Phoenix Spree Deutschland Limited
(the “Company” or “PSD”)

Results for the year ended 31 December 2025

First return of capital to shareholders under Portfolio realisation strategy

Phoenix Spree Deutschland Limited (LSE: PSDL.LN), the UK-listed investment company specialising in German residential real estate, announces its results for the year ended 31 December 2025. The Board also provides an update on the execution of the Company’s managed Portfolio realisation strategy, approved by shareholders at the Extraordinary General Meeting on 12 March 2025.

HIGHLIGHTS

€ million (unless otherwise stated)	**Year to 31 Dec 2025**	**Year to 31 Dec 2024**
Income Statement		
Gross rental income	22.7	28.1
(Loss) before tax	(13.6)	(39.5)

Balance Sheet		
Portfolio valuation (€m)	540.1	552.8
EPRA NTA per share (€)[1]	3.40	3.55
EPRA NTA per share (£)[1 2]	2.97	2.93
EPRA NTA per share total return (€%)	(4.2)	(10.4)
IFRS NAV per share (€)	2.94	3.01
IFRS NAV per share (£) [2]	2.56	2.49
IFRS NAV per share total return for the period (€%) [4]	(2.3)	(12.2)
Net LTV (%)[3]	41.0	40.3

Operational		
Portfolio valuation per sqm (€)	3,686	3,633
Condominium sales notarised (€m)	36.0	9.4
Condominium sales notarised per sqm (€)	4,132	4,295
Vacant condominiums notarised per sqm (€)	4,585	5,027
Occupied condominiums notarised per sqm (€)	3,909	3,430
Annual like-for-like rent per sqm growth (%)[4]	0.8	1.6
EPRA vacancy (%)	4.1	1.5

1 – EPRA metrics defined and calculated in the notes to the financial statements.
2 – Calculated at FX rate GBP/EUR 1:1.146416 as at 31 December 2025 (31 December 2024: GBP/EUR 1:1.2097).
3 – Net LTV uses nominal loan balances rather than the loan balances on the Consolidated Statement of Financial Position, which include capitalised finance arrangement fees.
4 – Like-for-like excludes the impact of disposals in the period.

Strategy implementation on track

- The Compulsory Redemption Facility was approved at the EGM in June 2025, establishing a clear framework for capital returns.
- In November 2025, the Company completed the refinancing of all borrowings, securing a new €255m, five-year, interest-only facility.
- The refinancing removed previous restrictions on condominium pool expansion and shareholder distributions, materially enhancing operational flexibility.
- The Condominium Sales Pool was expanded to 40 properties (861 units remaining available for sale at 31 December 2025), with a further 227 units expected to be added in H1 2026.

2025 condominium sales ahead of target

- During 2025, 122 units were notarised for €36.0m, exceeding the €30m target by 20%, and up from €9.4m in 2024.
- Average achieved pricing before disposal costs was at a 4.1% premium to the most recent property valuation prior to sale. Vacant units achieved a 18.6% premium to carrying values, while occupied units were sold at a 2.8% discount.
- Since year-end, a further 56 units have been notarised (€16.5m), with 35 units (€10.3m) under reservation.
- The Company is targeting condominium notarisations of at least €55m in 2026 and, with €16.5m already notarised since year-end and a further €10.3m under reservation, remains on track to deliver this target.

First capital return to shareholders

- The Board is delighted to announce that an aggregate of £17.5m will be returned to shareholders — the first return of capital under PSD’s managed Portfolio realisation strategy.
- This will be effected by means of a pro rata Compulsory Redemption of Ordinary Shares. All shareholders will have shares redeemed automatically, in proportion to their holdings.
- The Compulsory Redemption Price per Ordinary Share to be redeemed will be £2.56.
- Subject to continued successful implementation of the managed Portfolio realisation strategy and retention of prudent cash balances, the Board aims to make two returns of capital to shareholders annually. Further details are set out in a separate RNS announcement released today.

Portfolio valuation stabilising

- The total Portfolio was valued at €540.1m at 31 December 2025, representing a like-for-like increase of 1.5% on a per sqm basis.
- The Condominium Sales Portfolio was valued at an average of €4,191 per sqm, a like-for-like per sqm increase of 3.1%, reflecting the pricing premium achievable through individual unit sales.
- The PRS Portfolio was valued at an average of €3,288 per sqm, up 0.8%, representing the first annual like-for-like valuation increase since 2022 and indicating stabilisation in the Berlin residential market.

Cost reduction – a priority for 2026

- Cost reduction is a priority for 2026 as the Portfolio contracts through condominium sales.
- Property-level and administrative costs are expected to reduce progressively as assets are sold and net asset value declines.
- Administrative expenses in 2025 were elevated by non-recurring items, including legal, lender and other professional fees associated with the refinancing (facility negotiation, documentation and related advisory work), the acceleration of condominium sales and the continuation vote at the AGM/EGM.
- Following completion of these discrete actions, the related cost burden is expected to reduce materially.
- Capital expenditure in 2025 reflected the front-loaded preparation of four condominium tranches and is expected to fall materially in 2026 and beyond.

Outlook

- The Company enters 2026 with positive momentum, supported by an expanded condominium sales pool, completed refinancing and a clear capital return framework.
- The Berlin condominium market continues to demonstrate resilience, underpinned by structural supply-demand imbalance and improving financing conditions.
- Regular capital returns are expected to be made from net sale proceeds, subject to cash availability, associated debt repayment and covenant headroom.
- The cost base is expected to reduce materially as one-off items do not recur and the Portfolio continues to contract.
- The Board remains mindful of external uncertainties, including ongoing geopolitical tensions and conflict in the Middle East, which may affect interest rates and broader market sentiment. However, the Company’s strategy is underpinned by long-dated financing, operational flexibility and the ability to calibrate sales pacing in response to market conditions.

Robert Hingley, Chair of Phoenix Spree Deutschland, commented:

“2025 marked the shift from planning to execution, with accelerated condominium sales, completion of the refinancing and the launch of a capital return framework. Results to date support our strategy: condominium sales achieved premiums to latest carrying values.

With refinancing complete, an expanded pool of condominium assets and a clear cost reduction trajectory, the Company enters 2026 focused on disciplined delivery — maximising value from the condominium sales programme, returning capital to shareholders and reducing the cost base as the Portfolio contracts.”

