CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

VIVION

Vivion Investments S.à r.l.
94 Rue du Grünewald
L-1912 Luxembourg

CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2024

Contents

MANAGEMENT REPORT

The Management of the Company hereby presents its management report for the financial year ended on 31 December 2024.

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 2024. 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 94 Rue du Grünewald, L-1912 Luxembourg.

The issued and fully paid share capital of the Company as at 31 December 2024 was EUR 12,297 divided into 12,297 shares with nominal value of EUR 1 each.

Important events in 2024 and future developments

A. In January 2024, the Group signed a new secured loan agreement for one of its properties in UK, in the amount of GBP 18.3 million (EUR 21.2 million) with a term of 4 years, bearing interest of 2.96% + SONIA. The Group, at any time at its own discretion can repay the facility with no material break cost.

B. In June 2024, the Group signed a new secured financing for one of its UK portfolios in the amount of GBP 123 million (EUR 146 million) with a term of 5 years bearing interest of 4.75% + Sonia capped at 4.5%. After 2.5 years the Group can repay the facility with no material break cost. The loan was drawn in July 2024. The funds were used to redeem the remaining outstanding amount of Bond I series, see also F below.

C. In July 2024, the Group successfully completed a new secured financing for one of its hotels in UK in the amount of GBP 50 million (EUR 59 million) with a term of 5 years and bearing an interest of 2.75% + SONIA capped at 4%.

D. In July 2024, the Group signed a 5-year extension agreement for its EUR 25 million loan. In accordance with the agreement, the interest rate is 1.5% + 3M Euribor capped at 2.5%.

E. In August 2024, the Company had redeemed the remaining outstanding Bond I series, of EUR 168.9 million plus coupon at the maturity date.

F. In August 2024, the Group signed an amendment to the agreement of its EUR 85 million loan (carrying amount 74.3m). In accordance with the amendment, the nominal amount and the carrying amount decreased to EUR 61.7 million by repaying EUR 12.6 million from Restricted cash. The maturity date has been prolonged until December 2025 and the interest rate was updated to 2.75% + 3M Euribor, swapped at 2.41%.

G. In October 2024, the Group acquired an asset located in a prime location in Berlin for a purchase price of EUR 64.5 million, excluding EUR 4.3 million of transaction costs and real estate transfer tax.

H. In September 2024 and November 2024, the Group signed two agreements for its EUR 77 million Carrying amount loan as of November 2024 (EUR 105 million original loan amount). In accordance with the agreements, (i) the new nominal amount was set on of EUR 59.2 million, with maturity date of September 2026 and the interest rate was updated to 1.65% + 3M Euribor capped at 2.35% (ii) a new loan of EUR 21 million with maturity date of November 2029 and the interest rate was set at 3.86% fixed for the full loan duration.

I. In November 2024 the Group acquired an asset located in London for a purchase price of GBP 20.1 million (EUR 24.3 million), excluding EUR 1.6 million of transaction costs.

J. In December 2024, the Company completed successfully the tap issuance of an additional EUR 250 million Bonds III. The net proceeds from the issuance were principally used in December by the Company to repay a GBP 200 million (approximately EUR 240 million) secured loan facility in the United Kingdom.

K. In February 2025, the Group signed amendments to the agreements of its EUR 28,000 thousand and EUR 5,000 thousand loans. In accordance with the amendments, the maturity date has been prolonged until September 2027 and the fixed interest rate was updated to 4.07%.

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
Nicolle Stehouwer	3rd March 2025	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

* On 7 February 2025, Oliver Wolf resigned from his position as member of the Board of Managers.

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 2024.

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 capital structure and reduce its cost of debt. 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 2024, the Group's investment properties produced revenues of EUR 259 million, an increase of 6.6% compared to 2023 revenues. The increase was mainly attributable to:

- Indexations;
- New tenancy agreements in Germany;
- Higher GBP rate.

The Group's property operating expenses in 2024 amounted to EUR 33 million (2023: EUR 30 million), an increase of 10%, mainly as an increase in the recoverable operating costs.

General and administrative expenses amounted to EUR 29 million in 2024 compared to EUR 42 million in 2023, a decrease of EUR 13 million, caused mainly by impairment on rent receivable in 2023, originating from the Covid-19 pandemic period.

The Group recognized revaluation gains of EUR 132 million across the portfolio. The gain resulted from increased letting activities in the German portfolio and overall improved market conditions.

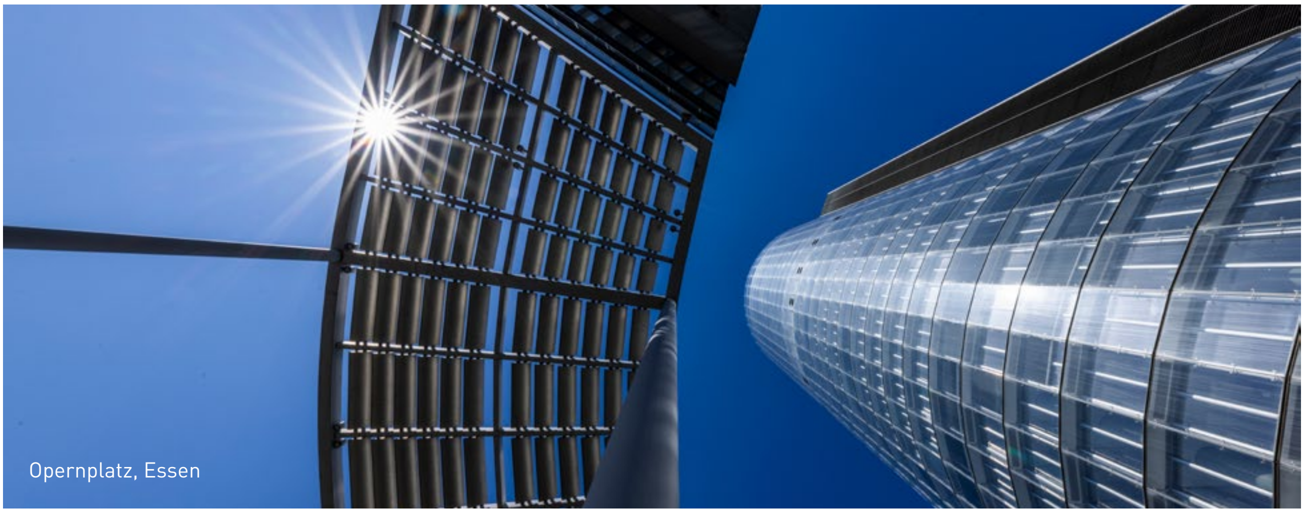
Total interest expense to third parties in 2024 amounted to EUR 145 million (2023: EUR 98 million). The increase is mainly driven by the new bonds that were refinanced in August 2023 and had a full year effect in 2024.

