivatives	22	(18,660)	(56,066)
Result on Bond exchange	13/22	(61,942)	-
Interest expense on shareholders' and non-controlling interest loans	22	(66,551)	(62,699)
Loss before tax		**(364,546)**	**(341,996)**
Current tax expense	23	(21,839)	(19,115)
Deferred tax income	23	25,294	43,954
Loss for the year		**(361,091)**	**(317,157)**
Attributable to:			
Owners of the Company		(191,132)	(224,577)
Non-controlling interests		(169,959)	(92,580)
Loss for the year		**(361,091)**	**(317,157)**

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

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Note	For the year ended 31 December 2023	For the year ended 31 December 2022
		EUR thousands	
Loss for the year		**(361,091)**	**(317,157)**
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	26.3.1	(1,368)	(69,516)
Net change in fair value of financial assets at fair value through other comprehensive income that was transferred to profit or loss	26.3.1	-	79,644
Foreign currency translation reserve		18,407	(62,396)
Other comprehensive income (loss)		**17,039**	**(52,268)**
Total comprehensive loss for the year		**(344,052)**	**(369,425)**

Attributable to:			
Owners of the Company		(173,430)	(281,755)
Non-controlling interests	11.B	(170,622)	(87,670)
Total comprehensive loss for the year		**(344,052)**	**(369,425)**


Oskar-Jäger-Straße, Cologne

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

VIVION

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	For the year ended 31 December 2023	2022
		EUR thousands	
Cash flows from operating activities			
Loss for the year		**(361,091)**	**(317,157)**
Adjustments for:			
Property revaluations and capital losses	6.A	286,086	325,370
Share in loss from investment in equity-accounted investees	7	5,746	10,418
Net finance expense	22	162,718	137,075
Change in short-term financial instruments and derivatives	22	18,660	56,066
Result on Bond exchange	22	61,942	-
Tax income	23	(3,455)	(24,839)
Change in trade and other receivables		3,367	(15,505)
Change in trade and other payables		(9,263)	856
Taxes paid		(20,552)	(19,748)
Net cash from operating activities		**144,158**	**152,536**

Cash flows from investing activities			
Purchase of investment properties		-	(140,084)
Capital expenditure on investment properties		(40,038)	(18,489)
Acquisition of subsidiary, net of cash acquired		-	(51,028)
Disposal of subsidiary, net of cash disposed of		5,036	-
Proceeds from disposals of investment properties		23,000	12,791
Advances received (paid) in respect of investment properties		(18,878)	37,102
Interest received		10,919	-
Proceeds from financial assets		70,000	278,629
Change in restricted cash and other deposits		(41,371)	(8,153)
Investment in and loans granted to equity-accounted investees		(10,387)	(9,111)
Investment in traded securities and other financial assets, net		(881)	(78,150)
Net cash from (used in) investing activities		**(2,600)**	**23,507**

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	Note	For the year ended 31 December 2023	2022
		EUR thousands	
Cash flows from financing activities			
Repayment of secured loans and borrowings	15	(321,069)	(41,774)
Proceeds from secured loans and borrowings	15	228,751	-
Proceeds from issuance of shares	11	-	18,980
Proceeds from shareholders' loans, net		-	29,224
Repayments of loans from non-controlling interest	15	(108,119)	-
Capital reduction	11	(19,024)	-
Interest paid		(56,049)	(68,390)
Exchange of bonds	15	(177,012)	-
Buy-back of bonds	15	(26,961)	(67,452)
Lease payments		(5,557)	(5,470)
Net cash used in financing activities		**(485,040)**	**(134,882)**

Net increase (decrease) in cash and cash equivalents		**(343,482)**	**41,161**
Cash and cash equivalents as at the beginning of the year		839,102	803,317
Effect of exchange rate differences on cash and cash equivalents		1,448	(4,718)
Cash classified as held for sale		-	(658)
Cash and cash equivalents as at the end of the year		**497,068**	**839,102**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	Note	Attributable to owners of the Company							
		Issued share capital	Share pre-mium 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							
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 year		-	-	-	-	(191,132)	**(191,132)**	(169,959)	**(361,091)**
Other compre-hensive income (loss)		-	-	(705)	18,407	-	**17,702**	(663)	**17,039**
Total compre-hensive income (loss) for the period		**-**	**-**	**(705)**	**18,407**	**(191,132)**	**(173,430)**	**(170,622)**	**(344,052)**
Transactions with owners, recognized directly in equity									
Capital reduction	11.A	-	(19,024)	-	-	-	**(19,024)**	-	**(19,024)**
Balance as at 31 December 2023		**12**	**153,986**	**(6,584)**	**13,589**	**154,632**	**315,635**	**284,284**	**599,919**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

	Note	Attributable to owners of the Company							
		Issued share capital	Share pre-mium 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							
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 year		-	-	-	-	(224,577)	**(224,577)**	(92,580)	**(317,157)**
Other compre-hensive income (loss)		-	-	5,218	(62,396)	-	**(57,178)**	4,910	**(52,268)**
Total compre-hensive income (loss) for the period		**-**	**-**	**5,218**	**(62,396)**	**(224,577)**	**(281,755)**	**(87,670)**	**(369,425)**
Transactions with owners, recognized directly in equity									
New shares issued	11.A	*	18,980	-	-	-	**18,980**	-	**18,980**
Acquisition of subsidiaries		-	-	-	-	-	**-**	58,302	**58,302**
Balance as at 31 December 2022		**12**	**173,010**	**(5,879)**	**(4,818)**	**345,764**	**508,089**	**454,906**	**962,995**

* Less than EUR 500.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – CORPORATE INFORMATION

A. Reporting entity and relationship with Parent company

The consolidated financial statements of Vivion Investments S.à r.l. and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2023 were authorized for issue by the Company's Board of Managers on 25 April 2024 (the "**Report Approval Date**").

Vivion Investments S.à r.l. (the "**Company**", "**Group**" or "**Vivion**") 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 31 December 2023 was EUR 12,297 (2022: EUR 12,297) divided into 12,297 shares (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 (31 December 2023: 90%; 31 December 2022: 90%) and a third-party investor holding 10% (the "**Investor**").

Vivion is a commercial real estate group, focusing on the ownership, management, improvement and selective acquisition and disposal of properties primarily in the United Kingdom and Germany.

As at 31 December 2023 Vivion indirectly held 51.5% (2022: 51.5%) of the share capital of Golden Capital Partners S.A. ("**Golden**") and a 100% (2022: 100%) interest in Luxembourg Investment Company 210 S.à r.l. ("**LIC 210**").

B. Definitions

In these consolidated financial statements

(1) The Company – Vivion Investments S.à r.l.;
(2) The Group – The Company and its subsidiaries;
(3) Subsidiaries – Companies, the financial statements of which are fully consolidated, directly or indirectly, with the consolidated financial statements of the Company;
(4) Parent – Vivion Holdings S.à r.l.;
(5) Investee companies – Subsidiaries and companies, including a partnership or joint venture, the Company's investment in which is stated, directly or indirectly, on the equity basis;
(6) Related party – Within its meaning in IAS 24 (2009), "Related Party Disclosures".

NOTE 2 – BASIS OF PREPARATION

A. Statement of compliance

These consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards ("IFRS").

B. Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

- Investment properties measured at fair value;
- Financial instruments, derivatives and other assets and liabilities measured at fair value through profit or loss;
- Financial instruments measured at fair value through other comprehensive income;
- Investments in associates and joint ventures;
- Deferred tax assets and liabilities;
- Assets and liabilities classified as held for sale.

C. Functional and presentation currency

The consolidated financial statements are presented in EUR, which is the Company's functional currency, and have been rounded to the nearest thousands, except when otherwise indicated.

The EUR is the currency that represents the principal economic environment in which the Company operates.

D. Use of judgements and estimates

The preparation of consolidated financial statements in conformity with IFRSs requires management to exercise judgment when making the 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. Management of the Company prepares the estimates on the basis of past experience, various facts, external circumstances, and reasonable assumptions according to the pertinent circumstances of each estimate. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Notes are presented, to the extent practicable, in a systematic order and are cross-referenced to/from items in the primary statements. In determining a systematic manner of presentation, the Company considers the effect on the understandability and comparability of the consolidated financial statements. The Group has applied judgement in presenting related information together in a manner that it considers to be most relevant to an understanding of its financial performance and financial position.

Assumptions and estimation uncertainties

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Valuation of investment properties – Note 3.C

In accordance with its policy, the Group periodically examines the values of its investment property. Such examination is performed at least once a year by independent external appraisers having appropriate professional qualifications and knowledge with respect to the relevant location and the type of property appraised.

At least once a year, the Group performs valuations for each property. In addition, at each reporting period the Group examines the need to update the last valuation performed, to ensure it represents a reliable value estimation as of the current reporting period. This examination is made by reviewing the changes in the macro-economic environment in terms of cap rates and market rent, leases' terms, updated information in respect of material transactions made in the same areas and any other information that may affect the value of the asset.

Uncertain tax positions – Note 3.J

Judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

In 2023, there were no significant judgements related to uncertain tax positions.

Fair value measurement of non-trading derivatives – Note 26.2.1

Unobservable inputs used in the valuation model. For information on a sensitivity analysis of level 3 financial instruments carried at fair value see Note 26.2.1 regarding financial instruments.

Assessment of expected credit losses – Note 26.3.1

When testing financial assets measured at fair value through other comprehensive income and financial assets at amortized cost for impairment, the Group assesses whether the credit risk attributable to the financial asset has increased significantly since its initial recognition, and uses forward-looking information to measure expected credit losses. A possible effect is an increase or decrease in the amount of the loss allowance for expected credit loss of financial asset at amortized cost or at fair value through other comprehensive income.

Impairment of Investments in Associates and Joint arrangements – Note 3.B

The Group periodically evaluates the recoverability of investments in associates whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of the investment is not recoverable. If facts and circumstances indicate that investment in associates may be impaired, the recoverable amount associated with this investment (being the higher of fair value less costs of disposal and value in use, that is the present value of the future cash flows expected to be derived from the investment) would be compared to its carrying amounts to determine if a write down to fair value is necessary.