CHAIRMAN'S STATEMENT

Overview

In the year ended 31 December 2025, Phoenix Spree Deutschland made significant progress in executing its strategy.

During the year, shareholders approved the Company's managed Portfolio realisation strategy, implementation of the condominium sales programme accelerated, and the Company completed a comprehensive refinancing. Together, these provide a strong foundation as the Company enters the next phase of its realisation programme.

Shareholder approval of strategy

At the Extraordinary General Meeting held on 12 March 2025, shareholders voted overwhelmingly to approve the Company's managed Portfolio realisation strategy and the continuation of the Company. This decision provided the Board with a clear mandate to accelerate condominium sales, reduce leverage and return capital to shareholders.

In June 2025, shareholders approved the Compulsory Redemption Facility at the EGM. The Facility establishes a transparent and equitable mechanism for returning capital to shareholders on a pro-rata basis as sale proceeds are realised.

Condominium sales

The condominium sales programme became the central operational focus during the year. Condominium sales in 2025 exceeded the Company's original targets, with achieved pricing validating independent balance sheet valuations. During the year, the Condominium Sales Pool was expanded significantly, providing improved visibility on future sales volumes and supporting the acceleration of the programme into 2026.

Refinancing and capital structure

In November 2025, the Company completed the refinancing of all borrowings, securing a new €255m, five-year, interest-only facility.

The new facility removed previous restrictions on condominium sales volumes and shareholder distributions, materially enhanced operational flexibility, and provides a stable debt platform aligned with the expected duration of the realisation programme.

Portfolio valuation and market conditions

Portfolio valuations stabilised during the year, reflecting improving conditions in the Berlin residential market. As at 31 December 2025, the total Portfolio recorded a like-for-like valuation increase, the second full-year increase since 2022. The Condominium Sales Portfolio continued to benefit from the premium achievable through individual unit disposals, while the Private Rental Sector ("PRS") Portfolio also recorded its first annual like-for-like valuation increase since 2022.

These valuation movements provide encouraging evidence that the Berlin residential market is stabilising following the correction experienced in recent years.

Costs

Cost discipline is a central focus. Expense levels in 2025 reflect several clearly identifiable, non-recurring items linked to shareholder approvals, refinancing, and the acceleration of condominium sales, alongside front-loaded capital expenditure to prepare four tranches of properties for sale.

These costs are expected to decline as the programme matures and the Portfolio contracts, and the Board expects the cost base to reduce materially over time.

Responsible business and governance

Responsible business practices continue to underpin the execution of the Company's strategy. The Board and the Property Advisor remain committed to fair and transparent engagement with tenants throughout the condominium sales process, fully respecting statutory protections and offering tenants the right of first refusal to buy their home.

As the Company progresses through a managed realisation of its Portfolio, the Board recognises that strong governance and responsible conduct remain essential. Oversight of environmental, social and governance ("ESG") matters continues to form part of the Board's stewardship, with particular focus on tenant engagement, regulatory compliance and the orderly management of the Portfolio during transition.

The Company has maintained its commitment to community engagement and charitable initiatives consistent with its footprint in Berlin, reflecting the Board's view that responsible behaviour and social contribution remain important throughout the wind-down period. Further detail on ESG priorities, stakeholder engagement and charitable activity is provided in the Corporate Responsibility section of this report.

Outlook

The Board's focus is firmly on disciplined delivery. The priorities for 2026 are to accelerate condominium sales, commence capital returns to shareholders, and ensure that the cost base contracts in line with the reducing Portfolio. With refinancing complete, an expanded sales pipeline, improving market conditions and a clear capital return framework in place, the Board believes the Company is well positioned to execute its strategy and deliver value for shareholders.

The Board remains mindful of external uncertainties, including ongoing geopolitical conflict in the Middle East, which may affect broader market sentiment. Nevertheless, the Company's strategy is underpinned by operational flexibility, long-dated financing and a conservative capital structure, allowing execution to be adapted as market conditions evolve.

On behalf of the Board, I would like to thank our shareholders, partners and advisers for their continued support.

Robert Hingley
Chairman

THE CONDOMINIUM SALES STRATEGY

Portfolio realisation strategy

The Company's managed Portfolio realisation strategy is centred on the disposal of residential assets through individual condominium sales. The objective is to maximise aggregate net sale proceeds over the life of the programme by capturing the structural pricing premium achieved through individual unit disposals relative to institutional PRS valuations, while maintaining full compliance with German tenant protection legislation.

Relative to bulk PRS disposals, individual condominium sales allow the Company to monetise assets at materially higher €/sqm values, while retaining flexibility over timing and execution. The strategy prioritises return optimisation, with sales activity calibrated to balance pricing outcomes, timing and risk. Sales are delivered through an integrated operating platform, enabling the Company to coordinate legal preparation, tenant communications, broker activity and building-level governance across multiple assets concurrently, while maintaining consistent oversight and control.

Structural pricing differentiation

Berlin's residential market continues to demonstrate a persistent pricing differential between individual condominium transactions and institutional PRS portfolio valuations. This differential reflects distinct buyer profiles, financing dynamics, regulatory considerations and exit flexibility, and has remained evident across market cycles, including periods of weaker institutional investor demand.

Realised outcomes remain dependent on buyer demand, financing availability, interest rate conditions—shaped in part by geopolitical events such as conflict in the Middle East—and regulatory constraints at the time of sale.

Given the Company's scale, condominium sales represent only a very modest share of total annual transaction volumes in Berlin. This supports our approach to disciplined execution without exerting pressure on local market pricing. It also supports a controlled, data-led approach to pacing, where sales can be adjusted in response to observed pricing and buyer demand signals.

Vacant, occupied and PRS pricing dynamics

Vacant units consistently achieve materially higher prices than occupied units, reflecting broader buyer appeal and the absence of tenancy-related constraints.

Occupied units are sold either to tenants or to third-party investors and are priced at a discount to vacant units to reflect statutory tenant protections. Both vacant and occupied condominium sales achieve prices above equivalent PRS portfolio valuations, underscoring the structural pricing premium associated with individual unit disposals.

This hierarchy directly informs the Company's execution strategy, with sales pacing calibrated to maximise the proportion of vacant sales over time, while remaining fully compliant with tenant protections. The calibration requires active management of multiple workstreams — tenancy status, legal readiness, marketing sequencing and broker capacity — to optimise aggregate outcomes rather than accelerate volume at the expense of value.