Interest income from third parties of EUR 18 million relates primarily to the Group's successful liquidity management.

As at 31 December 2024, the Group's Investment property portfolio had a fair value of EUR 4,127 million (31 December 2023: EUR 3,603 million) excluding investment property classified as held for sale (an increase of 14.5%) and a fair value of EUR 4,149 million (31 December 2023: EUR 3,763 million) including investment property classified as held for sale (an increase of 10.3%). The changes in the Group's portfolio are attributed mainly to revaluation gains, capital expenditures, acquisitions and disposals, and foreign exchange effects.

As at 31 December 2024, the Group had secured loans from credit institutions and third parties in the amount of EUR 725 million (31 December 2023: EUR 748 million) and the New Notes and Existing Notes in the amount of EUR 1,473 million (as at 31 December 2023: EUR 1,351 million).

The consolidated cash position amounts to EUR 441 million as at 31 December 2024 (31 December 2023: EUR 497 million), out of which EUR 344 million (31 December 2023: EUR 430 million) are held in Golden.



Opernplatz, Essen

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 25 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 its 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 28 April 2025 by:

Nicolle Stehouwer, Director

Jan Fischer, Director

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To the Shareholders of
Vivion Investments S.à r.l.
94, rue du Grünewald
L-1912 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 2024, and the consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated statement of cash flows 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 2024, and 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 (the “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, 28 April 2025

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

Thomas Grünwald

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

	Note	31 December 2024	31 December 2023
		EUR thousands	
Non-current assets			
Investment property	6	4,126,643	3,603,417
Advance payments for investment property		10,500	18,739
Derivatives	25.2.1	17,441	21,910
Investment in and Loans to equity-accounted investees	7	54,295	58,271
Restricted cash and other deposits		24,015	62,997
Loans and other long-term assets	25.1	89,077	45,718
Total non-current assets		**4,321,971**	**3,811,052**

Current assets			
Trade and other receivables	9	84,521	67,553
Income tax receivables		1,635	2,604
Financial assets at fair value through profit or loss	25.2.1	48,490	38,595
Other short-term assets		20,423	10,829
Cash and cash equivalents	25.3.5	441,043	497,068
		596,112	**616,649**
Assets held for sale	8	22,000	160,675
Total current assets		**618,112**	**777,324**

Total assets		**4,940,083**	**4,588,376**

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

Equity and liabilities

	Note	31 December 2024	31 December 2023
		EUR thousands	
Equity			
Issued share capital		12	12
Share premium reserve	10.A	141,900	153,986
Retained earnings		210,876	154,632
Other reserves		56,969	7,005
Total equity attributable to owners of the Company		**409,757**	**315,635**
Non-controlling interests		294,291	284,284
Total equity		**704,048**	**599,919**

Liabilities

Non-current liabilities			
Senior bonds	12	1,472,804	1,172,060
Loans and borrowings	11	559,642	493,793
Deferred tax liabilities	22	250,287	206,520
Long-term lease liabilities	17.A	90,680	87,150
Liability for sale and leaseback		72,939	69,623
Derivative financial liabilities	25.2.1	1,604	6,283
Tenant deposits		5,216	5,162
Loans from Shareholders	13	960,151	893,422
Loans from non-controlling interests	13	562,519	527,007
Total non-current liabilities		**3,975,842**	**3,461,020**

Current liabilities			
Trade and other payables	15	50,956	45,015
Income tax payables		899	5,578
Other short-term liabilities	16	42,864	41,516
Current maturities on bonds, loans and borrowings	11/12	165,474	433,812
		260,193	**525,921**
Liabilities held for sale		-	1,516
Total current liabilities		**260,193**	**527,437**
Total liabilities		**4,236,035**	**3,988,457**
Total liabilities and equity		**4,940,083**	**4,588,376**

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

Nicolle Stehouwer, Director *Jan Fischer, Director*

Date of approval of the consolidated financial statements: **28 April 2025**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	For the year ended 31 December 2024	2023
		EUR thousands	
Revenues	18	**258,910**	**242,827**
Property revaluations and capital gains (losses)	6	124,555	(286,086)
Share in gain (loss) from investment in equity-accounted investees	7	14,716	(5,746)
Property operating expenses	19	(33,340)	(30,018)
General and administrative expenses	20	(28,521)	(42,203)
Operating gain (loss)		**336,320**	**(121,226)**
Interest expenses to third parties	21	(145,279)	(98,426)
Interest income from third parties	21	17,628	17,161
Other finance expenses	21	(34,268)	(14,902)
Change in short-term financial instruments and derivatives	21	9,482	(18,660)
Result on Bond exchange	21	-	(61,942)
Interest expense on loans from shareholders and non-controlling interest	21	(65,607)	(66,551)
Profit (loss) before tax		**118,276**	**(364,546)**
Current tax expense	22	(14,770)	(21,839)
Deferred tax (expense) income	22	(34,143)	25,294
Profit (loss) for the year		**69,363**	**(361,091)**
Attributable to:			
Owners of the Company		56,244	(191,132)
Non-controlling interests		13,119	(169,959)
Profit (loss) for the year		**69,363**	**(361,091)**

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 2024	 2023
		EUR thousands	
Profit (loss) for the year		**69,363**	**(361,091)**
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		(6,419)	(1,368)
Foreign currency translation reserve		53,271	18,407
Other comprehensive income		**46,852**	**17,039**
Total comprehensive income (loss) for the year		**116,215**	**(344,052)**

Attributable to:			
Owners of the Company		106,208	(173,430)
Non-controlling interests	10.B	10,007	(170,622)
Total comprehensive income (loss) for the year		**116,215**	**(344,052)**

Oskar-Jäger-Straße, Cologne

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	For the year ended 31 December	
		2024	2023
		EUR thousands	
Cash flows from operating activities			
Profit (loss) for the year		**69,363**	**(361,091)**
Adjustments for:			
Property revaluations and capital (gain) losses	6.A	(124,555)	286,086
Share in (gain) loss from investment in equity-accounted investees	7	(14,716)	5,746
Net finance expense	21	227,526	162,718
Change in short-term financial instruments and derivatives	21	(9,482)	18,660
Result on Bond exchange	21	-	61,942
Tax expense (income)	22	48,913	(3,455)
Change in trade and other receivables		(45,057)	3,367
Change in trade and other payables		(3,767)	(9,263)
Taxes paid		(18,386)	(20,552)
Net cash from operating activities		**129,839**	**144,158**