Property leases - estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in leases where it is the lessee, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available.

Modification of financial liability terms

The Group when performing the quantitative assessment (the 10% test), considered among others the early repayment option, additional provision of collateral and the significant extension of maturity. For the early repayment option, the outcome of the most likely scenario was used to determine the cash flows. For the additional provision of collateral, the interest rate used was 0.3% and for determining the extension of maturity, the Group considered relevant interest rate curves.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the Standards, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 6 – Investment property;
- Note 26 – Financial instruments.

E. Going concern

The consolidated financial statements have been prepared on a going concern basis, as assessed by the management.

Opernplatz, Essen

NOTE 3 – SUMMARY OF MATERIAL ACCOUNTING POLICIES

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, except if mentioned otherwise.

A. Basis of consolidation

The consolidated financial statements consist of the financial statements of the Group as at 31 December 2023. The Company has control over several subsidiaries, including property companies mainly located in Germany and U.K., as well as holding companies. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

When acquiring subsidiaries, the Group exercises discretion when examining whether the transaction constitutes the acquisition of a business or acquisition of an asset, for the purpose of determining the accounting treatment of the transaction. When examining whether a property company constitutes a business, the Group examines, inter alia, the nature of the process or processes in place in the property company, including the extent and nature of the management, security, cleaning and maintenance services that are provided to the tenants. Transactions in which the acquired company is not considered a business are accounted for as the acquisition of a group of assets and liabilities. In such transactions, the cost of acquisition, which includes transaction costs, is allocated proportionately to the acquired identifiable assets and liabilities, based on their proportionate fair value on the acquisition date. In this case, no goodwill is recognized and no deferred taxes are recognized in respect of the temporary differences existing on the acquisition date. If the transaction results in non-controlling interest ("**NCI**") recognition, it will be measured at the proportionate share in the recognised amounts of the acquiree's identifiable net assets.

B. Investments in equity-accounted investees

Investments in equity-accounted investees
An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. A jointly controlled entity is an entity in which two or more parties are bound by a contractual arrangement which gives two or more of those parties joint control of the arrangement.

The results and assets and liabilities of associates and equity-accounted investees are incorporated in these consolidated financial statements, using the equity method of accounting. Under the equity method, an investment in an associate is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the consolidated income statement and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interest that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assts, liabilities and contingent liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities, and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

The requirements of IAS 36 are applied to determine whether it is necessary to recognize any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount; any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When an entity in the Group transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group's consolidated financial statements, however only to the extent of interests in the associate that are not related to the Group.

C. Investment property

The Group invests, through the acquisition of subsidiaries that own real estate, primarily in commercial real estate held by it (as owner) for the purpose of generating rental income or for capital appreciation or both. When upon acquisition of a subsidiary, this subsidiary owns the investment property, but also earns income from operational activities, in which the Group's intention is to split these operations from the property ownership and install a third-party operator for the operations of the hotel. As the Group's involvement in these operations is expected to be short-term, the Group classifies the hotels as investment property.

Investment property is initially measured at cost including transaction costs. Transaction costs include expenditure that is directly attributable to the acquisition of the investment property.

Subsequent to initial recognition, investment property is measured at fair value, which reflects market conditions at the reporting date. Mainly, the valuation is carried out according to the DCF method or Residual Value method (For more details see Note 6.B). Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise under 'Property revaluations and capital gains/(losses)'.

For the purposes of these consolidated financial statements, in order to avoid double counting, the fair value reported in the financial statements is reduced by the carrying amount of any accrued income resulting from the spreading of lease incentives and/or minimum lease payments.

Investment property is derecognized either when it has been disposed of or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

D. Non-current assets and disposal groups held for sale

Non-current assets, or disposal groups comprising assets and liabilities are classified as held for sale if it is highly probable that its carrying amount will be recovered primarily through sale. For this to be the case, the assets must be available for immediate sale in its present condition, subject only to terms that are usual and customary for the sale of such assets. During the financial reporting periods, the Group has classified some of the investments properties as assets of disposal groups held for sale. For more details see Note 9.

E. Foreign operation and foreign currency

The Group's consolidated financial statements are presented in EUR, which is also the Company's functional currency. As mentioned above, the Group has investments in subsidiaries that are foreign operations, so on consolidation, the assets and liabilities of foreign operations are translated into EUR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at average exchange rates. The exchange differences arising on translation for consolidation are recognized in other comprehensive income ("**OCI**") and are presented in equity. The Group provides loans to a foreign operation, whose settlement of which is neither planned nor likely in the foreseeable future. Therefore, any foreign exchange gains and losses arising from the loans, are considered to form part of a net investment in a foreign operation and are recognized in other comprehensive income and presented within equity as part of the OCI.

F. Financial instruments

Non-derivative financial assets
The Group possesses two main types of financial assets:

1. **Cash and cash equivalents, Restricted cash and other deposits and Trade and other receivables also Loans and other long-term assets:** The cash flows from these financial assets are principal and interest only and the objective of the business model for these financial instruments is to collect the amounts due from them. Thus, the Company accounts for these financial assets under the amortized cost model. The Group recognizes a provision for expected credit losses for financial assets measured at amortized cost. The Group chose to measure the provision for expected credit losses ("**ECL**") for customers (rent receivables) in an amount equal to the expected credit losses with the simplified approach. The Group assesses the expected credit loss on an individual basis for major tenants and on collective basis for less significant tenants to determine the provision for predicted credit losses. Expected loss rates are based on the Group's experience and informed credit assessment, and it includes forward looking information. Expected credit losses of rent receivables are recognized under General and Administrative Expenses, and deducted from the gross carrying amount.

2. **Financial assets:** These financial assets are held in a business model whose purpose is the sale of the financial assets. Therefore, these financial assets are measured at fair value through profit or loss.

   In the statements of cash flows, interest received is presented as part of cash flows from investing activities. Interest paid is presented as part of cash flows from financing activities.

Non-derivative financial liabilities
Non-derivative financial liabilities include, among others: credit from banking corporations and other third-party lenders, shareholders, non-controlling interests and liability for sale and leaseback transaction. In addition, the Group has issued traded bonds to finance its operations. For more details regarding the Company's financial debt, see Notes 12, 13 and 14.

The Group's financial liabilities are initially recognized at fair value less any attributable transaction costs. After initial recognition, the financial liabilities are measured at amortized cost in accordance with the effective interest method.

Sale and leaseback

The Group applies the requirements of IFRS 15 to determine whether an asset transfer is accounted for as a sale. If an asset transfer satisfies the requirements of IFRS 15 to be accounted for as a sale, the Group measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount that relates to the right-of-use retained by the Group. Accordingly, the Group only recognizes the amount of gain or loss that relates to the rights transferred.

If the asset transfer does not satisfy the requirements of IFRS 15 to be accounted for as a sale, the transaction is accounted for as a financing transaction. Insofar as the Group is the seller-lessee of the asset, it continues to recognize the transferred asset and recognizes a financial liability in accordance with IFRS 9, at an amount equal to the transferred proceeds. Conversely, if the Group is the buyer-lessor of the asset, it recognizes a financial asset in accordance with IFRS 9 at an amount equal to the consideration transferred.

The liability for sale and leaseback transaction is subsequently measured at amortized cost in accordance with the effective interest method.

Derivative financial instruments

The Group uses derivative financial instruments, such as interest rate swap derivatives, to hedge its interest rate risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any effect of remeasurement is recorded in the consolidated statement of profit or loss.

Derecognition

Financial assets

Financial asset is primarily de-recognized when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on the basis that reflects the rights and obligations that the Group has retained.

Financial liabilities

Financial liabilities are derecognized when the contractual obligation of the Group expires, discharged or cancelled. Furthermore, a substantial modification of the terms of an existing financial liability, or an exchange between an existing borrower and existing lender of debt instruments with substantially different terms, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability at fair value.

The difference between the carrying amount of the extinguished financial liability and the consideration paid (including any non-cash assets transferred or assumed liabilities), is recognized in profit or loss. In the case of an immaterial change in terms (or exchange of debt instruments), the new cash flows are discounted at the original effective interest rate, with the difference between the present value of the financial liability with the new terms and the present value of the original financial liability being recognized in consolidated statement of profit or loss.

Convertible bonds

Liabilities that are convertible to shares at the option of the holders are considered a hybrid instrument that is fully presented as a financial liability (For more details about this bond, see Note 13). The instrument is split into two components for measurement purposes: a liability component without a conversion feature that is measured at amortized cost according to the effective interest method, and a conversion option that is an embedded derivative. The embedded derivative will not be settled by exchanging a fixed amount of cash or another financial asset for a fixed number of equity instruments. Therefore, it is measured at fair value at each reporting date. As of the end of 2023, the bonds no longer exist. For more details see below, Note 13.

Modification of financial liability terms

At the beginning of the year, the Group had two different series of bonds and one series of convertible bonds. If the terms of an existing financial liability are changed, the Group examines whether the new terms are substantially different from the previous terms, by performing a quantitative and qualitative assessment.

Furthermore, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability at fair value. The difference between the carrying amount of the extinguished financial liability and the consideration paid (i.e. cash payment and new bonds), is recognized in profit or loss. In the case of non-substantial modification, the new cash flows are discounted at the original effective interest rate, and the difference between the present value of the financial liability with the new terms plus cash paid and the present value of the original financial liability being recognized in profit or loss.

When performing the quantitative assessment (the 10% test), the Group considered the below:

- 'Early repayment option' calculated in the quantitative test according to the approach that using the outcome of the most likely scenario to determine the cash flows.
- 'Additional provision of collateral' calculated in the quantitative test according to the approach that difference would be in the market interest rate for a borrowing with additional collateral compared with a borrowing with no additional collateral and use this to provide an additional quantitative measure.
- 'Significant extension of maturity' calculated in the quantitative test according to the approach that quantitative assessment captures the effect of the significant extension.

For more details about the refinance that occurred in August 2023 see Note 13(2).