Table: Pricing dynamics – vacant, occupied and reference valuations

Category	Average price per sqm	Premium to PRS Portfolio valuation per sqm
Vacant condominiums notarised in 2025	€4,585	39.4%
Occupied condominiums (tenant purchasers) notarised in 2025	€4,018	22.2%
Occupied condominiums (investor purchasers) notarised in 2025	€3,647	10.9%
JLL PRS Portfolio valuation as at 31 December 2025	€3,288	-

Gross sale prices before tax; excludes approximately 7% broker fees. Sources: notarised transaction data and JLL Portfolio valuation as at 31 December 2025. Premiums shown relative to JLL PRS portfolio valuation as at 31 December 2025.

Tenant law, vacancy creation and timing

German residential tenancy law provides strong statutory protections, including in many cases the right of first refusal for tenants to purchase their own unit and security of tenure. The Company cannot require or encourage tenants to vacate and must rely on natural vacancy creation. Historically, tenant turnover across the Portfolio has averaged approximately 8–10% per annum.

This rate of vacancy creation is a critical input into sales strategy. Vacant units typically achieve materially higher prices than occupied units; extending the sell-down period therefore increases the proportion of vacant units available for sale, improving blended pricing and aggregate proceeds. While this constrains sales pace, it supports value maximisation for shareholders over time.

The Board therefore currently considers that shareholder returns are most likely to be maximised through a disciplined, multi-year execution approach, which balances pricing outcomes against the timing of cash realisation. The Board does not believe that a rapid disposal of assets would be value-maximising, as it would materially reduce achieved pricing and overall returns.

Execution pacing and sales sequencing therefore remain under active Board oversight and are calibrated to prevailing market conditions, achieved pricing evidence and the evolving mix of vacant and occupied units, with the objective of delivering orderly, value-led realisation rather than maximising short-term disposal volumes.

Sales velocity and execution discipline

Sales velocity is actively managed using the Average Annualised Sales Rate (“AASR”), which measures the pace at which available inventory is absorbed. AASR provides a consistent framework for calibrating execution speed in response to market conditions, pricing signals and the evolving mix of vacant and occupied sales.

Sales pacing is adjusted both in response to observed buyer demand and as a deliberate tool to optimise pricing outcomes. Where demand signals soften, the Company has the flexibility to defer launches without compromising solvency or covenant compliance, reflecting its long-dated, non-amortising debt structure.

Following programme-wide tenant notification in 2025, initial tenant take-up was strong, resulting in an elevated AASR during the year. This reflected a one-off demand response to tenant notifications rather than a structural increase in underlying market absorption.

As tenant priority purchase windows expire and vacancy increases, execution pace is expected to moderate towards a disciplined, multi-year sell-down profile. This transition supports a higher proportion of vacant sales and improved aggregate outcomes. Effective delivery depends on active monitoring of lead quality, conversion timelines and achieved €/sqm.

Table: Condominium Average Annualised Sales Rate (AASR)

Period	Opening units	Notarisations	New units added	Closing units	AASR
Q1 2025	104	23	258	339	42.1%
Q2 2025	339	28	0	311	38.3%
Q3 2025	311	37	282	556	36.8%
Q4 2025	556	34	294	816	32.6%
Q1 2026	816	43	0	773	28.5%

Average annualised sales rate is calculated by dividing the number of units sold in a given month by the total number of units available for sale at the beginning of that month. This result is then annualised, based on the number of days in the month, and averaged across historical months. To reduce volatility in the calculation, newly listed units are only included one month after marketing begins. This adjustment accounts for the typical delay before sales commence. AASR reflects observed absorption of available inventory in each period and is influenced by the timing of tenant notifications, tranche additions and the mix of vacant and occupied units. It is not a target metric and should not be extrapolated as a steady-state execution rate.

Condominium sales pipeline

Properties are introduced into the Condominium Sales Pool in defined tranches, reflecting legal and operational readiness and the timing and scale of required preparatory works. This tranche-based approach provides clear visibility over the evolving sales pipeline while preserving flexibility to calibrate execution pace in response to market conditions, pricing outcomes and tenant processes.

Table: Condominium preparation and pipeline

Property Group	Added to Sales Pool	As at 31 December 2025			Units at Launch		
		Units	Sqm	Properties	Units	Sqm	Properties
Tranche 1	On market 2024	84	7,571	5	108	9,291	6
Tranche 2	December 2024	213	16,563	10	258	19,711	10
Tranche 3	June 2025	270	18,771	12	282	19,549	12
Tranche 4	Q4 2025	294	19,760	12	294	19,760	12

Total Tranches 1-4	**2024 - 2025**	**861**	**62,665**	**39**	**942**	**68,311**	**40**
Tranche 5	Commencing Q2 2026	227	14,968	8	227	14,968	8
Total Tranches 1-5	**2024 – H1 2026**	**1,088**	**77,633**	**47**	**1,169**	**83,279**	**48**

1. The unit count, sqm and number of properties shown at launch and at 31 December 2025 are based on the legal completion date (transfer of title), not the notarisation date..
2. The number of properties in Tranche 1 decreased from 6 to 5 following the sale of all units within one property.
3. Inclusion of properties within a tranche reflects legal and operational readiness and does not constitute a commitment to execute sales within any fixed timeframe. Tranche sequencing and sales pacing remain subject to market conditions, pricing outcomes, tenant processes and Board discretion.

By the end of 2025, all properties included in Tranches 1 to 4 had completed the required legal, technical and operational preparations and had been brought to market, as reflected in the as at 31 December 2025 columns of the Condominium Preparation and Pipeline table above. The “units at launch” columns reflect the initial introduction of properties and units rather than a single point-in-time snapshot.

Tranche 5 is expected to be added to the Condominium Sales Pool from Q2 2026 and comprises 8 properties, representing approximately 227 units and 14,968 sqm, as shown in the table above. As with earlier tranches, inclusion reflects the completion of property-specific preparatory works and confirmation of legal and operational readiness, rather than a commitment to execute sales within any fixed timeframe.

Tranche sequencing and sales pacing remain subject to market conditions, pricing outcomes, tenant processes and Board discretion. The tranche framework is designed to support orderly execution, disciplined capital allocation and effective governance throughout the realisation programme.

Condominium preparation process

Each property entering the condominium sales programme is subject to a structured, building-specific preparation process prior to the first unit being offered for sale. The process is overseen and executed by the Property Advisor and is designed to ensure assets are brought to market in a legally compliant and sale-ready condition.