Cash flows from investing activities			
Purchase of investment properties	6.C	(94,761)	-
Capital expenditure on investment properties		(50,557)	(40,038)
Disposal of subsidiary, net of cash disposed of		-	5,036
Proceeds from disposals of investment properties		31,175	23,000
Advances received (paid) in respect of investment properties		-	(18,878)
Interest received		15,106	10,919
Proceeds from financial assets		-	70,000
Change in restricted cash and other deposits		(22,516)	(41,371)
Investment in and loans granted to equity-accounted investees		(850)	(10,387)
Investment in (disposal of) traded securities and other financial assets, net		9,129	(881)
Net cash used in investing activities		**(113,274)**	**(2,600)**

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	Note	For the year ended 31 December 2024	2023
		EUR thousands	
Cash flows from financing activities			
Repayment of secured loans and borrowings	14	(236,705)	(321,069)
Proceeds from secured loans and borrowings	14	240,122	228,751
Proceeds from issuance of bonds	14	245,563	-
Repayment of bonds	14	(173,967)	-
Repayments of loans from non-controlling interest	14	-	(108,119)
Financing costs paid		(7,603)	-
Capital reduction	10	-	(19,024)
Interest paid to third parties		(125,403)	(56,049)
Exchange of bonds		-	(177,012)
Buy-back of bonds	14	(10,739)	(26,961)
Leasehold payments		(5,564)	(5,557)
Net cash used in financing activities		**(74,296)**	**(485,040)**

Net decrease in cash and cash equivalents		**(57,731)**	**(343,482)**
Cash and cash equivalents as at the beginning of the year		497,068	839,102
Effect of exchange rate differences on cash and cash equivalents		1,706	1,448
Cash and cash equivalents as at the end of the year		**441,043**	**497,068**

Supplemental Disclosure of Non-Cash Financing Activities

During the year ended 31 December 2024, the Group repaid EUR 61.5 million of loans and borrowings using restricted cash.

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	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 2024		**12**	**153,986**	**(6,584)**	**13,589**	**154,632**	**315,635**	**284,284**	**599,919**
Total comprehensive income (loss)									
Profit for the year		-	-	-	-	56,244	**56,244**	13,119	**69,363**
Other compre-hensive income (loss)		-	-	(3,307)	53,271	-	**49,964**	(3,112)	**46,852**
Total compre-hensive income (loss) for the period		**-**	**-**	**(3,307)**	**53,271**	**56,244**	**106,208**	**10,007**	**116,215**
Transactions with owners, recognized directly in equity									
Capital reduction	10	-	(12,086)	-	-	-	**(12,086)**	-	**(12,086)**
Balance as at 31 December 2024		**12**	**141,900**	**(9,891)**	**66,860**	**210,876**	**409,757**	**294,291**	**704,048**

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 premium reserve	Financial assets at fair value through other comprehensive income reserve	Foreign currency translation reserve	Retained earnings	Total	Non-controlling 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 comprehensive income (loss)		-	-	(705)	18,407	-	**17,702**	(663)	**17,039**
Total comprehensive 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	10	-	(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.

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 2024 were authorized for issue by the Company's Board of Managers on 28 April 2025 (the "**Report Approval Date**").

Vivion Investments S.à r.l. (the "**Company**" or "**Vivion**") was formed for an unlimited duration 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 had its registered address at 155 Rue Cents, L-1319, Luxembourg, as during 2024 the Company changed its registered office to 94 Rue du Grünewald, L-1912 Luxembourg.

The issued and fully paid share capital of the Company as at 31 December 2024 was EUR 12,297 (2023: EUR 12,297) divided into 12,297 shares (2023: 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 2024: 90%; 31 December 2023: 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 2024 Vivion indirectly held 51.5% (2023: 51.5%) of the share capital of Golden Capital Partners S.A. ("**Golden**") and a 100% (2023: 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";
(7) Reporting Date – 31 December 2024;
(8) Reporting Period – The period started on 1 January 2024 and ended on 31 December 2024.

NOTE 2 – BASIS OF PREPARATION

A. Statement of compliance

These consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as adopted by the European Union.

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

Judgement 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 2024, there were no significant judgements related to uncertain tax positions.

Fair value measurement of non-trading derivatives – Note 25.2.1

Unobservable inputs used in the valuation model. For information on level 3 financial instruments carried at fair value see Note 25.2.1 regarding financial instruments.

Assessment of expected credit losses – Note 25.3.1

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 25 – 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 2024. 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 8.

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 ("**ECL**") for financial assets measured at amortized cost. The Group chose to measure the provision for expected credit losses 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. In addition, the Group has issued traded bonds to finance its operations. For more details regarding the Company's financial debt, see Notes 11, 12 and 13.

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. See Note 12.

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 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.

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.

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.

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.

Potsdamer Straße, 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 2024:

- Amendments to IAS 1: Classification of Liabilities as Current or Non-Current;
- Amendments to IAS 1: Non-Current Liabilities with Covenants;
- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback;
- Amendments to IAS 7 Statement of Cash Flows.

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

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 or after 1 January 2024 and have not been early adopted by the Group:

- Amendment to IAS 21, Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025);
- Amendment to IFRS 9 and IFRS 7, Classification and Measurement of Financial Instruments (effective for annual periods beginning on or after 1 January 2026);
- 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. The Group is examining the effects of the new accounting standards and interpretations on the Group's consolidated financial statements with no plans for early adoption.

Crown Plaza Birmingham

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 2024 (incl. held for sale assets)	**1,381,492**	**207,879**	**109,109**	**1,698,480**	**2,064,127**	**3,762,607**
Acquisitions and additions of investment property	-	116,540	-	**116,540**	25,904	**142,444**
Capital expenditure	10,928	11,357	644	**22,929**	23,462	**46,391**
Fair value adjustments[3]	3,371	32,920	3,733	**40,024**	91,817	**131,841**
Foreign currency revaluation effect	-	-	-	**-**	101,692	**101,692**
Disposal of investment property	-	(48,672)	-	**(48,672)**	(1,536)	**(50,208)**
Other adjustments	765	5,885	1,066	**7,716**	6,160	**13,876**
Total	**1,396,556**	**325,909**	**114,552**	**1,837,017**	**2,311,626**	**4,148,643**
Less: classified as held for sale	(22,000)	-	-	**(22,000)**	-	**(22,000)**
At 31 December 2024[4]	**1,374,556**	**325,909**	**114,552**	**1,815,017**	**2,311,626**	**4,126,643**

[1] The investment property table for Germany contains non-material properties in other EU jurisdictions.
[2] Includes EUR 88 million residential.
[3] Excludes capital losses of EUR 7.3 million.
[4] Includes right-of-use assets of EUR 90.9 million.

Bundesallee, Berlin

	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.

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 25.2.1) 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 2024.