Offset of financial instruments

Financial assets and liabilities are offset, and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

G. Leases

Leased assets and lease liabilities

Contracts that award the Group control over the use of a leased asset for a period of time in exchange for consideration, are accounted for as leases. Upon initial recognition, the Group recognizes a liability at the present value of the balance of future lease payments (these payments do not include certain variable lease payments), and concurrently recognizes a right-of-use asset at the same amount of the lease liability, adjusted for any prepaid or accrued lease payments, plus initial direct costs incurred in respect of the lease.

Since the interest rate implicit in the Group's leases is not readily determinable, the incremental borrowing rate of the lessee is used. Subsequently to the initial recognition, the right-of-use assets are measured as part of the investment property.

The Group has elected to apply the practical expedient by which short-term leases of up to one year and/or leases in which the underlying asset has a low value, are accounted for such that lease payments are recognized in profit or loss on a straight-line basis, over the lease term, without recognizing an asset and/or liability in the statement of financial position.

Reassessment of lease liability

Upon the occurrence of a significant event or a significant change in circumstances that is under the control of the Group and had an effect on the decision whether it is reasonably certain that the Group will exercise an option, which was not included before in the lease term, or will not exercise an option, which was previously included in the lease term, the Group re-measures the lease liability according to the revised leased payments using a new discount rate. The change in the carrying amount of the liability is recognized against the right-of-use asset, or recognized in profit or loss if the carrying amount of the right-of-use asset was reduced to zero.

When a lease modification increases the scope of the lease by adding a right to use one or more underlying assets, and the consideration for the lease increased by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the contract's circumstances, the Group accounts for the modification as a separate lease.

In all other cases, on the initial date of the lease modification, the Group allocates the consideration in the modified contract to the contract components, determines the revised lease term and measures the lease liability by discounting the revised lease payments using a revised discount rate.

For lease modifications that decrease the scope of the lease, the Group recognizes a decrease in the carrying amount of the right-of-use asset in order to reflect the partial or full cancellation of the lease, and recognizes in profit or loss a profit (or loss) that equals the difference between the decrease in the right-of-use asset and re-measurement of the lease liability.

For other lease modifications, the Group re-measures the lease liability against the right-of-use asset.

Incremental borrowing rate

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

H. Revenue recognition

The Group's revenues are generated from Rental income from lease agreements and from Services provided and recharged to the tenants. The Group identifies and separates these into lease and non-lease components and allocates the consideration in the agreement to the lease and non-lease components based on relative standalone selling price at the lease commencement date.

Rental income
In the Group's leases, it does not substantially transfer all the risks and rewards incidental to ownership of the underlying asset to the tenant, and therefore they are classified as operating leases.

The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to extend the lease, where, at the inception of the lease, the Group is reasonably certain that the tenant will exercise that option.

Rental income arising from operating leases, with lease incentives to the tenants, are accounted for on a straight-line basis over the term of the lease and is included in revenue in the consolidated statement of profit or loss due to its operating nature. Variable rental payments are recognized when they occur.

Revenue from services to tenants
The non-lease components are ancillary services provided to tenants by the Group or by other parties acting on its behalf, and other charges billed to tenants, for which the Group is entitled to payments. These services are specified in the lease agreements and separately invoiced. The revenue from service charges is recognized over time as services are rendered.

The Group arranges for both third parties and related parties to provide certain services to the tenants. The Group is primarily responsible for fulfilling the promise to perform the specific services and controls the service before it is provided to the tenant. Hence, the Group is principal rather than agent in these contracts, and thus reports revenue on a gross basis.

I. Property operating expenses

This item includes operating costs that can be recharged to the tenants and direct management costs of the properties. Maintenance expenses for the preservation of the property in its current condition, as well as expenditure for repairs are charged to the consolidated statement of profit or loss. Refurbishment that takes place subsequent to the property valuation, thus excluded in its additional value, will also be stated in this account, until the next property valuation.

J. Taxation

Income tax comprises of current and deferred tax.

The Group is subject to income and capital gains taxes in numerous jurisdictions. Significant judgement is required to determine the total liability for current and deferred taxes.

The Group recognizes liabilities for current taxes based on estimates of whether additional taxes will be due. Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income and deferred tax liabilities in the period in which the determination is made.

Current income tax
Current income tax is the expected tax payable (or receivable) on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income. Current taxes also include taxes in respect of prior years.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences, when the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and associates, to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future, either by way of selling the investment or by way of distributing dividends in respect of the investment.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, there is a rebuttable presumption that the carrying amount of the investment property will be recovered through sale.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to offset current tax liabilities and assets, and the deferred taxes relate to the same taxable entity and the same taxation authority.

QH Core, Berlin

NOTE 4 – CHANGES IN ACCOUNTING POLICIES

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

- Amendment to IAS 1: Presentation of Financial Statements: Disclosure of Accounting Policies;
- Amendment to IAS 8: Definition of Accounting Estimates;
- Amendment to IAS 12: Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction;
- Amendment to IAS 12: International Tax Reform – Pillar Two Model Rules.

The above standards and amendments had no material impact on the Group's consolidated financial statements, except for Amendment to IAS 1.

The Group adopted Disclosure of Accounting Policies (Amendments to IAS 1) from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 3 Summary of material accounting policies (2022: Significant accounting policies) in certain instances, in line with the amendments.

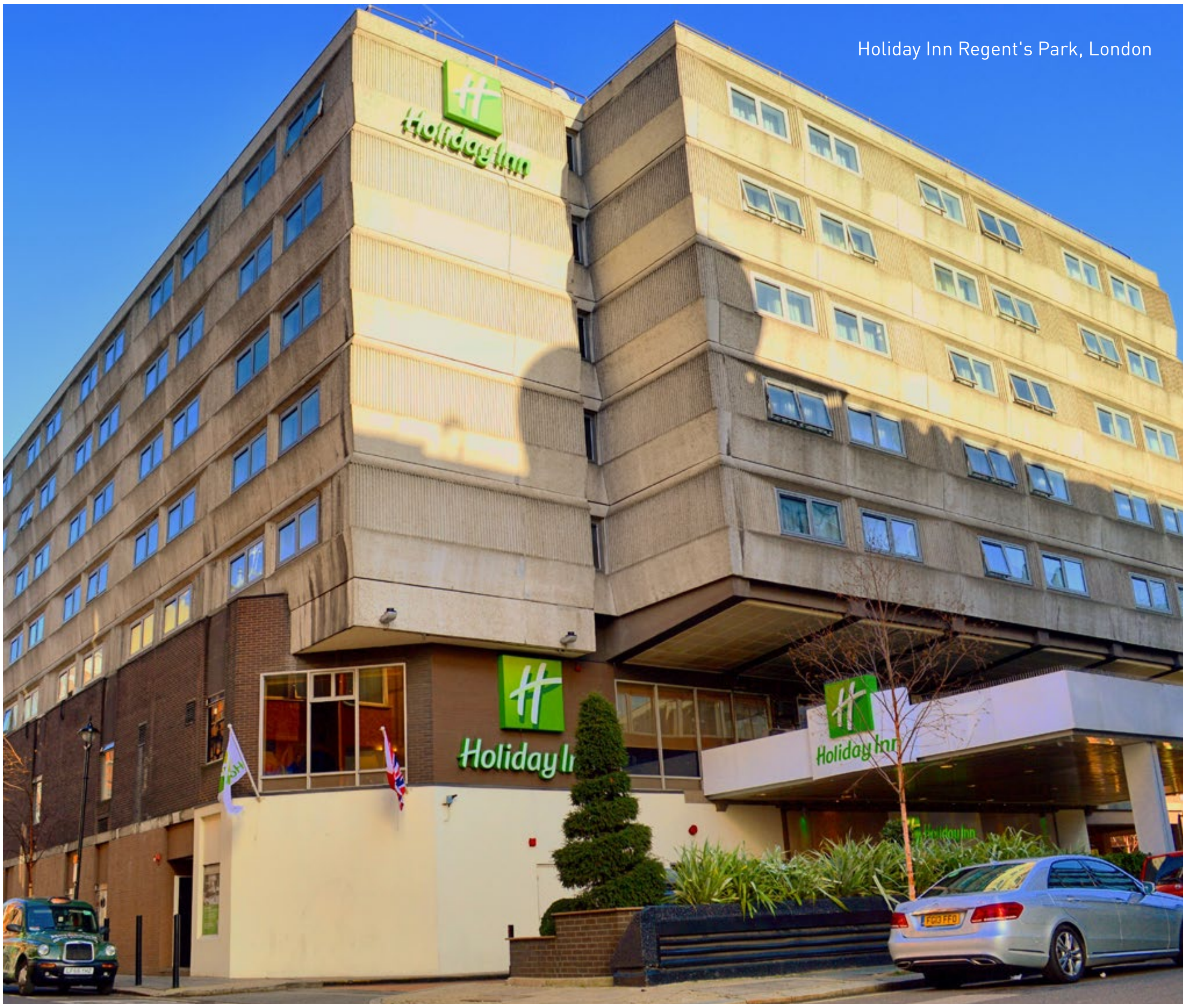
Heidestraße, Berlin

NOTE 5 – STANDARDS ISSUED BUT NOT YET EFFECTIVE

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 (effective for annual periods beginning on or after 1 January 2024);
- Amendments to IAS 1: Non-Current Liabilities with Covenants (effective for annual periods beginning on or after 1 January 2024);
- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback (effective for annual reporting periods beginning on or after 1 January 2024);
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures, Supplier Finance Arrangements (effective for annual reporting periods beginning on or after 1 January 2024);
- IFRS 18: Presentation and Disclosure in Financial Statements issued (effective for annual reporting periods beginning on or after 1 January 2027).

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 consolidated financial statements.