Preparatory capital expenditure is assessed on a property-by-property, and unit by unit basis against defined cost-benefit thresholds, with proposed works evaluated by reference to expected €/sqm value uplift relative to cost. Where projected returns do not meet the required threshold, works are reduced, deferred or excluded. Capital commitments above defined limits are subject to explicit Board oversight and approval, with authority levels calibrated to execution phase and asset specific risk.

Pricing oversight and controls

The condominium sales programme is implemented through a panel of specialist residential brokers, appointed, coordinated and overseen by the Property Advisor. The broker panel was expanded during 2025 to increase execution resilience and geographic market coverage in line with the scale and complexity of the sales pipeline. Execution is subject to defined authority limits, with broker appointments, mandates and changes governed by agreed parameters and reported to the Board.

Achieved pricing is continuously benchmarked against modelled assumptions, recent transaction evidence and prevailing market conditions. The performance of each broker is monitored against defined KPIs, including sales velocity, achieved €/sqm, conversion timelines and lead quality. Performance data are reviewed regularly by the Property Advisor and reported to the Board as part of ongoing oversight.

Where sales performance diverges from expectations, corrective actions are implemented, including re-pricing, revised marketing strategies, asset reallocation across brokers or the appointment of additional agents. This on-the-ground oversight reduces execution risk and supports orderly sales progression, particularly as unit disposals increase third-party ownership and WEG (*Wohnungseigentümergemeinschaften*, being the statutory owners’ associations governing common property and building-level decision-making) governance becomes more complex.

The Board considers this continuous feedback loop — pricing evidence, conversion data and active intervention where required — to be an important governance control feature of the programme.

Tenant sales and statutory compliance

In accordance with German residential property law, some tenants benefit from a statutory right of first purchase (*Vorkaufsrecht*). Prior to any open-market sale, all tenants are notified and offered the opportunity to purchase their apartment.

Tenant sales are treated as an integral part of the sell-down programme, reflecting both statutory requirements and a rational trade-off between pricing, timing and execution risk. While tenant sales typically generate lower per-unit pricing than vacant open-market transactions, they reduce void exposure, avoid refurbishment costs and support constructive tenant engagement during the sell-down process. In practice, sales to tenant purchasers often achieve higher pricing than sales of occupied units to investor purchasers, reflecting lower risk, reduced execution friction and the absence of third-party yield requirements. Accordingly, tenant sales reduce aggregate execution risk and support orderly progression of the programme, notwithstanding lower per-unit pricing relative to vacant open-market sales.

On-the-ground oversight and WEG governance
The Property Advisor's Berlin-based team undertakes regular, systematic site inspections across the condominium sales pool to monitor building condition, presentation standards and operational readiness. This on-the-ground oversight enables early identification of maintenance, compliance or presentation issues, with remediation coordinated across contractors, property managers and owners' associations as WEG governance becomes progressively more complex.

For properties within the condominium sales programme, the Property Advisor manages WEG governance on the Company's behalf as majority owner, in accordance with Board-approved governance arrangements. This includes representation at owners' assemblies, oversight of Hausgeld budgets, supervision of property managers and coordination of decision-making across multiple stakeholder groups. As third-party ownership increases through individual unit sales, governance complexity rises materially, requiring active management to ensure service continuity, compliance with WEG requirements and the orderly progression of sales.

This governance workstream will become increasingly critical as unit ownership fragments, with consistent representation, documentation discipline and continuity of building-level decision-making being required over an extended period. The Board considers the integrity and continuity of this on-the-ground governance function to be fundamental to protecting service quality, maintaining saleability and managing execution risk during the realisation programme.

2025 condominium sales outcome
Condominium sales outperformed the Company's original target in 2025, with notarisations exceeding the €30m level communicated at the start of the year. The Company notarised 122 units for €36.0m (2024: €9.4m), representing a 20% outperformance versus plan.

Sales pricing remained resilient during the year. Achieved transaction pricing continues to support the latest balance sheet valuations prepared by JLL, the Company's independent valuer, taking account of the mix of vacant and occupied sales. The average notarised price of €4,132 per sqm equates to a 4.1% premium to their most recently obtained property valuation. Vacant units achieved an average price of €4,585 per sqm, an 18.6% premium to carrying values, while occupied units achieved €3,909 per sqm, representing a 2.8% discount to carrying values.

Sales mix
In 2025, the ratio of vacant to total notarisations was 33.6%, below the expected long-run range of 40–50%. This reflected the initial programme-wide offering of units to existing tenants. Existing tenant demand is expected to moderate in 2026 as priority purchase windows expire, partially offset by new tenant demand from Tranche 5. As at 31 December 2025, 114 vacant units were available for sale, representing 13.2% of active sales pool stock.

Positive start to 2026
Since the financial year end, a further 56 units have been notarised, with a combined sales price of €16.5m. A further 35 units (€10.3m) have been reserved and are pending notarisation. With further units from Tranche 5 expected to be added to the market during H1 2026, the Company enters the year with a strong pipeline, with sales pacing remaining subject to market conditions and pricing outcomes.

Table: 2025 condominium notarisations and reservations

Notarisation period / status	Units	Sales Value (€m)	Price per sqm (€)	Premium / discount to Portfolio carry value[1,2]	Premium / discount to asset carry value[1,3]
Vacant notarisations					
Notarised Q1 2025	6	2.2	5,504	51.6%	26.0%
Notarised Q2 2025	10	2.8	4,731	30.3%	21.3%
Notarised Q3 2025	10	2.9	4,031	10.4%	13.0%
Notarised Q4 2025	15	5.3	4,539	24.3%	17.5%
Total vacant notarisations 2025	**41**	**13.2**	**4,585**	**25.8%**	**18.6%**
Notarised Q1 2026	17	5.7	4,332	17.3%	13.8%
Notarised Q2 2026 to date	7	2.6	5,296	43.5%	13.1%
Total vacant notarisations 2026 to date	24	8.3	4,594	24.4%	13.6%
Occupied notarisations					
Notarised Q1 2025	17	4.3	3,493	-3.8%	-8.0%
Notarised Q2 2025	18	5.3	3,819	5.2%	-8.1%
Notarised Q3 2025	27	7.0	3,972	8.7%	1.7%
Notarised Q4 2025	19	6.1	4,270	16.9%	1.0%
Total occupied notarisations 2025	**81**	**22.8**	**3,909**	**7.3%**	**-2.8%**
Notarised Q1 2026	25	6.5	4,225	14.4%	-4.0%
Notarised Q2 2026 to date	7	1.7	4,493	21.7%	-4.5%
Total occupied notarisations 2026 to date	**32**	**8.3**	**4,278**	**15.9%**	**-4.1%**
Total notarisations (vacant and occupied) 2025	**122**	**36.0**	**4,132**	**13.4%**	**4.1%**
Total notarisations (vacant and occupied) 2026 to date	**56**	**16.5**	**4,431**	**20.1%**	**4.0%**
Total outstanding reservations	35	10.3	4,505	22.0%	3.9%
Total reservations and notarisations 2026 to date	**91**	**26.8**	**4,459**	**20.8%**	**4.0%**