Key parameters used in the valuation

As at 31 December 2024 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:

Valuation technique	Significant unobservable inputs	2024 Weighted Average	2023 Weighted Average
UK portfolio			
DCF Method	Discount rate	8.50%	8.95%
	Terminal cap rate	6.53%	7.42%
German portfolio[1]			
DCF Method[2]	Value per square meter	EUR 2,888	EUR 3,291
	Market rent per square meter	EUR 13.64	EUR 15.35
	Discount rate	6.14%	5.75%
	Terminal cap rate	4.80%	4.44%

[1] Excluding non-material properties in other EU jurisdictions.

[2] As at 31 December 2023, table excludes assets held for sale. As at 31 December 2024 there were no held for sale assets in Germany (see Note 8).

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 2024		Change in value 2023	
		EUR thousands	%	EUR thousands	%
UK portfolio					
Discount rate	(0.25%)	36.663	1.78%	35,577	1.87%
Capitalization rate	(0.25%)	44.984	2.18%	39,950	2.10%
German portfolio					
Discount rate	(0.25%)	28,180	1.79%	25,490	1.84%
Capitalization rate	(0.25%)	62,830	4.27%	53,870	3.88%

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 October 2024, the Group acquired an asset located in a prime location in Berlin for a purchase price of EUR 64.5 million, excluding EUR 4.3 million of transaction costs and real estate transfer tax.

2. In November 2024 the Group acquired an asset located in London for a purchase price of GBP 20.1 million (EUR 24.3 million), excluding EUR 1.6 million of transaction costs.

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:

	2024	2023
	EUR thousands	
As at 1 January	**58,271**	**50,267**
Additions and accrued interest	11,915	13,900
Disposals	(31,892)	-
Share in profit (loss) from investment in equity-accounted investees	14,716	(5,746)
Foreign currency effect	1,285	(150)
At 31 December	**54,295**	**58,271**

The balance as at 31 December 2024 reflects joint-venture investments, and includes investment in equity of EUR 41.5 million and Loans granted in the amount of EUR 12.8 million (including accrued interest).

NOTE 8 – ASSETS 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 2024, investment properties in the amount of EUR 22 million (2023: EUR 159 million) are classified as assets held for sale. Subsequent to the Reporting period one property was sold.

During the Reporting period, the Group reclassified properties with value of EUR 148.7 million to Investment properties, as management foresee the market stabilizing and estimates that the sale might take more than 12 months from the Reporting date.


Bundesallee, Berlin

NOTE 9 – TRADE AND OTHER RECEIVABLES

	31 December 2024	31 December 2023
	EUR thousands	
Rent and service charge receivables	15,202	21,289
Less: loss allowance for expected credit losses	(7,928)	(12,277)
	7,274	**9,012**
Receivables from related parties (Note 24)	51,849	42,528
VAT refundable	9,444	4,665
Other receivables	15,954	11,348
Total	**84,521**	**67,553**

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

Refer to Note 25.3.1 Financial Instruments for further detail on credit risk.

St Martins Lane, London

NOTE 10 – TOTAL EQUITY

A. Equity attributable to the owners of the Company

Share capital and share premium

As at 31 December 2024, the issued and fully paid share capital of the Company consists of 12,297 ordinary shares of EUR 1 each (2023: 12,297) with a nominal value of EUR 12,297 (2023: EUR 12,297).

The movement of the share premium reserve is as follows:

Share premium reserve	**2024**	**2023**
	EUR thousands	
As at 1 January	153,986	173,010
Capital reduction*	(12,086)	(19,024)
At 31 December	**141,900**	**153,986**

*During 2024, a receivable balance in the amount of EUR 12 million, originating mainly from the historical transfer and curve out of the hotel operations in UK to entities outside the Group in 2019 , had been reduced from the Company's capital with no cash involved (see Note 24).

B. Non-controlling interests

The Group investments in Germany are done by Golden which is held indirectly 51.5% by the Company. As at 31 December 2024, Golden investment properties are EUR 1,739 million and total comprehensive gain of EUR 10 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 2024**	**31 December 2023**
	EUR thousands	
Total assets	2,232,907	2,170,452
Total liabilities*	1,698,988	1,648,344
Total equity attributable to owners of the Company	443,609	439,921
Total equity	533,919	522,108

*Out of which EUR 1,065,700 thousand of loans from shareholders. These loans are unsecured and subordinated to the other Group's debt to third parties (see Notes 13(2) and (4)).

Consolidated statements of profit or loss and other comprehensive income	31 December 2024	31 December 2023
	EUR thousands	
Revenues	95,966	88,089
Operating profit (loss)	85,687	(272,534)
Paid in kind interest on loans from shareholders	(47,447)	(52,103)
Profit (loss) for the year	18,394	(331,121)
Total comprehensive profit (loss) for the year	11,811	(332,489)


Holiday Inn, Bristol

NOTE 11 – 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 2024 Principal value	31 December 2024 Carrying amount	31 December 2023 Principal value	31 December 2023 Carrying amount
						EUR thousands			
Variable	5 July 2024	GBP 123,000 thousands (5)	SONIA + 4.75%	4 July 2029	Cap rate 4.5%	148,339	144,052	-	-
Variable	18 June 2020	EUR 130,000 thousands	3M Euribor + 1.45%	30 June 2030	Cap and swap at 1.20%	122,981	122,996	125,839	125,852
Variable	4 October 2019	EUR 95,500 thousands	3M Euribor + 1.80%	4 October 2026	Cap rate 0.65%	71,293	71,524	73,203	73,955
Variable	24 May 2022	EUR 67,000 thousands (4)	1M Euribor + 4%	23 May 2025	Cap rate 1.5%	66,248	66,603	69,266	69,110
Variable	29 October 2020	EUR 61,700 thousands (8)	3M Euribor + 2.75%	31 December 2025	Swap 2.41%	61,657	61,658	76,288	75,946
Variable	30 September 2019	EUR 59,200 thousands (9)	3M Euribor + 1.65%	30 September 2026	Cap rate 2.35%	59,201	59,208	79,029	79,029
Variable	26 July 2024	GBP 50,000 thousands (6)	SONIA + 2.75%	26 July 2029	Cap rate 4%	60,301	58,736	-	-
Variable	3 February 2020	EUR 29,000 thousands (7)	3M Euribor + 1.5%	30 November 2029	Cap rate 2.5%	25,000	25,000	25,800	25,800
Fixed	12 March 2015	EUR 28,000 thousands	2.24%	28 February 2025**	n/a	21,822	21,822	22,512	22,512
Variable	25 January 2024	GBP 18,300 thousands (3)	SONIA + 2.96%	25 January 2028	n/a	22,070	21,781	-	-
Variable	26 May 2020	EUR 25,000 thousands	3M Euribor + 1.38%	30 June 2027	Cap rate 1.00%	21,738	21,721	22,500	22,460
Fixed	29 November 2024	EUR 21,000 thousands (9)	3.86%	29 November 2029	n/a	20,692	20,688	-	-
Fixed	11 November 2017	EUR 22,000 thousands	2.27%	30 September 2027	n/a	17,723	17,723	18,363	18,363
Fixed	11 February 2015	EUR 5,000 thousands	2.24%	28 February 2025**	n/a	3,994	3,994	4,115	4,115
Fixed	11 January 2023	GBP 200,000 thousands	7.82%	20 October 2027	n/a	-	-	230,136	225,079
					Total	**723,059**	**717,506**	**747,051**	**742,221**
					Other Loans		7,610		6,072
					Less current maturities		(165,474)		(254,500)
					Total non-current secured loans and borrowings		**559,642**		**493,793**

* For the fair value of the Cap/Swap rates Derivatives (see Note 25.2.1).
**Loan was prolonged subsequent to the Reporting Date (see Note 26).