Holiday Inn Regent's Park, London

NOTE 6 – INVESTMENT PROPERTY

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

	Germany[1]				UK	Totals
	Office	Hotels	Other	Subtotal	Hotels[2]	
	EUR thousands					
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	9,229	5,694	875	**15,798**	27,275	**43,073**
Fair value adjustments[3]	(269,941)	(27,657)	(9,922)	**(307,520)**	21,048	**(286,472)**
Foreign currency revaluation effect	(86)	(118)	465	**261**	40,524	**40,785**
Disposal of investment property	(34,050)	-	-	**(34,050)**	-	**(34,050)**
Other adjustments	820	4,083	(91)	**4,812**	14,421	**19,233**
Total	**1,381,492**	**207,879**	**109,109**	**1,698,480**	**2,064,127**	**3,762,607**
Less: classified as held for sale	(105,900)	-	(53,290)	**(159,190)**	-	**(159,190)**
At 31 December 2023[4]	**1,275,592**	**207,879**	**55,819**	**1,539,290**	**2,064,127**	**3,603,417**

[1] The investment property table for Germany contains non-material properties in other EU jurisdictions.
[2] Includes one residential property.
[3] Excludes capital gains of EUR 0.4 million.
[4] Includes right-of-use assets of EUR 87.4 million.


Bundesallee, Berlin

	Germany[1]				UK	Totals
	Office	Hotels	Other	Subtotal	Hotels[2]	
	EUR thousands					
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	-	-	-	**-**	(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

Investment properties are measured at their fair value, which has been determined based on valuations performed by external independent appraisers with recognized professional expertise and vast experience as to the location and category of the property being valued, based on market conditions prevailing as of the reporting date, by reference to properties with similar condition and location, as well as by using valuations techniques such as Discounted Cash Flow ("**DCF**") Method, in accordance with the Royal Institution of Charted Surveyors (the "Red Book") and with International Valuation Standards (IVS), as set out by the International Valuation Standards Committee (IVSC).

Under the DCF method the forecasted future income and costs of the property over a 10 year period are discounted to the date of valuation, by using discounts rates which are 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 income mainly comprises expected rental income (current in-place rent, market rents as well as their development) net of estimated operating expenses, taking vacancy and lease-up assumptions into account, as well as an estimation of anticipated capital expenditure.

Where applicable, the appraisers use the residual value method through capitalizing the future market value of 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.

For certain properties which are not yet in operational status (land or development) the external appraisers performed the valuations using the comparable method.

Fair value hierarchy

The Group's investment property has been categorized as Level 3 Fair Value (as described in Note 26.2.1) based on the input to the valuation technique used and was determined considering the highest and best use measurement approach according to IFRS 13.

There were no transfers between levels 1, 2 or 3 during 2023.

Key parameters used in the valuation

As at 31 December 2023 investment properties have been valued using the DCF method and the residual value approach. The key assumptions and parameters used to determine the fair value of the investment properties under the DCF method are further presented below[1]:

Valuation technique	Significant unobservale inputs	2023 Weighted Average	2022 Weighted Average
UK portfolio[2]			
DCF Method	Discount rate	8.95%	8.74%
	Terminal cap rate	7.42%	7.15%
German portfolio[3]			
DCF Method	Value per square meter	EUR 3,291	EUR 3,770
	Market rent per square meter	EUR 15.35	EUR 15.82
	Discount rate	5.75%	4.53%
	Terminal cap rate	4.44%	4.03%

[1] Table excludes held-for-sale assets.
[2] Excluding land plots.
[3] Excluding non-material properties in other EU jurisdictions.

Sensitivity analysis

The main value drivers influenced by the market for commercial properties are the market rents and their movement, rent increases, the vacancy rate and interest rates. Significant increases (decreases) in market rent and rent increases in isolation would result in a significantly higher (lower) fair value of the properties. Significant increases (decreases) in vacancy rates and discount rate (and exit yield) in isolation would result in a significantly lower (higher) value.

The effect of possible fluctuations in these parameters is shown separately for each parameter in the following table. Interactions between the parameters are possible but cannot be quantified due to the complexity of the interrelationships.

Valuation parameter	Change in Parameter	Change in value 2023		Change in value 2022	
		EUR thousands	%	EUR thousands	%
UK portfolio					
Discount rate	(0.25%)	35,577	1.87%	32,133	1.78%
Capitalization rate	(0.25%)	39,950	2.10%	37,883	2.09%
German portfolio					
Discount rate	(0.25%)	25,490	1.84%	21,080	2.17%
Capitalization rate	(0.25%)	53,870	3.88%	44,370	4.56%

Table excludes held for sale assets, land plots and non-material properties in other EU jurisdictions.

Assuming all other variables remain constant, an opposite change in the parameters at the same percentage would have a similar impact on the value, although in the opposite direction.

C. Completed transactions

1. In April 2023, the Group signed an agreement to sell a property located in the Frankfurt region for a consideration of EUR 7.5 million. The transaction was completed in June 2023.

2. In June 2023, the Group signed an agreement to sell a property located in Dresden for a consideration of EUR 15.5 million. The transaction was completed in November 2023.

3. In August 2023, the Group signed an agreement to sell a non-material property via a share deal for a consideration of EUR 5 million. The transaction was completed in August 2023.

All transactions reflected the approximate book value of the investment property.

Sanderson Hotel, London

NOTE 7 – INVESTMENTS IN AND LOANS TO EQUITY-ACCOUNTED INVESTEES

The reconciliation of investments in and loans to equity-accounted investees is as follows:

	2023	2022
	EUR thousands	
As at 1 January	50,267	49,997
Additions and accrued interest	13,900	9,544
Share in loss from investment in equity-accounted investees	(5,746)	(10,418)
Foreign currency effect	(150)	1,144
At 31 December	**58,271**	**50,267**

The balance as at 31 December 2023 reflects joint-venture investments, where, in addition to its equity investment of EUR 6 million, the Group contributed loans in amount of EUR 42 million principal and EUR 3 million capitalized and accrued interest, since its initial investments.

NOTE 8 – OTHER SHORT TERM ASSETS

In March 2023, the remaining outstanding amount of the deferred payment for the sale of the non-traded bonds of EUR 50 million as at 31 December 2022 was received.

Bundesallee, Berlin

NOTE 9 – ASSETS AND LIABILITIES OF DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE

The Company 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 31 December 2023 the Company classified the investment properties with fair value of EUR 53.3 million as Assets of disposal groups classified as held for sale and investment properties with fair value of EUR 105.9 million as Assets held for sale.

	31 December 2023 EUR thousands	31 December 2022 EUR thousands
Assets		
Investment property*	159,190	180,031
Trade receivables and other receivables	1,154	1,948
Cash and cash equivalents	331	658
	160,675	**182,637**
Liabilities		
Trade and other payables	479	1,478
Other non-current liabilities	21	9
Deferred tax liabilities	1,016	1,540
	1,516	**3,027**

* In 2023 there were no reclassifications.

NOTE 10 – TRADE AND OTHER RECEIVABLES

	31 December 2023	31 December 2022
	EUR thousands	
Rent and service charge receivables	21,289	26,933
Less: loss allowance for expected credit losses	(12,277)	(6,100)
	9,012	**20,833**
Receivables from related parties (Note 25)*	42,528	51,336
VAT refundable	4,665	1,801
Receivables in relation to completed transactions	-	672
Other receivables	11,348	12,081
Total	**67,553**	**86,723**

Rent and service charge receivables are non-interest bearing and are typically due within 30 days.

Refer to Note 26.3.1 Financial Instruments for further detail on credit risk.

(*) In 2023, the group recognized a write off of EUR 6 million on receivables originating in the period of Covid-19 pandemic.

NOTE 11 – TOTAL EQUITY

A. Equity attributable to the owners of the Company

Share capital and share premium

On 1 June 2022, a US-based investor, Bow Street Special Opportunities XVIII SPV Cayman, LLC (the "**Investor**") made an investment in the Company, through shares and shareholders' loans. As of the reporting date the Investor holds 10% of the shares and shareholders' loans of the Company. As at 31 December 2023, the issued and fully paid share capital of the Company consists of 12,297 ordinary shares of EUR 1 each (2022: 12,297) with a nominal value of EUR 12,297 (2022: EUR 12,297).

The movement of the share premium reserve is as follows:

Share premium reserve	**2023**	**2022**
	EUR thousands	
As at 1 January	173,010	154,030
Capital reduction*	(19,024)	-
Contributions	-	18,980
At 31 December	**153,986**	**173,010**

*In July 2023, the Company performed a Capital reduction of EUR 19 million.

B. Non-controlling interests

The Group investments in Germany are done by Golden. Golden is a Luxembourg entity, indirectly held 51.5% by the Company. As at 31 December 2023, Golden investment properties are EUR 1,466 million and total comprehensive loss of EUR 170 million was allocated to the non-controlling shareholders of Golden.

The non-controlling interest mainly comprises of third-party institutional investors holding a 48.5% in the Company's subsidiary Golden.

Below is additional financial information related to Golden:

Consolidated statement of financial position	**31 December 2023**	**31 December 2022**
	EUR thousands	
Total assets	**2,170,452**	**2,719,240**
Total liabilities*	1,648,344	1,864,643
Total equity attributable to owners of the Company	439,921	755,263
Total equity	522,108	854,597
Total liabilities and equity	**2,170,452**	**2,719,240**

(*) includes loans from shareholders (see Note 14(2))

Consolidated statements of profit or loss and other comprehensive income	31 December 2023	31 December 2022
	EUR thousands	
Revenues	88,089	84,505
Operating loss	(272,534)	(107,630)
Loss for the year	(331,121)	(169,812)
Total comprehensive loss for the year	(332,489)	(159,684)