Notes: 1. Carry value is determined using the most recent JLL valuation per sqm. For notarisations completed before 30 June 2025, the applicable valuation is as at December 2024. For notarisations completed on or after 30 June 2025, the applicable valuation is as at 30 June 2025. 2. The Portfolio carry value is the average valuation per sqm across all assets within the Company's Portfolio. 3. The asset carry value refers to the JLL valuation of the specific properties associated with units being notarised during the period.

PORTFOLIO VALUATION

The Berlin residential market demonstrated early signs of valuation stabilisation in 2025, following a prolonged period of valuation correction across German residential real estate.

Condominium values continue to command a significant premium over PRS values. This pricing differential, which has remained evident across market cycles, reflects owner-occupier demand, the scarcity of legally divided stock and the structural premium achievable through individual apartment sales.

While investor demand in the PRS segment remains subdued, PRS valuations have now stabilised. This indicates that the cyclical correction experienced in recent years has moderated, notwithstanding continued macroeconomic and geopolitical uncertainty.

Table: JLL valuation summary

€m (unless stated)	Total Portfolio		Condominium Sales Portfolio		PRS Portfolio	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
Properties	73	74	40	16	33	58
Total units	2,081	2,161	891	366	1,190	1,795
Total sqm ('000)	146.5	152.2	64.7	29.0	81.9	123.2
Valuation (€m)	540.1	552.8	271.0	110.8	269.1	442.0
Value per sqm (€)	3,686	3,633	4,191	3,820	3,288	3,589
LFL growth per sqm (YoY)	1.5%	0.8%	3.1%	10.6%	0.8%	(1.4%)

Total Portfolio: Like-for-like increase of 1.5%

As at 31 December 2025, the total Portfolio value was €540.1m, with an average value of €3,686 per sqm and a gross fully occupied yield of 3.6%. On a like-for-like basis (adjusted for disposals), the Portfolio value increased by 1.5% during the year, representing the second consecutive year of like-for-like valuation growth since 2022.

Condominium Portfolio: Like-for-like increase of 3.1%
As at 31 December 2025, the Condominium Portfolio (40 properties, 891 units) was valued at €271.0m (€4,191 per sqm). On a like-for-like basis, the value per sqm of these properties increased by 3.1% during the year. This uplift is consistent with achieved transaction pricing during the year.

PRS Portfolio: Like-for-like increase of 0.8%
As at 31 December 2025, the PRS Portfolio (33 properties, 1,190 units) was valued at €269.1m, with an average value of €3,288 per sqm. On a like-for-like basis, the value per sqm of these properties increased by 0.8% during the year, marking the first annual valuation increase since the market downturn began in 2022.

While PRS values remain below peak levels, this stabilisation should help reduce downside risk as the Company progresses with its realisation programme.

Strategic context
The valuation outcomes in 2025 reinforce the Company's strategic focus on individual condominium sales as the primary route to value realisation. The persistent pricing differential between condominium values and PRS portfolio valuations continues to underpin the managed realisation strategy, while stabilisation across the wider Portfolio should help reduce downside risk as execution progresses.

As the sales programme progresses, valuation outcomes are expected to be increasingly driven by realised transaction evidence, rather than external assessments or capital-market sentiment.

2025 FINANCIAL RESULTS

OVERVIEW
The 2025 financial year represents the first full year of implementation of the Company's managed realisation strategy, approved by shareholders on 12 March 2025. The year was characterised by a shift from planning to delivery, including accelerated condominium sales, the completion of a comprehensive refinancing and the establishment of a framework for capital returns to shareholders.

The financial statements reflect a business in transition rather than a steady-state operating profile. Portfolio disposals and condominium sales reduced the scale of the rental business during the year, while capital expenditure increased as properties were prepared for individual unit sales. Administrative costs were elevated by professional fees associated with the execution of the strategy, including obtaining shareholder approvals and the refinancing. These items relate to discrete actions undertaken during the year and are not indicative of the ongoing cost base.

Asset-level performance was resilient. The Portfolio recorded its second consecutive year of like-for-like valuation growth, and condominium sales exceeded the Company's full-year target.

As the realisation programme progresses, the Board and the Property Advisor will remain focused on ensuring that the cost base reduces as the Portfolio contracts. Enhanced disclosure has been provided in this report to explain the structure, drivers and expected reduction of property-level and administrative costs as assets are sold, and to provide shareholders with clearer visibility on cost trajectories over the wind-down period.

Table: Financial Highlights

€ million (unless otherwise stated)	Year to 31-Dec-25	Year to 31-Dec-24
Gross rental income	22.7	28.1
Property expenses	(15.3)	(15.8)
Administrative expenses	(3.3)	(3.8)
Investment property fair value loss	(2.3)	(5.4)
Loss on disposals	(2.9)	(3.2)
Operating loss	(1.1)	(0.05)
Reported EPS (€)	(0.07)	(0.42)
Investment property value	540.1	552.8
Net debt [1]	222.0	223.1

Net LTV (%)	41.0	40.3
IFRS NAV per share (€)	2.94	3.01
IFRS NAV per share (£) [2]	2.56	2.49
EPRA NTA per share (€) [3]	3.40	3.55
EPRA NTA per share (£) [2]	2.97	2.93
€ IFRS NAV per share total return for the period (%) [4]	(2.3)	(12.2)
£ IFRS NAV per share total return for the period (%) [2] [4]	(3.1)	(16.2)
€ EPRA NTA per share total return for the period (%) [4]	(4.2)	(10.4)
£ EPRA NTA per share total return for the period (%) [2] [4]	(1.1)	(14.6)

[1] Net debt is calculated using nominal loan balances rather than the loan balances on the Consolidated Statement of Financial Position, which include capitalised finance arrangement fees. [2] IFRS NAV per share and EPRA NTA per share in sterling are calculated using the GBP/EUR exchange rate of 1: 1.146416 as at 31 December 2025 (31 December 2024: 1.2097). [3] EPRA Net Tangible Assets ("EPRA NTA") is calculated in accordance with the EPRA Best Practice Recommendations. Further details of the EPRA NTA calculation are set out in the notes to the financial statements. [4] IFRS NAV per share total return and EPRA NTA per share total return, in euro and sterling, represent the movement in the relevant net asset value per share during the period, adjusted for any capital returns made to shareholders, expressed as a percentage of opening net asset value per share. Sterling returns use the applicable GBP/EUR exchange rates.