(1) 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 2024, the Group is fully compliant with all the covenant requirements.

(2) To secure bank loans and borrowings, the Group pledged properties with a total fair value as at the reporting date of EUR 1,974.9 million (2023: EUR 2,217.3 million).

(3) In January 2024, the Group signed a new secured loan agreement for one of properties in UK, in the amount of GBP 18.3 million (EUR 21.2 million) with a term of 4 years, bearing interest of 2.96% + SONIA. The Group, at any time at its own discretion can repay the facility with no material break cost.

(4) In March 2024, the Group signed an amendment to the agreement of its 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%.

(5) In June 2024, the Group signed a new secured financing for one of its UK portfolios in the amount of GBP 123 million (EUR 146 million) with a term of 5 years bearing interest of 4.75% + Sonia capped at 4.5%. After 2.5 years the Group can repay the facility with no material break cost. The loan was drawn in July 2024. The funds were used to redeem the remaining outstanding amount of Bond I series.

(6) In July 2024, the Group successfully completed a new secured financing for one of its hotels in UK in the amount of GBP 50 million (EUR 59 million) with a term of 5 years and bearing an interest of 2.75% + SONIA capped at 4%.

(7) In July 2024, the Group signed a 5-year extension agreement for its EUR 25 million loan. In accordance with the agreement, the interest rate is 1.5% + 3M Euribor capped at 2.5%.

(8) In August 2024, the Group signed an amendment to the agreement of its EUR 85 million loan (carrying amount 74.3m). In accordance with the amendment, the nominal amount and the carrying amount decreased to EUR 61.7 million by repaying EUR 12.6 million from Restricted cash. The maturity date has been prolonged until December 2025 and the interest rate was updated to 2.75% + 3M Euribor, swapped at 2.41%.

(9) In September 2024 and November 2024, the Group signed two agreements for its EUR 77 million Carrying amount loan as of November 2024 (EUR 105 million original loan amount). In accordance with the agreements, (i) the new nominal amount was set on of EUR 59.2 million, with maturity date of September 2026 and the interest rate was updated to 1.65% + 3M Euribor capped at 2.35% (ii) a new loan of EUR 21 million with maturity date of November 2029 and the interest rate was set at 3.86% fixed for the full loan duration.

NOTE 12 – SENIOR BONDS

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

Senior Bonds	Currency	Nominal amount (in thousands)	Coupon rate (p.a., %)	Issue price (%)	Issuance-maturity	31 December 2024	31 December 2023
						EUR thousands	
Bond I (1)	EUR	-	3.00%	100,00	08/2019 - 08/2024	-	179,312*
Bond III (2) (3) (4) (5)	EUR	885,305	6.50%**	100,00	08/2023 - 08/2028	863,707	590,225
Bond IV (3) (4) (5)	EUR	559,468	6.50%**	100,00	08/2023 - 02/2029	609,097	581,835
Total Senior Bonds						**1,472,804**	**1,351,372**
Total accrued interest on Senior Bonds						**27,073**	**27,181**

* Presented in Current maturities on bonds, loans and borrowings.
** Excluding Paid-in-kind interest.

(1) In August 2024, the Company had redeemed the remaining outstanding Bond I series, of EUR 168.9 million plus coupon at the maturity date.

(2) In December 2024, the Company completed successfully the tap issuance of an additional EUR 250 million Bonds III. The net proceeds from the issuance were principally used in December by the Company to repay a GBP 200 million (approximately EUR 240 million) secured loan facility in the United Kingdom.

(3) The Company pledged shares of certain subsidiaries as security for the Senior bonds.

(4) The Company's Secured bonds are listed and traded on the Euronext stock exchange.

(5) As at 31 December 2024, the Group is fully compliant with all covenant requirements.

Völklinger Straße, Düsseldorf

NOTE 13 – LOANS FROM SHAREHOLDERS AND NON-CONTROLLING INTERESTS

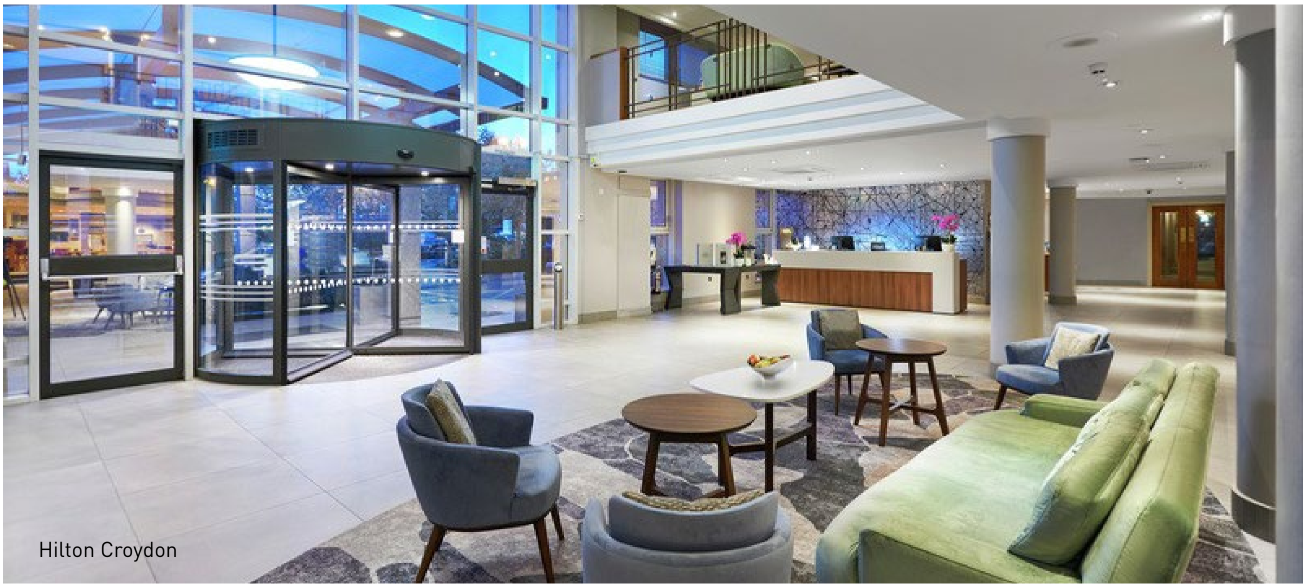
	31 December 2024	31 December 2023
	EUR thousands	
Loans and accrued interest from Shareholders (1) (4)	960,151	893,422
Loans from non-controlling interests – Golden (2) (3) (4)	562,519	527,007
Total	**1,522,670**	**1,420,429**

(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 2024 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) 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.