Holiday Inn, Bristol

NOTE 12 – SECURED LOANS AND BORROWINGS

Interest type	Loan date	Original amounts of loan	Interest mechanism and rate	Payment date of principal	Cap/Swap rates**	31 December 2023		31 December 2022	
						Principal value	Carrying amount	Principal value	Carrying amount
						EUR thousands			
Fixed	11 January 2023	GBP 200,000 thousands (1)	7.82%	20 October 2027	n/a	230,136	225,079	-	-
Variable	2 April 2018	GBP 449,800 thousands (1)	3M Sonia + 3.19%	1 April 2023	Cap rate 2.00%	-	-	297,896	282,013
Variable	18 June 2020	EUR 130,000 thousands	3M Euribor + 1.45%	30 June 2030	Cap and swap at 1.20%	125,839	125,852	130,015	130,015
Variable	30 September 2019	EUR 105,071 thousands	3M Euribor + 1.54%	30 September 2024	Cap rate 1.5%	79,029	79,029	96,534	96,315
Variable	29 October 2020	EUR 85,000 thousands	3M Euribor + 2.10%	31 December 2024	Swap 0.17% and -0.32%	76,288	75,946	78,838	78,258
Variable	4 October 2019	EUR 95,500 thousands	3M Euribor + 1.80%	4 October 2026	3M Euribor Cap rate 0.65%	73,203	73,955	75,113	75,347
Variable	24 May 2022	EUR 67,000 thousands	1M Euribor + 2.35%	23 May 2024*	n/a	69,266	69,110	67,316	67,577
Variable	3 February 2020	EUR 29,000 thousands	3M Euribor + 1.51%	30 November 2024	3M Euribor Cap rate 1.04%	25,800	25,800	26,600	26,600
Fixed	12 March 2015	EUR 28,000 thousands	2.24%	28 February 2025	n/a	22,512	22,512	23,185	23,185
Variable	26 May 2020	EUR 25,000 thousands	3M Euribor + 1,38%	30 June 2027	3M Euribor Cap rate 1.00%	22,500	22,460	23,240	23,183
Fixed	11 November 2017	EUR 22,000 thousands	2.27%	30 September 2027	n/a	18,363	18,363	18,987	18,987
Fixed	11 February 2015	EUR 5,000 thousands	2.24%	28 February 2025	n/a	4,115	4,115	4,233	4,233
					Total	**747,051**	**742,221**	**841,957**	**825,713**
					Other Loans		6,072		9,073
					Less current maturities		(254,500)		(292,431)
					Total non-current secured loans and borrowings		**493,793**		**542,355**

* Loan was prolonged subsequent to the reporting date. See Note 27.
** For the fair value of the Cap/Swap rates Derivatives (see Note 26.2.1).

(1) 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 was entered into, bearing an 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 consolidated 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, LTV ratios, debt service coverage ratio, interest coverage ratios, NOI Debt Yield and loan to annual rent ratio. As at 31 December 2023, the Group is fully compliant with all covenant requirements.

(3) To secure bank loans and borrowings, the Group pledged properties with a total fair value as at the reporting date of EUR 2,217.3 million (2022: EUR 2,443.4 million).


Karl-Liebknecht-Straße, Berlin

NOTE 13 – SENIOR BONDS AND CONVERTIBLE BONDS

The below overview summarizes the outstanding Senior Unsecured Bonds per the reporting date:

Senior Bonds	Currency	Nominal amount (in thousands)	Coupon rate (p.a., %)	Issue price (%)	Issuance-maturity	31 December 2023	31 December 2022
						EUR thousands	
Bond I (1) (2)	EUR	179,900*	3.00%	100,00	08/2019 - 08/2024	179,312***	649,948
Bond II (1) (2)	EUR	602,100**	3.50%	98,68	10/2019 - 10/2025	-	611,459
Bond III (2)	EUR	608,556	6.50%	100,00	08/2023 - 08/2028	590,225	-
Bond IV (2)	EUR	543,880	6.50%	100,00	08/2023 - 02/2029	581,835	-
Total						**1,351,372**	**1,261,407**
Convertible Bond (2)	EUR	200,000	2.25%	100.0	08/2020 - 08/2025	-	182,343
Total Senior Bonds						**1,351,372**	**1,443,750**
Total accrued interest on Senior Bonds						**27,181**	**14,328**

* Total outstanding nominal amount as at 31 December 2023.
** Total outstanding nominal amount before exchange transaction (see (2) below).
*** Presented in Current maturities on bonds, loans and borrowings.

(1) During the reporting period the Group performed a buy-back of its own issued unsecured bonds in a nominal amount of EUR 35.4 million (EUR 23.0 million from Bond I and EUR 12.4 million from Bond II), which resulted in a profit of ca. EUR 11 million.

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

71% of the 2024 Existing Notes, 100% of 2025 Existing Notes and 100% of the 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 20% cash consideration and 2028 New Notes ("**Bond III**" or "**2028 New Notes**"), the 2025 Existing Notes were exchanged for a 10% cash consideration and 2029 new notes ("**Bond IV**" or "**2029 New Notes**"), and the Convertible Bonds were exchanged for 2028 New Notes. The exchange was completed on 31 August 2023, and included a total cash consideration of EUR 147.9 million and EUR 18.5 million of accrued interest on the exchanged Existing Notes.

Bond III and Bond IV (the "**New Notes**") will mature in August 2028 and February 2029, respectively, and bear an annual coupon of 6.5% paid semi-annually with an addition of Paid-in-Kind interest ("**PIK**"), of 1.4% 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 original nominal principal amount (the "**Redemption Fee**"). The PIK will increase to 1.5% in 2025 up to 2.25% in 2028. The New Notes have an Issuer Optional Redemption starting from 31 August 2024 up to (but excluding) the Maturity Date. The early prepayment amount would be the New Notes par value plus the Redemption Fee and the PIK. In addition, the New Notes are fully secured with a certain collateral.

The Group examined whether the terms and conditions of the New Notes are substantially different from the terms and conditions of the Existing Notes, by performing both a quantitative and qualitative assessment. When performing the quantitative assessment the Group has considered the likelihood and the expected time of the early prepayment in the related calculation.

The exchange of Bond I and Bond II have not been considered as a substantial modification, whereas the exchange of the Convertible Bonds has been considered as a substantial modification, in accordance with IFRS 9.

An embedded derivative for the Issuer Call Option was separately recognized and presented in Derivatives under Non-Current Assets in the consolidated statement of financial position.

The exchange and modification transaction resulted in a total finance loss of EUR 61.9 million, which is presented in line "Result on Bond exchange" in the consolidated statement of profit or loss.

The below table summarizes the main details regarding the exchange of the Existing Notes:

Series of Existing Notes	**Participation in Exchange Offer** EUR thousands	**New Notes**	**Nominal amount** EUR thousands	**Cash Consideration** EUR thousands
Convertible Bond	200,000	Bond III	608,556	-
Bond I	450,200			90,040
Bond II	578,200	Bond IV	543,880	57,820
Total	**1,228,400**		**1,152,436**	**147,860**

S&P assigned a BB+ rating to the New Notes and BB- rating to Bond I.
As at 31 December 2023, the Group is fully compliant with all covenant requirements.

Völklinger Straße, Düsseldorf

NOTE 14 – LOANS FROM SHAREHOLDERS AND NON-CONTROLLING INTERESTS

	31 December 2023	31 December 2022
	EUR thousands	
Unsecured loans and accrued interest from Shareholders (1) (5)	893,422	846,104
Unsecured loans from non-controlling interests – Golden (2) (3) (4) (5)	527,007	604,830
Total	**1,420,429**	**1,450,934**

(1) The loans bear an annual interest rate of 5.15%-5.50%, payable in the 10th anniversary year (2032). In addition, the Company at its sole discretion, has the right to prepay the loan at any time subject to 3 days' notice, or to extend the loan term by an additional five years. The Company may, occasionally at its sole discretion, subject to 7 days' notice, convert the loan into its own Ordinary shares.

(2) As part of the share subscription agreements with non-controlling shareholders in Golden, which hold 48.5% of Golden shares, the non-controlling interest shareholders provided loans to Golden (the "**Golden Investors' Loans**"). As at 31 December 2023 the Golden Investors' loans had a principal value of EUR 471 million and bear 5.25% annual interest rate, payable in the 10th anniversary year (2028-2030). In addition, Golden at its sole discretion, has the right to prepay the Golden Investors' Loans at any time subject to 3 days' notice, or to extend the Golden Investors' Loans term by an additional five years. It was also agreed that Golden may, occasionally at its sole discretion, subject to 7 days' notice, convert the Golden Investors' Loans into its own ordinary shares according to a conversion price which reflects Golden's share capital value based on an external valuation report as at the date of conversion. The Shareholder loan provided from Vivion to Golden holds the same terms and conditions as the Golden Investors' Loans.

(3) In May 2023, the Board of Directors of Golden decided to prepay EUR 200 million of shareholders' loans in two tranches. During 2023, Golden completed the prepayments in two tranches of EUR 100 million each (total interest of EUR 53 million and principal of EUR 147 million were prepaid). In total, Golden prepaid to Vivion Capital Partners S.A. ("**Vivion CP**"), a wholly owned direct subsidiary of Vivion, an amount of EUR 103.6 million.

(4) Any prepayment or conversion of the Golden Investors' Loans may be executed only on a pro rata basis according to each shareholder stake in Golden.

(5) Loans from Shareholders and non-controlling interests are unsecured and subordinated to the other Group's debt to third parties.

NOTE 15 – RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOW ARISING FROM FINANCING ACTIVITIES

The tables below detail the reconciliation of the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows, or future cash flows, will be classified in the Group's consolidated statement of cash flows from financing activities.

	Secured loans and borrowings	Unsecured Bonds	Convertible bond	Secured Bonds	Loans from Shareholders	Loans from non-controlling interests
	EUR thousands					
Balance as at 1 January 2023	**834,786**	**1,261,407**	**182,343**	**-**	**846,104**	**604,830**
Disposal of subsidiaries, net	(4,710)	-	-	-	-	-
Additions - cash	228,751	-	-	-	-	-
Repayments - cash	(321,069)	(147,860)[1]	-	-	-	(108,119)
Buy-back of bonds - cash	-	(26,369)[2]	-	-	-	-
Debt issuance costs	-	-	-	-	-	-
Amortization of debt issuance costs	340	3,523	367	-	-	-
Capitalized interest	4,391	-	-	3,468	39,515	31,082
Gain from buy-back	-	(11,007)	-	-	-	-
Exchange of bonds (Note 13(2))	-	(900,382)	(182,710)	1,168,592	-	-
Foreign exchange effect	4,769	-	-	-	10,117	-
Other charges	1,035	-	-	-	(2,314)	(786)
Balance as at 31 December 2023	**748,293**	**179,312**	**-**	**1,172,060**	**893,422**	**527,007**

[1] Excluding EUR 18.5 million related to accrued interest and paid transaction costs of EUR 10.7 during the period (for further information see Note 13(2)).
[2] Excluding EUR 0.6 million related to accrued interest.