FINANCIAL SUMMARY

Revenue for the year was €22.7m (2024: €28.1m), reflecting the planned contraction of the rental portfolio as assets were disposed of and units were sold through the accelerated condominium sales programme. As units are not re-let but instead sold as condominiums, rental income received is also reduced.

Property expenses were €15.3m (2024: €15.8m) and administrative expenses reduced to €3.3m (2024: €3.8m), reflecting the declining scale of the Portfolio and the absence of certain elevated costs incurred in the prior year.

The Company recorded an investment property fair value loss of €2.3m (2024: €5.4m loss) and losses on disposals of €2.9m (2024: €3.2m), reflecting valuation movements and the crystallisation of costs associated with asset sales during the year. Taken together, these items resulted in an operating loss of €1.1m (2024: operating loss of €0.05m) and reported EPS of (€0.07) (2024: (€0.42)).

IFRS NAV per share at the period end was €2.94 / £2.56 (2024: €3.01 / £2.49). EPRA Net Tangible Assets (NTA) per share at the period end were €3.40 / £2.97 (2024: €3.55 / £2.93).

IFRS NAV and EPRA NTA provide distinct perspectives on value.

IFRS NAV reflects the Group's net asset value under IFRS, including disposal-related costs, financing effects and tax items to the extent these have crystallised (or are required to be recognised) at the reporting date. As the Company executes its managed Portfolio realisation strategy and sales complete, these costs and liabilities become realised rather than estimated, and IFRS NAV is therefore expected to become increasingly representative of the value ultimately returned to shareholders.

Shareholder returns are expected to be made from net sale proceeds rather than gross disposal values. Net proceeds represent the cash available for distribution after deductions for costs of executing sales and managing the wind-down, including broker fees and other disposal costs, repayment of debt and any crystallised tax charges. As these items are incurred and recognised through execution, IFRS NAV progressively reflects the resulting cash movements and the settlement (or recognition) of related liabilities.

EPRA NTA, calculated in accordance with the EPRA Best Practice Recommendations, provides an industry-standard measure of underlying asset backing. The Board recognises that EPRA NTA is a widely understood metric and may remain useful for comparability with other listed real estate companies, particularly for international investors, even as the Company progresses through its realisation strategy.

As the sell-down of the Portfolio advances, the Board expects IFRS NAV and EPRA NTA to converge over time. This reflects the progressive realisation of assets, the crystallisation of disposal-related costs and taxes, and the simplification of the balance sheet as assets are sold and debt is repaid. As these effects unwind through execution, the distinction between a hold-based valuation framework and a realisation-based net value measure is expected to narrow.

Movements in IFRS NAV per share and EPRA NTA per share during the year, and the resulting total returns, were driven primarily by reported results, valuation movements, asset disposals and changes in capital structure, as set out in the financial statements.

RENTAL INCOME

Table: Rental and service charge income

€ million	**Year to 31-Dec-25**	**Year to 31-Dec-24**
Rental income (net cold rent)	16.8	21.4
Service charge income	5.9	6.7
Gross rental income	22.7	28.1

Gross rental income for the twelve months to 31 December 2025 was €22.7m, a decline from €28.1m in 2024, reflecting three principal factors.

First, the sale of 16 properties (385 units) in December 2024 permanently removed their rental contribution from the income statement in 2025. Secondly, 122 units were notarised during the year as part of the accelerated condominium sales programme, reducing the number of rent-generating units within the Portfolio. Thirdly, reported vacancy increased as units were intentionally held vacant to facilitate refurbishment and sale launch sequencing ahead of individual unit sales.

These reductions are an expected and intentional consequence of the realisation strategy. Units generating modest annual net rental income are being sold for prices that represent a significant multiple of that income, crystallising substantial accumulated value in a single transaction. As a result, the reduction in rental income is accompanied by materially higher capital realisation on a risk-adjusted basis.

Service charge income for the year was €5.9m (2024: €6.8m) and represents recovery from tenants of statutory service costs advanced by the Company and settled through the annual reconciliation. These costs include heating, water, waste disposal, cleaning, lift maintenance and building insurance. Service charge income and direct property expenses are therefore closely correlated in aggregate, with service charge income representing, in substance, the recovery of direct property-level operating costs.

Accordingly, service charge income is largely neutral in economic terms, with the net position reflecting only non-recoverable elements, principally in relation to vacant apartments. Both service charge income and the associated cost base are therefore expected to decline broadly in parallel as the Portfolio contracts.

Annualised Rental Income and Vacancy

	31 Dec 2025	**31 Dec 2024**
Total sqm ('000)	146.5	152.2
Annualised Net Rental Income (€m)	16.8	18.0
Net Cold Rent per sqm (€)	10.8	10.7
Like-for-like rent per sqm growth (%)	0.8	1.6
Vacancy (%)	11.8	8.0
EPRA Vacancy (%)	4.1	1.5

On an annualised basis, contracted net rental income at 31 December 2025 was €16.8m, a decline of 6.7% versus the prior year. This reflected the reduced number of units available for rent following condominium sales and a lower number of new leases signed during the year.

As at 31 December 2025, net cold rent increased to an average of €10.8 per sqm, up from €10.7 per sqm the previous year. On a like-for-like basis, rental income per sqm grew by 0.8%, compared with 1.6% in 2024. This moderation reflects the Company's strategic emphasis on selling vacant units rather than reletting, which in turn prioritises capital expenditure on sales preparation over investment into PRS properties.