(4) Loans from Shareholders and non-controlling interests are unsecured and subordinated to other debt to third parties.



Hilton Croydon

NOTE 14 – 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	Secured Bonds	Loans from Shareholders	Loans from non-controlling interests
			EUR thousands		
Balance as at 1 January 2024	**748,293**	**179,312**	**1,172,060**	**893,422**	**527,007**
Disposal of subsidiaries, net	1,704	-	-	-	-
Additions	240,122	-	240,625[3]	-	-
Repayments	(288,437)[1]	(168,890)[2]	-	-	-
Buy-back of bonds	-	(10,739)	39,803	-	-
Amortization of debt issuance costs	716	-	-	-	-
Capitalized interest	3,618	-	16,487	40,027	29,677
Non-cash changes	-	557	-	-	-
Foreign exchange effect	13,090	-	-	25,928	-
Other charges	6,010	(240)	3,829	774	5,835
Balance as at 31 December 2024	**725,116**	**-**	**1,472,804**	**960,151**	**562,519**

[1] Excluding EUR 61,498 thousand paid out of restricted cash and paid transaction costs of EUR 9,766 thousand during the period.
[2] Excluding EUR 5,077 thousand related to accrued interest.
[3] Excluding EUR 4,938 thousand related to advance payment on interest received and paid transaction costs of EUR 7,603 thousand during the period.


Osloer Straße, Berlin


Heidestraße, Berlin

	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	228,751	-	-	-	-	-
Repayments	(321,069)	(147,860)[1]	-	-	-	(108,119)
Buy-back of bonds	-	(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	-	(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.
[2] Excluding EUR 0.6 million related to accrued interest.

NOTE 15 – TRADE AND OTHER PAYABLES

	31 December 2024	31 December 2023
	EUR thousands	
Trade payables	16,781	17,146
Transaction cost accruals*	16,394	15,240
Payables to related parties (Note 24)	6,381	5,070
VAT payables	1,999	3,454
Other payables	9,401	4,105
Total	**50,956**	**45,015**

* Includes mainly Real Estate Transfer Tax on German acquisition from prior years.

NOTE 16 – OTHER SHORT-TERM LIABILITIES

	31 December 2024	31 December 2023
	EUR thousands	
Accrued interest on secured bank loans and senior bonds	29,361	30,779
Deferred income	13,503	10,737
Total	**42,864**	**41,516**

NOTE 17 – 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:

	2024	2023
	EUR thousands	
As at 1 January	87,150	81,404
Land lease reassessment	-	4,585
Interest expense on land lease	5,238	5,178
Payments	(5,564)	(5,557)
Foreign exchange effect	3,856	1,540
Balance as at December 31	**90,680**	**87,150**

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	
	2024	2023
	EUR thousands	
Less than one year	211,659	207,479
One to two years	220,330	196,744
Two to three years	219,160	198,170
Three to four years	212,246	195,263
Four to five years	207,127	192,931
More than five years	1,087,757	1,159,188
Total	**2,158,279**	**2,149,775**

* Excluding properties classified as held for sale.

B. Contingent liabilities and commitments

1. The Group is exposed to various legal claims arising from the ordinary course of business which are individually and in aggregate considered not material.
2. For pledges over Investment properties, see Note 11 (2).
3. For pledges over Secured bonds, see Note 12 (3).

NOTE 18 – REVENUES

A. Rental income

	For the year end 31 December	
	2024	2023
	EUR thousands	
Rental income	230,445	218,384

B. Contracts with customers

	For the year end 31 December	
	2024	2023
	EUR thousands	
Service charge income	28,465	24,443

For further information regarding reportable segments, see Note 23 Operating Segments.

NOTE 19 – PROPERTY OPERATING EXPENSES

	For the year end 31 December	
	2024	2023
	EUR thousands	
Service charge expenses	23,250	21,540
Other property operating expenses*	10,090	8,478
Total	**33,340**	**30,018**

* Including Property management fees to related parties (see Note 24).

NOTE 20 – GENERAL AND ADMINISTRATIVE EXPENSES

	For the year end 31 December	
	2024	2023
	EUR thousands	
Legal and professional fees**	13,463	13,826
Expected credit losses on rent and other receivables	4,110	21,019*
Asset management fees**	5,520	2,826
Audit fees	2,146	2,432
Other general and administrative expenses	3,282	2,100
Total	**28,521**	**42,203**

* Includes rent receivables mainly originating from Covid-19 pandemic period.
** Including asset management fees to related parties (see Note 24)

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			
	2024		2023	
	KPMG Network	Other audit firms	KPMG Network	Other audit firms
	EUR thousands			
Audit fees	1,741	405	2,219	200
Audit related fees	-	-	-	13
Tax and other services	13	-	5	147
Total	**1,754**	**405**	**2,224**	**360**


Sanderson Hotel, London

NOTE 21 – FINANCE EXPENSES

	For the year ended 31 December	
	2024	2023
	EUR thousands	
Interest expense on secured loans and borrowings	48,610	38,137
Interest expense on bonds (secured and unsecured)	96,669	60,289
Total interest expense to third parties	**145,279**	**98,426**
Interest income from third parties	(17,628)	(17,161)
Total net interest expense to third parties	**127,651**	**81,265**
Paid-in-kind interest expense on loans from shareholders[1]	40,027	39,515
Paid-in-kind interest expense on loans from Non-Controlling Interest[1]	29,677	31,082
Less: borrowing cost capitalization	(4,097)	(4,046)
Total net interest expense	**193,258**	**147,816**

Lease financing expenses per IFRS 16	6,770	6,544
Amortization of finance fees	716	4,230
Other	26,782	4,128
Other finance expense	**34,268**	**14,902**
Change in short-term financial instruments and derivatives	(9,482)	18,660
Result on bond exchange and modification	-	61,942

[1] The interest expenses on the loans from shareholders and on the Non-Controlling interest loans are only payable in the 10th anniversary year of the loan (see Note 13).

Karl-Liebknecht-Straße, Berlin

NOTE 22 – 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 2024 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 2024, 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 2024 for Luxembourgish companies is 24.94%.