Osloer Straße, Berlin


Heidestraße, Berlin

	Secured loans and borrowings	Senior Unsecured Bonds	Convertible bond[1]	Loans from Shareholders	Loans from non-controlling interests
	EUR thousands				
Balance as at 1 January 2022	**706,537**	**1,325,016**	**175,648**	**803,362**	**527,168**
Acquisitions of subsidiaries, net	202,245	-	-	-	36,702
Additions - cash	-	-	-	29,224	-
Repayments - cash	(68,823)[2]	-	-	-	-
Buy-back of bonds - cash	-	(66,073)[3]	-	-	-
Additions	-	-	-	-	8,661
Amortization of debt issuance costs	886	5,236	552	-	184
Capitalized interest	-	-	-	39,196	27,350
Gain from buy-back	-	(2,609)	-	-	-
Non-cash changes	-	-	6,143	-	-
Foreign exchange effect	(7,271)	-	-	(26,868)	-
Other charges	1,212	(163)	-	1,190	4,765
Balance as at 31 December 2022	**834,786**	**1,261,407**	**182,343**	**846,104**	**604,830**

[1] Amounts of Convertible bonds exclude the embedded derivative in the amount of EUR 36.5 million (see Note 26.2.1).
[2] Including repayments from non-cash restricted deposits in the amount of EUR 22.5 million.
[3] Excluding EUR 1.4 million related to accrued interest.

NOTE 16 – TRADE AND OTHER PAYABLES

	31 December 2023	31 December 2022
	EUR thousands	
Trade payables	17,146	14,465
Transaction cost accruals*	15,240	15,700
Payables to related parties (Note 25)	5,070	8,359
VAT payables	3,454	3,211
Other accrued expenses	4,105	4,550
Total	**45,015**	**46,285**

* Includes mainly Real Estate Transfer Tax on German acquisition.

NOTE 17 – OTHER SHORT-TERM LIABILITIES

	31 December 2023	31 December 2022
	EUR thousands	
Accrued interest on secured bank loans and senior bonds	30,779	17,472
Deferred income	10,737	18,923
Total	**41,516**	**36,395**

NOTE 18 – LEASES, CONTINGENT LIABILITIES AND COMMITMENTS

A. Leases

I. Long-term lease liabilities

Long-term lease liabilities include the Group's future financial obligations due to its land leases in accordance with IFRS 16:

	2023	2022
	EUR thousands	
As at 1 January	81,404	79,363
Land lease reassessment	4,585	7,226
Interest expense on land lease	5,178	4,607
Payments	(5,557)	(5,398)
Foreign exchange effect	1,540	(4,394)
Balance as at December 31	**87,150**	**81,404**

II. Leases as a lessor

The Group has entered into long-term rent agreements as a lessor of its investment properties. The future minimum rental income under non-cancelable operating leases is as follows*:

	As at 31 December	
	2023	2022
	EUR thousands	
Less than one year	207,479	196,712
One to two years	196,744	203,099
Two to three years	198,170	195,021
Three to four years	195,263	189,832
Four to five years	192,931	186,106
More than five years	1,159,188	1,227,817
Total	**2,149,775**	**2,198,587**

* Excluding properties classified as held for sale.

B. Contingent liabilities and commitments

The Group is exposed to various legal claims arising from the ordinary course of business which are individually and in aggregate considered not material.

NOTE 19 – REVENUES

A. Rental income

	For the year end 31 December	
	2023	2022
	EUR thousands	
Rental income	218,384	206,092

B. Contracts with customers

	For the year end 31 December	
	2023	2022
	EUR thousands	
Service charge income	24,443	26,902

For further information regarding reportable segments, see Note 24 Operating Segments.

NOTE 20 – PROPERTY OPERATING EXPENSES

	For the year end 31 December	
	2023	2022
	EUR thousands	
Service charge expenses	21,540	18,998
Other property operating expenses	8,478	8,503
Total	**30,018**	**27,501**

NOTE 21 – GENERAL AND ADMINISTRATIVE EXPENSES

	For the year end 31 December	
	2023	2022
	EUR thousands	
Legal and professional fees	13,826	10,832
Expected credit losses on rent and other receivables	21,019*	177
Asset management fees	2,826	2,064
Audit fees	2,432	1,216
Other general and administrative expenses	2,100	4,271
Total	**42,203**	**18,560**

(*) Includes rent receivables originating from Covid-19 pandemic period.

The following table shows the breakdown of audit, audit-related, tax and other services rendered by KPMG audit firm network and by other audit firms:

	For the year ended 31 December			
	2023		2022	
	KPMG Network	Other audit firms	KPMG Network	Other audit firms
	EUR thousands			
Audit fees	2,219	200	1,017	199
Audit related fees	-	13	-	-
Tax and other services	5	147	39	73
Total	**2,224**	**360**	**1,056**	**272**

NOTE 22 – FINANCE EXPENSES

	For the year ended 31 December	
	2023	2022
	EUR thousands	
Interest expense on secured loans and borrowings	38,137	29,924
Interest expense on bonds (secured and unsecured)	60,289	48,193
Total interest expense to third parties	**98,426**	**78,117**
Interest income from third parties	(17,161)	(17,780)
Total net interest expense to third parties	**81,265**	**60,337**
Interest expense on unsecured Shareholders loans[1]	39,515	39,195
Interest expense on unsecured loans from Non-Controlling Interest[1]	31,082	27,350
Less: borrowing cost capitalization	(4,046)	(3,846)
Total net interest expense	**147,816**	**123,036**

Lease financing expenses per IFRS 16	6,544	4,607
Amortization of finance fees	4,230	6,594
Other	4,128	2,838
Other finance expense	**14,902**	**14,039**
Change in short-term financial instruments and derivatives	18,660	56,066
Result on bond exchange and modification (Note 13(2))	61,942	-

[1] The interest expenses on the unsecured Shareholders' loans and on the unsecured Non-Controlling interest loans are only payable in the 10th anniversary year of the loan (see Note 14).

NOTE 23 – INCOME TAX

The main tax laws imposed on the Group companies in their countries of residence are:

(1) United Kingdom

The UK subsidiaries are subject to taxation under the laws of the United Kingdom. The corporation tax rate for UK companies in 2023 is 25%.

On 24 May 2021, the report stage and third reading of the UK Finance Bill 2021 in the House of Commons took place and the final government amendments were passed. The amendments include an increase in the corporation tax rate from 19% to 25% on profits over GBP 250 thousand starting from 1 April 2023.

(2) Germany

The German subsidiaries are subject to taxation under the laws of Germany. Income taxes are calculated using a federal corporate tax of 15% for 31 December 2023, plus an annual solidarity surcharge of 5.5% on the amount of federal corporate taxes payable (aggregate tax rate: 15.825%).

(3) Luxembourg

The Company and part of its subsidiaries are subject to taxation under the laws of Luxembourg. The effective corporation tax rate applicable in 2023 for Luxembourgish companies is 24.94%.

(4) Cyprus

The Cypriot subsidiaries are subject to taxation under the laws of Cyprus. The corporation tax rate for Cypriot companies is 12.5%. Under certain conditions interest income of the Cyprus companies may be subject to defense contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defense contribution at the rate of 17%.

Opernplatz, Essen

Composition of income tax expense (income)

The major components of income tax expense recorded in the profit or loss statement are:

	For the year ended 31 December	
	2023	2022
	EUR thousands	
Current tax expense		
Current year	21,703	18,226
Adjustments for prior years, net	136	889
	21,839	**19,115**
Deferred tax income		
Origination and reversal of temporary differences	(25,294)	(43,954)
Income tax reported in the statement of profit or loss	**(3,455)**	**(24,839)**

Reconciliation of tax expense and the accounting profit multiplied by Luxemburg's tax rate is as follows:

	For the year ended 31 December	
	2023	2022
	EUR thousands	
Statutory income tax rate	24.94%	24.94%
Loss before taxes	(364,546)	(341,996)
Tax income using the Company's domestic tax rate	(90,918)	(85,294)
Income not taxable for tax purposes	(8,008)	(9,993)
Non-deductible expenses	27,969	32,850
Effect of tax rates in foreign jurisdictions	29,516	13,162
Deferred tax assets not recognized for tax losses and other timing differences	37,828	23,617
Effect of changes in enacted tax rates	-	(2,848)
Adjustments for prior years	136	3,671
Other differences, net	22	(4)
Income tax reported in the statement of profit or loss	**(3,455)**	**(24,839)**

The deferred income tax liability is reflected in the statement of financial position as follows:

	31 December 2023	31 December 2022
	EUR thousands	
Deferred tax liabilities	206,520	229,030
Total deferred income tax liability	**206,520**	**229,030**

The deferred tax liability arises from the following components:

	2023	2022
	EUR thousands	
As at 1 January	229,030	281,711
Revaluations of investment property to fair value	(24,391)	(45,190)
Foreign exchange differences	3,345	(8,661)
Fair value of Derivatives	(2,162)	1,818
Deferred tax liabilities reclassified to liabilities to disposal group held for sale	525	-
Other	173	(648)
As at 31 December	**206,520**	**229,030**

Völklinger Straße, Düsseldorf

NOTE 24 – 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.

The CODM is the Group's Chief Executive Officer.