Other factors include a higher incidence of tenant rental challenges and the termination of a large lease to a municipal authority in advance of redevelopment planning and sale. The terminated lease related to the Company's Jühnsdorfer Weg asset, where the building was previously operated under a single, letting arrangement for temporary accommodation. Termination enabled the Company to progress redevelopment planning and reposition the asset for sale but reduces contracted rental income during the transition period.

The new Mietspiegel, which will provide a mechanism to increase in place rents for qualifying tenants, is expected to be announced in 2026

Residential reversionary re-letting premium

Market rents remain at record levels. New lettings across the Portfolio during the year were signed at an average premium of 27.5% to passing rents (2024: 25.8%), equivalent to €14.0 per sqm (2024: €13.8 per sqm). For residential units only, new lettings were signed at an average premium of 29.9% (2024: 31.0%), also equivalent to €14.0 per sqm (2024: €13.9 per sqm).

During the year to 31 December 2025, 112 new leases were signed (2024: 146), representing a letting rate of approximately 9.8% of occupied units (2024: 8.5%).

Vacancy

Vacancy is disclosed and primarily monitored on an IFRS basis, reflecting all units that are not income-producing at the period end. Reported vacancy therefore includes apartments that are vacant due to undergoing refurbishment, or in the process of being sold as condominiums.

As at 31 December 2025, reported IFRS vacancy was 11.8% (2024: 8.0%). The increase primarily reflects the impact of the condominium sales programme, including void periods required for refurbishment, compliance works, rather than any weakening in underlying rental demand.

For comparability with industry reporting, the Company also discloses EPRA vacancy, which adjusts for certain categories, including units undergoing development or refurbishment and units held for vacant sale as condominiums. EPRA vacancy was 4.1% at 31 December 2025 (2024: 1.5%).

The increase in EPRA vacancy reflects a higher number of vacant, marketable units at the period end, rising from 18 units in December 2024 to 35 units in December 2025. The principal driver was the Jühnsdorfer Weg asset, which saw greater unit churn, with 14 vacant units contributing to EPRA vacancy at December 2025, compared with 4 units at December 2024.

While EPRA vacancy is disclosed for industry comparability, the Board's focus in the context of the managed realisation strategy remains on controlling the absolute level and duration of vacancy and associated void costs, while progressing sales execution in an orderly and value-led manner.

PROPERTY-LEVEL AND ADMINISTRATIVE COSTS

Overview and approach to cost comparability

Total property-level and administrative costs were €18.7m in 2025 (2024: €19.6m). These costs reflect the operational requirements of managing a sizeable, predominantly tenanted Berlin residential portfolio while executing an accelerated condominium realisation programme. Year-on-year comparability is affected by two factors that limit the usefulness of simple headline comparisons:

- non-recurring execution and governance costs, incurred in connection with discrete corporate and portfolio actions; and
- limited reallocations of costs between expense categories, undertaken to improve economic attribution as execution activity increased.

The reallocation of costs between categories does not affect total costs, profit or cash flow, but it does affect presentation between administrative and property-level expense lines and therefore warrants explanation. Non-recurring execution and governance costs, by contrast, reflect discrete activity undertaken in each period and these do impact reported costs in those years.

Accordingly, this section explains how non-recurring items and classification movements affect period-on-period comparability, before setting out how the underlying administrative and property-level cost base behaves as the Portfolio contracts. Further detail on cost drivers and elimination dynamics is provided in the sections that follow.

ADMINISTRATIVE EXPENSES

Table: Administrative expenses

€'000	2025	2024

Secretarial and administration fees	760	689
Legal and professional fees	1,926	2,044
Directors’ fees	256	272
Bank charges	33	26
Profit / (loss) on foreign exchange	(9)	22
Depreciation	30	55
Other administrative expenses	413	797
Other income	(91)	(94)
Total administrative expenses	**3,318**	**3,811**

Administrative expenses were €3.3m in 2025 (2024: €3.8m), as reported in the consolidated income statement. In both years, reported administrative costs were influenced by non-recurring execution and governance activity associated with discrete corporate and portfolio actions undertaken as the Company transitioned from a long-term hold strategy to an active managed Portfolio realisation strategy.

Simple year-on-year comparison of reported administrative expenses is therefore of limited interpretive value. To assist comparability, the table below presents an illustrative normalisation of administrative expenses, removing only clearly identifiable non-recurring execution and governance items. This analysis is provided for explanatory purposes only and does not represent a forecast or guidance on future costs.

Table: Normalisation of administrative expenses (2025 vs 2024)

€’000	**2025**	**2024**	**Commentary**
Reported administrative expenses	**3,318**	**3,811**	**As reported in the income statement**
Less: non-recurring execution and governance costs:			Discrete corporate actions
• Portfolio sale legal and advisory fees	(273)	(98)	Transaction-related execution activity
• EGM / AGM and governance costs	(94)	—	Shareholder approval activity
• Other non-recurring advisory (Mourant, ESG)	(17)	—	Discrete professional advice
Total non-recurring adjustments	**(384)**	**(98)**	
Costs belonging to property expenses		(347)	Amounts paid from central bank accounts
Movement in provisions against rental collection	(413)	(797)	Allocated to Administrative costs under IFRS
Indicative normalised administrative cost base	**2,521**	**2,569**	**Directional, not a forecast**

Note: The normalisation removes only discrete execution and governance items and does not adjust for recurring operating risks, IFRS provisioning mechanics or changes in Portfolio scale.

In 2025, non-recurring administrative costs primarily related to residual transaction and advisory activity, shareholder approvals at the AGM and EGM, and discrete professional advice associated with execution. In 2024, non-recurring costs were predominantly driven by transaction and advisory activity associated with portfolio disposals. These items are episodic in nature and are not expected to recur on a comparable scale.

Separately from the normalisation above, the Company refined its cost classification approach to ensure expenses are reported in the category that best reflects their underlying economic driver. Certain property-specific legal, valuation and advisory costs were reclassified from administrative expenses into property-level expenses. These reclassifications were made in the current year only and the equivalent for 2024 is included in the cost bridge above.

Following a peer-group review, the revised presentation more closely aligns the Company’s cost categories with market practice, improving transparency and comparability for investors.

Movements in provisions against tenant payments of €(0.4)m in 2025 and €(0.8)m in 2024 are recognised within administrative expenses under IFRS presentation but relate to property-level credit and tenancy risk, rather than to central corporate governance or overheads. These provision movements arise from tenant arrears and rent-reduction claims, are economically linked to the operation of the rental portfolio and would be treated as property-level costs under EPRA reporting, which classifies expenses by underlying property economics rather

than IFRS functional presentation. Such provision movements are inherently variable between periods and are therefore not treated as non-recurring items for the purposes of period-on-period comparability.