On 11 December 2024, the Luxembourg Parliament enacted legislation reducing the corporate income tax rate from 17% to 16%, effective 1 January 2025. Including the 7% solidarity surtax and the 6.75% municipal business tax applicable in Luxembourg City, the effective corporate tax rate decreases from 24.94% in 2024 to 23.87% in 2025.

The Group has assessed the impact of the enacted rate change on its deferred tax positions as of 31 December 2024, and concluded that the effect is not material. Accordingly, no significant adjustment has been recognized in the consolidated financial statements.

(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%.


The Queen at Chester

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 2024	2023
	EUR thousands	
Current tax expense		
Current year	20,442	21,703
Adjustments for prior years, net	(5,672)	136
	14,770	**21,839**
Deferred tax income		
Origination and reversal of temporary differences	34,143	(25,294)
Income tax reported in the consolidated statement of profit or loss	**48,913**	**(3,455)**

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

	For the year ended 31 December 2024	2023
	EUR thousands	
Statutory income tax rate	24,94%	24.94%
Profit (loss) before taxes	118,276	(364,546)
Tax expense (income) using the Company's domestic tax rate	**29,498**	**(90,918)**
Effect of tax rates in foreign jurisdictions	(5,393)	29,516
Deferred tax assets not recognized for tax losses and other timing differences	19,191	37,828
Other differences, net	5,617	20,119
Income tax reported in the statement of profit or loss	**48,913**	**(3,455)**

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

	31 December 2024	31 December 2023
	EUR thousands	
Deferred tax liabilities	250,287	206,520
Total deferred tax liability	**250,287**	**206,520**

The deferred tax liability arises from the following components:

	2024	2023
	EUR thousands	
As at 1 January	206,520	229,030
Revaluations of investment property to fair value	33,819	(24,391)
Foreign exchange differences	8,095	3,345
Fair value of Derivatives	(1,531)	(2,162)
Deferred tax liabilities reclassified to liabilities to disposal group held for sale	1,017	525
Other	2,367	173
As at 31 December	**250,287**	**206,520**

Völklinger Straße, Düsseldorf

NOTE 23 – 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 (76% of the total fair value of the German portfolio as at 31 December 2024). 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 2024			
Revenues	159,600	99,310	**258,910**
Property revaluations and capital gains	91,558	32,997	**124,555**
Property operating expenses	(3,141)	(30,199)	**(33,340)**
General and administrative expenses	(1,366)	(12,322)	**(13,688)**
Reportable segment operating profit	**246,651**	**89,786**	**336,437**
Share in profit from investment in equity-accounted investees			**14,716**
Corporate general and administration expenses			**(14,833)**
Net finance expenses			**(218,044)**
Profit before tax			**118,276**

	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)**
Loss before tax			**(364,546)**

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

Saint Martin's Lane, London

NOTE 24 – 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	
			2024	2023
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 2024	31 December 2023
	EUR thousands	
Consolidated statement of financial position		
Rent and other receivables from related parties (4) (5)	72,204	42,703
Loans to equity-accounted investee	12,838	38,442
Payables to related parties	(6,381)	(5,070)
Loans from Shareholders	(862,577)	(802,337)


Holiday Inn Regent's Park, London


Postdamer Straße, Berlin

	For the year ended 31 December	
	2024	2023
	EUR thousands	
Consolidated statement of profit or loss		
Rental and service charges income (2) (3)	135,088	128,088
Interest income	2,931	2,034
Services and management fee charges (1)	(16,971)	(13,066)
Paid-in-kind interest on loans from Shareholders	(34,291)	(33,522)

(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.

(4) During the Reporting Period, the Group signed an agreement to defer receivables in an amount of GBP 15 million (EUR 17.5 million), originating from the Covid-19 pandemic period, to be repaid starting July 2027. The amount is presented under Loans and other long-term assets.

(5) During 2024, a receivable balance in the amount of EUR 12 million, originating mainly from the historical transfer and curve out of the hotel operations in UK to entities outside the Group in 2019, had been reduced from the Company's capital with no cash involved (see Note 10).

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 2024, the Group paid Director's fees of approximately EUR 409 thousand (2023: EUR 335 thousand).


Gustav-Heinemann-Ring, Ismaning (Munich)


Fritz-Vomfelde-Straße, Düsseldorf

NOTE 25 – 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.

25.1 Composition of financial instruments

Below is an overview of the financial assets and liabilities, held by the Group as at 31 December 2024 and 31 December 2023:

Financial assets

	31 December 2024	31 December 2023
	EUR thousands	
Financial assets at amortized cost		
Cash and cash equivalents	441,043	497,068
Trade and other receivables	84,521	67,553
Restricted bank and other deposits	24,015	62,997
Loans to equity-accounted investees	12,838	45,341
Loans and other long-term assets	89,077	45,718
Financial assets at fair value		
Financial assets at fair value through profit or loss*	65,931	53,913
Financial assets at fair value through other comprehensive income	-	6,592
Total	**717,425**	**779,182**

*Including Derivatives.


Saint Martin's Lane, London

Financial liabilities

	31 December 2024	31 December 2023
	EUR thousands	
Financial liabilities at amortized cost		
Senior Bonds	1,472,804	1,351,372
Secured loans and borrowings (incl. current portion)	725,116	748,293
Long-term lease liabilities	90,680	87,150
Liability for sale and leaseback	72,939	69,623
Other short-term liabilities	42,864	41,516
Trade and other payables	50,956	45,015
Tenant deposits	5,216	5,162
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities	1,604	6,283
Subtotal	**2,462,179**	**2,354,414**
Loans from Shareholders	960,151	893,422
Loans from non-controlling interests	562,519	527,007
Total	**3,984,849**	**3,774,843**


The Queen at Chester

25.2.1 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 2024 and 31 December 2023 under the relevant fair value hierarchy:

	31 December 2024 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	48,490	48,490	17,481	-	31,009
Derivative financial instruments	17,441	17,441	-	17,441*	-
Total	**65,931**	**65,931**	**17,481**	**17,441**	**31,009**
Financial liabilities					
Derivative financial liabilities	1,604	1,604	-	-	1,604
Total	**1,604**	**1,604**	**-**	**-**	**1,604**

* Variable interest rate bank loans are hedged with interest cap rate and interest swap rate derivatives with a fair value of EUR 17.4 million as at 31 December 2024.

	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.

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 2024 and 2023.

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

	31 December 2024		31 December 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
	EUR thousands			
Senior Bonds [1, 2]	1,472,804	1,417,415	1,351,372	1,060,300
Loans from Shareholders	960,151	813,900	893,422	678,490
Loans from non-controlling interests	514,118	525,519	488,296	488,848
Total	**2,947,073**	**2,756,834**	**2,733,090**	**2,227,638**

[1] The fair value of the Senior Bonds is based on price quotations at the reporting date (Level 1).
[2] The Senior Bonds include capitalized issuance costs of EUR 7.4 million (2023: EUR 12.4 million).