Commercial properties in Germany include predominately office asset class (83.2% of the total fair value of the German portfolio as at 31 December 2023). The other asset class in Germany include mainly hotels 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 regarding material accounting policies. 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	
For the year ended 31 December 2023			
Revenues	150,427	92,400	**242,827**
Property revaluations and capital gains/(losses)	21,150	(307,236)	**(286,086)**
Property operating expenses	(3,310)	(26,708)	**(30,018)**
General and administrative expenses	(7,284)	(22,782)	**(30,066)**
Reportable segment operating profit	**160,983**	**(264,326)**	**(103,343)**
Share in loss from investment in equity-accounted investees			**(5,746)**
Corporate general and administration expenses			**(12,137)**
Net finance expenses			**(243,320)**
Profit / (loss) before tax			**(364,546)**

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

	United Kingdom	Germany* EUR thousands	Total Consolidated
For the year ended 31 December 2022			
Revenues	143,960	89,034	**232,994**
Property revaluations and capital losses	(165,572)	(159,798)	**(325,370)**
Property operating expenses	(2,136)	(25,365)	**(27,501)**
General and administrative expenses	(1,741)	(10,447)	**(12,188)**
Reportable segment operating profit	**(25,489)**	**(106,576)**	**(132,065)**
Share in loss from investment in equity-accounted investees			**(10,418)**
Corporate general and administration expenses			**(6,372)**
Net finance expenses			**(193,141)**
Loss before tax			**(341,996)**

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


Saint Martin's Lane, London

NOTE 25 – RELATED PARTY DISCLOSURES

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

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

			31 December	
			2023	2022
Subsidiary *Subsidiaries held directly and indirectly by the Company*	**Country of incorporation**	**Principal activities**	**% equity interest**	
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 consolidated financial statements:

	31 December 2023	31 December 2022
	EUR thousands	
Consolidated statement of financial position		
Rent and other receivables from related parties	42,703	48,988
Loans to equity-accounted investee	38,442	27,439
Payables to related parties	(5,070)	(3,211)
Unsecured loans from Shareholders	(802,337)	(760,588)


Holiday Inn Regent's Park, London


Postdamer Straße, Berlin

	For the year ended 31 December	
	2023	2022
	EUR thousands	
Consolidated statement of profit or loss		
Rental and service charges income (2) (3)	128,088	121,493
Interest income on loans to equity-accounted investee	2,034	2,059
Services and management fee charges (1)	(12,026)	(7,885)
Interest on loans from Shareholders	(33,522)	(37,201)
Recoverable facility management fees (1)	(1,040)	(879)

(1) The Group is engaged with affiliated companies to the beneficial owner of the Company for providing services to the Group companies. These services include General Management, Asset Management, Property Management, Project Management and Facility Management, which are being charged for as a percentage of the rental income and/or Gross operating profit of the respective property company.

(2) A portion of Vivion's UK hotel assets are leased to related operating companies.

(3) Includes tenant incentives recognized on a straight line basis.

Staff and Emoluments
As at the reporting date and throughout the year, the Group did not have any staff employed by the Group.

Director's fees
In 2023, the Group paid Director's fees of approximately EUR 335 thousand (2022: EUR 88 thousand).

Potsdamer Straße, Berlin

NOTE 26 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Group's principal financial liabilities are loans, bonds and borrowings. The main purpose of these loans, bonds and borrowings is to finance the acquisition of its property portfolio. The Group has rent and other receivables, trade and other payables and cash and cash equivalents that arise directly from its operations.

26.1 Composition of financial instruments

Below is an overview of the financial assets and liabilities, held by the Group as at 31 December 2023 and 31 December 2022:

Financial assets

	31 December 2023	31 December 2022
	EUR thousands	
Financial assets at amortized cost		
Cash and cash equivalents	497,068	839,102
Trade and other receivables	67,553	86,723
Restricted bank and other deposits	62,997	26,279
Loans to equity-accounted investees	45,341	31,441
Loans and other long-term assets	45,718	66,149
Other loans to third parties	-	18,225
Financial assets at fair value		
Financial assets at fair value through profit or loss*	53,913	66,963
Financial assets at fair value through other comprehensive income	6,592	7,959
Total	**779,182**	**1,142,841**

*Including Derivatives.

Saint Martin's Lane, London

Financial liabilities

	31 December 2023	31 December 2022
	EUR thousands	
Financial liabilities at amortized cost		
Senior Bonds	1,351,372	1,261,407
Secured loans and borrowings (incl. current portion)	748,293	834,786
Unsecured Convertible bond	-	182,343
Long-term lease liabilities	87,150	81,404
Liability for sale and leaseback transaction	69,623	63,086
Other short-term liabilities	41,516	36,395
Trade and other payables	45,015	46,285
Tenant deposits	5,162	3,826
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities	6,283	42,445
Subtotal	**2,354,414**	**2,551,977**
Loans from Shareholders	893,422	846,104
Loans from non-controlling interests	527,007	604,830
Total	**3,774,843**	**4,002,911**

Holiday Inn, Bristol

26.2.1 Fair value measurement hierarchy

The following table shows the fair value measurement hierarchy of the Group's assets and liabilities which are presented at fair value as at 31 December 2023 and 31 December 2022 under the relevant fair value hierarchy:

	31 December 2023 Fair value measurement using EUR thousands				
	Carrying amount	**Total fair value**	**Level 1**	**Level 2**	**Level 3**
Financial assets					
Financial assets at fair value through profit or loss	32,003	32,003	32,003	-	-
Financial assets at fair value through other comprehensive income	6,592	6,592	6,592	-	-
Derivative financial instruments	21,910	21,910	-	16,950*	4,960
Total	**60,505**	**60,505**	**38,595**	**16,950**	**4,960**
Financial liabilities					
Derivative financial liabilities	6,283	6,283	-	-	6,283
Total	**6,283**	**6,283**	**-**	**-**	**6,283**

* Variable interest rate bank loans are hedged with interest cap rate and interest swap rate derivatives with a fair value of EUR 16.9 million as at 31 December 2023.

Völklinger Straße, Düsseldorf

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

* Variable interest rate bank loans are hedged with interest cap rate and interest swap rate derivatives with a fair value of EUR 32.2 million as at 31 December 2022.

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 inputs required to fair value a 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.

There have been no transfers between Level 1, Level 2 and Level 3 during 2023 and 2022.

26.2.2 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 cash and other deposits, other financial assets, loans to equity-accounted investees, trade payables, other payables, lease liabilities and liability for sale and leaseback transaction, proximate to their fair value. The main part of loans and borrowings bear variable interest rate, and thus are proximate to their fair value.

The loans carry the same terms and conditions as the existing shareholders' loans, and thus proximate their fair value as well.

The following table represents the fair value of financial liabilities for disclosure purposes:

	31 December 2023		31 December 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
	EUR thousands			
Convertible bond [1]	-	-	182,343	151,700
Senior Bonds [2] [3]	1,351,372	1,060,300	1,261,407	987,046
Loans from Shareholders	893,422	678,490	846,104	846,104
Loans from non-controlling interests	488,296	488,848	557,898	557,898
Total	**2,733,090**	**2,227,638**	**2,847,752**	**2,542,748**

[1] The fair value of the convertible bond is following the quoted price of the Senior bonds (Level 2).
[2] The fair value of the Senior Bonds is based on price quotations at the reporting date (Level 1).
[3] The Senior Bonds include capitalized issuance costs of EUR 12.4 million (2022: EUR 7 million).

26.3 Risk Management

The Group is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk;
- Interest rate risk;
- Currency risk.

This note presents quantitative and qualitative information about the Group's exposure to each of the above risks, and the Group's objectives, policies and processes for measuring and managing risk.

The Board of Managers has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

26.3.1 Credit risk

Credit risk is the risk of financial loss to the Group if a tenant or counter party to a financial instrument fails to meet its contractual obligations and arises mainly from the group's receivables from tenants. The Group has no significant concentration of credit risk.

Receivables

The Group had established a policy regarding credit risk for tenants to ensure that lease contracts are made with tenants who have an appropriate credit history. The policy is managed by the asset managers subject to control procedures relating to customer credit risk management. Monitoring of the outstanding customer receivables is conducted on a continuous basis considering the aging profile of its receivables. Credit risk is further managed by requiring tenants to pay rentals in advance. At each reporting date, an analysis is performed to assess the allowance to expected credit loss on an individual basis for major tenants. The factors taken into consideration in assessing the allowance are inter alia the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The amount of ECLs may be subject to changes in macro-economic environment. The Group's historical credit loss experience and expectation of economic condition may also not be representative of customers' actual default in the future.

Cash and cash equivalents

The Group holds cash and cash equivalents with banks and financial institutions with a short-term rating of P1 to P3 based on the ratings of Moody's.

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. During the year no impairment has been recognised on cash and cash equivalents. The Group considers that its cash and cash equivalents have low credit risk based on the credit ratings of the counterparties.

Derivatives

The counterparties of the derivatives held by the Group are financial institutions rated Aa2 to A1 by Moody's.

Exposure to credit risk

The maximum exposure to credit risk for rent and other receivables at the reporting date by geographic regions was as follows:

Exposure to credit risk	31 December 2023	31 December 2022
	EUR thousands	
Euro-zone countries	66,997	121,254
United Kingdom	41,747	31,488
Total	**108,744**	**152,742**


Holiday Inn Edinburgh

Assessment of expected credit losses

As at 31 December 2023, the breakdown of rent receivables is set out below:

	Gross carrying amount	Loss allowance	Net balance
		EUR thousands	
Past due 0-30 days	1,916	(214)	1,702
Past due 31-120 days	1,075	(88)	987
Past due 120 days to one year	2,101	(1,174)	927
Past due more than one year	16,197	(10,801)	5,396
Total	**21,289**	**(12,277)**	**9,012**

As at 31 December 2022, the breakdown of rent receivables is set out below:

	Gross carrying amount	Loss allowance	Net balance
		EUR thousands	
Past due 0-30 days	2,727	-	2,727
Past due 31-120 days	948	(11)	937
Past due 120 days to one year	4,530	(118)	4,412
Past due more than one year	18,665	(5,971)	12,694
Total	**26,870**	**(6,100)**	**20,770**

The fair value of the receivables approximates the net carrying amount.

The Group assesses the expected credit loss on an individual basis for major tenants, per each aging group and had determined that the net balance as at 31 December 2023 is proximate to their fair value.

Holiday Inn London Heathrow M4,Jct.4

26.3.2 Liquidity risk

Cash flow forecasts are determined on both an individual company basis and a consolidated basis. The Company examines current forecasts of its liquidity requirements to ensure that there is sufficient cash for its operating needs, and it is careful at all times to have enough unused credit facilities so that the Company does not exceed its credit limits. These forecasts take into consideration matters such as ad-hoc use of additional debt and/or equity for financing its activity, as well as compliance with legal requirements.

The following are the contractual maturities of financial liabilities at undiscounted amounts and based on the future rates forecasted at the reporting date, including estimated interest payments.

	2023 Carrying amount	Contractual cash flows including interest				
		Total	2024	2025	2026	> 2027
	EUR thousands					
As at 31 December 2023						
Secured Loans and borrowings	748,293	**857,858**	285,008	56,764	98,055	418,031
Senior Secured Bonds	1,172,060	**1,686,316**	75,377	76,255	77,468	1,457,216
Senior Unsecured Bonds	179,312	**185,311**	185,311	-	-	-
Long-term lease liabilities	87,150	**285,872**	5,716	5,729	5,729	268,698
Liability for sale and leaseback transaction	69,623	**297,799**	1,520	1,520	1,520	293,239
Tenant deposits	5,162	**5,162**	173	16	185	4,788
Trade and other payables	45,015	**45,015**	45,015	-	-	-
Subtotal	**2,306,615**	**3,363,333**	**598,120**	**140,284**	**182,957**	**2,441,972**
Unsecured Loans from Shareholders	893,422	**1,226,672**	-	-	-	1,226,672
Unsecured Loans from non-controlling interests	527,007	**690,537**	-	-	-	690,537
Total	**3,727,044**	**5,280,542**	**598,120**	**140,284**	**182,957**	**4,359,181**


Gustav-Heinemann-Ring, Ismaning (Munich)

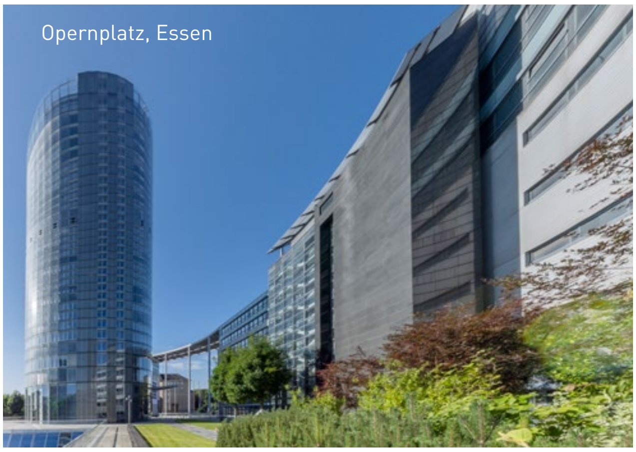
	2022 Carrying amount	Total	Contractual cash flows including interest 2023	2024	2025	> 2026
	EUR thousands					
As at 31 December 2022						
Secured Loans and borrowings	834,786	**885,214**	310,917	274,448	13,718	286,131
Senior unsecured Bonds	1,261,407	**1,373,700**	41,223	696,047	636,430	-
Unsecured Convertible bond	182,343	**213,500**	4,500	4,500	204,500	-
Long-term lease liabilities	81,404	**257,340**	5,338	5,338	5,351	241,313
Liability for sale and leaseback transaction	63,086	**270,792**	1,370	1,370	1,370	266,682
Tenant deposits	3,826	**3,826**	327	63	17	3,419
Trade and other payables	51,629	**51,629**	51,629	-	-	-
Subtotal	**2,478,481**	**3,056,001**	**415,304**	**981,766**	**861,386**	**797,545**
Unsecured Loans from Shareholders	846,104	**897,043**	-	-	-	897,043
Unsecured Loans from non-controlling interests	604,830	**782,863**	-	-	9,641	773,222
Total	**3,929,415**	**4,735,907**	**415,304**	**981,766**	**871,027**	**2,467,810**

As disclosed in Note 12 regarding secured loans and borrowings, the Group has secured bank loans which contain financial covenants. The breach of a financial covenant may require the Group to repay part of the loans earlier than indicated in the above table.

The actual interest payments on variable interest rate loans may be different from the amounts in the above table.

The liquidity analysis presented above includes the maximum amounts that may be required in respect of a financial guarantee granted. Nevertheless, it is clarified that the Group does not expect to pay these amounts as the debtor is not expected to default.

Except for these financial liabilities, it is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.


Opernplatz, Essen

Fritz-Vomfelde-Straße, Düsseldorf

26.3.3 Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's variable-rate long-term debt instruments. The Group manages its interest rate risk by hedging long-term debt with floating rate using swap and cap contracts.

As at 31 December 2023, after taking into account the effect of hedging, the interest profile of the Group's long-term debt (Secured loans and borrowings and Senior bonds) was as follows:

	31 December 2023	31 December 2022
	EUR thousands	
Fixed rate	1,639,340	1,775,312
Variable rate - Capped	403,042	429,718
Variable rate - Uncapped*	69,110	67,577
Total	**2,111,492**	**2,272,607**

* The loan had been amended and the interest is capped at 1.5% starting May 2024 (see Note 27).

The analysis below describes reasonably possible movements in interest rates with all other variables held constant, showing the impact on profit before tax and pre-tax equity. It should be noted that the impact of movement in the variables is not necessarily linear.

The impact on the Group's annual finance expenses would be as follows:

	31 December 2023		31 December 2022	
	EUR thousands			
	+ 15 bps	**- 15 bps**	**+ 15 bps**	**- 15 bps**
3M Euribor	-	-	221	(221)
1M Euribor	96	(96)	60	(60)

All 3M Euribor loans have interest rate caps or swaps to hedge the Euribor interest exposure. Derivatives are not accounted for through hedge accounting.

Fair value sensitivity analysis for fixed rate instruments
The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss with respect to changes in fair value measurement.

26.3.4 Currency risk

The Group functional currency is the Euro. The Group has net investments in foreign operations whose functional currency is the GBP and is therefore exposed to currency risk due to the fluctuations of the currency exchange rates in translation of financial statements of the foreign operations from GBP to EUR.

Interest on borrowings is denominated in the currency of the borrowing. Generally, according to the Group's policy loan borrowings are obtained in currencies that match the cash flows generated by the respective underlying operations of the Group, primarily GBP and EUR. This provides an economic hedge without derivatives being entered into and without application of hedge accounting.

The company continuously monitors its foreign currency exposure both from a fair value and cash flow perspective. To the extent there is no natural hedging, the Group ensures that its net exposure is kept to an acceptable level by keeping these foreign assets or liabilities to minimum levels.

The Group's exposure to linkage and foreign currency risk was as follows:

	31 December 2023			31 December 2022		
	GBP	Other	Total	GBP	Other	Total
	EUR thousands					
Financial assets						
Current assets:						
Trade and other receivables	41,747	744	**42,491**	31,488	649	**32,137**
Cash and cash equivalents	51,203	1,207	**52,410**	99,371	2,248	**101,619**
Other assets	44	-	**44**	10,107	29	**10,136**
Non-current assets:						
Derivatives	-	-	**-**	2,256	-	**2,256**
Restricted bank and other deposits	46,756	6	**46,762**	-	3	**3**
Other assets	-	-	**-**	-	10	**10**
Financial liabilities						
Current liabilities:						
Trade and other payables	(4,197)	(404)	**(4,601)**	(7,485)	(178)	**(7,663)**
Other short term liabilities	(11,291)	-	**(11,291)**	(21,117)	(30)	**(21,147)**
Current portion of loans from credit institutions	-	-	**-**	(282,009)	-	**(282,009)**
Non-current liabilities:						
Secured Loans and borrowings	(294,702)	(4,587)	**(299,289)**	-	(3,148)	**(3,148)**
Tenancy Deposits	-	(98)	**(98)**	-	(91)	**(91)**
Finance lease liability	(80,353)	-	**(80,353)**	(74,664)	-	**(74,664)**
Unsecured Loans from non-controlling interests	-	(20)	**(20)**	-	(44)	**(44)**
Liability for sale and leaseback	(69,623)	-	**(69,623)**	(63,086)	-	**(63,086)**
Total net exposure in statement of financial position in respect of financial assets and financial liabilities*	**(320,416)**	**(3,152)**	**(323,568)**	**(305,139)**	**(552)**	**(305,691)**

* The net exposure excludes Shareholders' loans in GBP as those are subordinated and convertible at the company's sole discretion (for further information see Note 14)

Sensitivity analysis

A 5% strengthening (weakening) of the GBP against the Euro at 31 December would affect the measurement of financial instruments denominated in foreign currency and affect the equity by the amounts shown below. This analysis assumes that all other variables, in particular interest rates remain constant.

	31 December 2023			31 December 2022		
	EUR thousands					
	EUR	**Change in GBP rate**	**Effect on other comprehensive income**	**EUR**	**Change in GBP rate**	**Effect on other comprehensive income**
Total net exposure in statement of financial position in respect of financial assets and financial liabilities	(320,416)	+5%	**(16,021)**	(305,139)	+5%	**(15,257)**

26.3.5 Cash and cash equivalents

	31 December 2023	31 December 2022
	EUR thousands	
EUR	444,659	737,483
GBP	51,203	99,371
Other	1,206	2,248
Total	**497,068**	**839,102**

26.3.6 Capital management

The Group manages its capital in order to ensure it is able to continue as a going concern with preservation of liquidity. Management continuously monitors performance indicators, such as Loan to Value ratio (LTV), which is calculated on both entity and portfolio levels, where applicable, which enables the Group to remain within its quantitative covenants originating from bank financing, other debt financing instruments and to support its credit rating. The Company is committed to optimizing its capital structure in order to reduce the overall cost of capital, to balance the Company's cash flow profile and to maximize operational efficiency. In order to achieve this, the Company regularly access both debt and equity. From a range of capital providers. During the reporting period, the Group complied with all financial covenants and other related requirements.

26.3.7 Other risks

The Group's portfolio is located in major cities and strong markets throughout Germany and the United Kingdom. The current regional distribution structure enables the Group on the one hand to benefit from economic scale, and on the other to provide a diverse well allocated and risk-averse portfolio.

NOTE 27 – SUBSEQUENT EVENTS

(1) Following Note 12, in March 2024, the Group signed an amendment to the agreement of its existing EUR 67 million loan. In accordance with the amendment, the maturity date has been prolonged until May 2025 and the interest rate was updated to 4% + 1M Euribor capped at 1.5%.

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