25.3 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.

25.3.1 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 recognized 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 Baa1 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 2024**	**31 December 2023**
	EUR thousands	
Euro-zone countries	82,665	66,997
United Kingdom	51,981	41,747
Total	**134,646**	**108,744**

Assessment of expected credit losses

As at 31 December 2024, the breakdown of rent receivables is set out below:

	Gross carrying amount	Loss allowance	Net balance
		EUR thousands	
Past due 0-30 days	981	(139)	842
Past due 31-120 days	1,235	(234)	1,001
Past due 120 days to one year	1,891	(1,207)	684
Past due more than one year	11,095	(6,348)	4,747
Total	**15,202**	**(7,928)**	**7,274**

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**

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 2024 is proximate to their fair value.

Holiday Inn London Heathrow M4,Jct.4

25.3.2 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.

	2024 Carrying amount	Contractual cash flows including interest				
		Total	2025	2026	2027	> 2028
	EUR thousands					
As at 31 December 2024						
Secured Loans and borrowings	725,116	**860,247**	202,401	167,393	78,584	411,869
Senior Secured Bonds	1,472,804	**2,077,740**	90,373	96,785	98,564	1,792,018
Long-term lease liabilities	90,680	**292,625**	5,990	5,990	5,990	274,655
Liability for sale and leaseback	72,939	**310,525**	1,585	1,585	1,585	305,770
Tenant deposits	5,216	**5,216**	725	452	332	3,707
Trade and other payables	50,956	**50,956**	50,956	-	-	-
Subtotal	**2,417,711**	**3,597,309**	**352,030**	**272,205**	**185,055**	**2,788,019**
Loans from Shareholders	960,151	**1,257,394**	-	-	-	1,257,394
Loans from non-controlling interests	562,519	**699,751**	-	-	-	699,751
Total	**3,940,381**	**5,554,454**	**352,030**	**272,205**	**185,055**	**4,745,164**

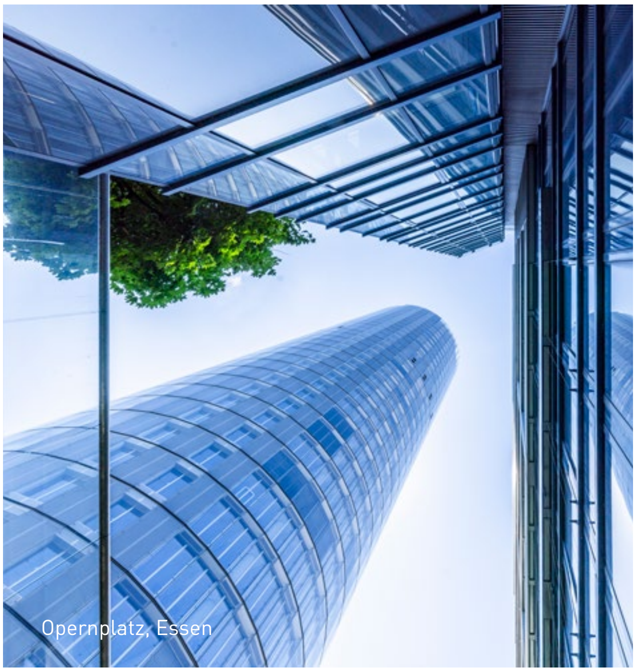

Gustav-Heinemann-Ring, Ismaning (Munich)

	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	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**
Loans from Shareholders	893,422	**1,226,672**	-	-	-	1,226,672
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**

As disclosed in Note 11 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.

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

25.3.3 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 2024, 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 2024	31 December 2023
	EUR thousands	
Fixed rate - Bonds	1,472,804	1,351,372
Fixed rate - Secured Loans and borrowings	71,837	287,968
Variable rate - Hedged	631,498	403,042
Variable rate - Unhedged	21,781	69,110
Total	**2,197,920**	**2,111,492**

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 2024		31 December 2023	
	EUR thousands			
	+ 15 bps	- 15 bps	+ 15 bps	- 15 bps
3M Sonia	19	(19)	-	-
1M Euribor	-	-	96	(96)

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.

25.3.4 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 2024			31 December 2023		
	GBP	Other	Total	GBP	Other	Total
	EUR thousands					
Financial assets						
Current assets:						
Trade and other receivables	51,981	524	**52,505**	41,747	744	**42,491**
Cash and cash equivalents	41,936	870	**42,806**	51,203	1,207	**52,410**
Other assets	-	-	**-**	44	-	**44**
Non-current assets:						
Derivatives	715	-	**715**	-	-	**-**
Restricted bank and other deposits	9,240	9	**9,249**	46,756	6	**46,762**
Financial liabilities						
Current liabilities:						
Trade and other payables	(5,107)	(158)	**(5,265)**	(4,197)	(404)	**(4,601)**
Other short term liabilities	(8,728)	(53)	**(8,781)**	(11,291)	-	**(11,291)**
Current portion of loans from credit institutions	-	(443)	**(443)**	-	-	**-**
Non-current liabilities:						
Secured Loans and borrowings	(224,570)	(4,153)	**(228,723)**	(294,702)	(4,587)	**(299,289)**
Tenancy Deposits	(25)	(116)	**(141)**	-	(98)	**(98)**
Finance lease liability	(83,885)	-	**(83,885)**	(80,353)	-	**(80,353)**
Loans from non-controlling interests	-	-	**-**	-	(20)	**(20)**
Liability for sale and leaseback	(72,939)	-	**(72,939)**	(69,623)	-	**(69,623)**
Total net exposure in statement of financial position in respect of financial assets and financial liabilities*	**(291,382)**	**(3,520)**	**(294,902)**	**(320,416)**	**(3,152)**	**(323,568)**

* The net exposure excludes loans from shareholders in GBP as those are subordinated and convertible at the company's sole discretion (for further information see Note 13)

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 2024			31 December 2023		
	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	(291,382)	+5%	**(14,569)**	(320,416)	+5%	**(16,021)**

25.3.5 Cash and cash equivalents

	31 December 2024	31 December 2023
	EUR thousands	
EUR	398,237	444,659
GBP	41,936	51,203
Other	870	1,206
Total	**441,043**	**497,068**

25.3.6 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. During the reporting period, the Group complied with all financial covenants and other related requirements.

25.3.7 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 26 – SUBSEQUENT EVENTS

(1) Following Note 11, in February 2025, the Group signed amendments to the agreements of its EUR 28,000 thousand and EUR 5,000 thousand loans. In accordance with the amendments, the maturity date has been prolonged until September 2027 and the fixed interest rate was updated to 4.07%.

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