PROPERTY-LEVEL EXPENSE COMPOSITION

Overview

Property-level expenses were €15.3m in 2025 (2024: €15.8m), reflecting the operational requirements of managing a predominantly tenanted Berlin residential portfolio while executing the accelerated condominium realisation programme.

As the Portfolio contracts through disposals, the property-level cost base will reduce and ultimately fully extinguish on completion of the sell-down. Movements between categories primarily reflect changes in ownership structure, execution activity and classification, rather than increases in the underlying economic cost base.

Table: Property-level expense composition

Cost category	**Year to 31 December 2025 (€'000)**	**Year to 31 December 2024 (€'000)**
Direct property expenses (excl. WEG)	6,432	5,835
WEG contributions	1,064	364
Repairs and maintenance	1,411	1,957
Property Advisor fee	4,276	4,315
Property management expenses	1,043	1,306
Impairment – trade receivables	121	1,178
Other property operating expenses	1,001	800
Total property expenses	**15,348**	**15,755**

Direct property expenses (excluding WEG)

Direct property expenses comprise service charges relating to shared building infrastructure, including cleaning, heating, water, waste disposal, building insurance and property taxes. In line with standard German residential leasing practice, the substantial majority of these costs are recoverable from tenants through the annual *Betriebskostenabrechnung*. The Company's net economic exposure is therefore limited to void periods and prescribed non-recoverable elements.

Direct property expenses declined year on year, reflecting the reduction in tenanted units following Portfolio disposals and condominium sales. Once a unit is sold, the Company ceases to act as landlord and has no residual exposure. There is no building-level cost tail once a building is fully disposed of.

WEG contributions and repairs & maintenance

WEG contributions and Repairs and Maintenance describe the same underlying communal maintenance activity as buildings transition from single ownership into condominium ownership structures.

WEG contributions increased materially in 2025 as additional buildings entered condominium ownership structures. This reflects the establishment of owners' associations (*Wohnungseigentümergemeinschaften*, "WEG") and the migration of communal responsibilities into condominium governance structures.

A significant portion of the increase reflects the reclassification of maintenance costs from Repairs and Maintenance into *Hausgeld*, rather than an increase in the underlying economic cost base. Approximately 60% of Hausgeld charges are recoverable from tenants.

WEG contributions are transactional and activity-driven. While elevated during periods of active sell-down and condominium formation, they reduce strictly in proportion to the Company's ownership share and extinguish entirely on full sale of each building.

Repairs and maintenance costs declined year on year due to (i) reclassification of communal costs into WEG structures and (ii) the reduction in the Company's ownership share as units are sold. On sale of the final unit in a building, all repairs and maintenance costs for that building cease entirely.

Together, these effects result in a structurally declining Repairs and Maintenance cost base alongside a temporary increase in WEG contributions during the condominium formation phase.

Property Advisor fee
Fees payable to the Property Advisor in respect of ongoing management and execution services are capped at €4.3m. The cap covers annual management fees and capital expenditure monitoring fees incurred over the life of the managed realisation programme. Fees reduce progressively as the Portfolio is realised through asset disposals and mandatory share redemptions, with no fixed minimum or time-based continuation.

The capped fee supports the operating capability required to execute the multi-asset managed realisation strategy, spanning both the active condominium sales programme and the ongoing management and subsequent disposal of the retained PRS Portfolio. This includes integrated oversight of legal preparation, tenant processes, sales sequencing, broker coordination, regulatory compliance and on-the-ground execution. Transaction-related fees are treated separately.

Property management expenses
Property management expenses comprise fees paid to the external property manager (Core Immobilien) for day-to-day portfolio management, including tenant administration, rent collection, leasing activity and maintenance coordination.

These costs declined year on year, reflecting the reduction in units under management. While per-unit activity may be temporarily elevated during the active sales phase, this reflects execution timing rather than structural persistence. Property management fees extinguish entirely on final disposal of each building.

Impairment – trade receivables
The impairment charge reflects provisions for tenant rent arrears and *Mietminderung* claims. The charge declined year on year as the number of active tenancies reduced. Absolute exposure declines mechanically as the rental Portfolio contracts and ceases entirely on unit sale.

Other property operating expenses
Other property operating expenses comprise residual property-level costs, including legal and court costs, letting fees, valuation costs, EPCs, ESG expenditure, regulatory filings and certain WEG-related costs.

These costs increased year on year, reflecting elevated transactional and execution activity associated with the accelerated condominium sales programme and increased WEG formation. They are activity-driven rather than structural and are expected to decline as execution activity reduces and the disposal programme completes.

Property cost classification and elimination timing
Property-level costs are directly related to the Portfolio size and therefore will reduce in line with the disposal program.

There are no embedded tail costs or continuing contractual obligations beyond these points. While timing may exhibit short-term operational lags or volatility, the structure of the cost base supports a complete unwind to zero property-level operating costs on full realisation of the Portfolio.

Table: Property-level cost drivers and elimination

Cost category	**Primary driver**	**Recoverability**	**Structural linkage**	**Point of elimination**
Direct property expenses	Tenanted unit count	Substantially recoverable	Unit-linked	Unit sale / building sale
Property Advisor fee	Net Asset Value	Not recoverable	Contractual % of NAV or capex	NAV extinguished
Repairs and maintenance	Ownership share	Not recoverable	Ownership-linked	Building fully sold
Property management	Units under management	Not recoverable	Unit-linked	Building fully sold
Impairment	Active tenancies	Not recoverable	Tenancy-linked	Unit sale

Other property costs	Transaction activity	Not recoverable	Activity-driven	Sell-down complete

CAPITAL EXPENDITURE

Capital expenditure by category

Capex category (€m)	**FY 2025**	**FY 2024**
Like-for-like Portfolio	11.4	4.5
Development / held-for-sale	0.4	0.5
Other (incl. capex monitoring fees)	0.8	0.2
Total capital expenditure	**12.6**	**5.2**

Notes: Like-for-like Portfolio capital expenditure relates to capitalised investment in properties held throughout the period, excluding acquisitions, disposals and routine maintenance. FY 2025 capital expenditure of €12.6m reconciles to the Investment Property note and largely reflects capitalised preparation works for the accelerated condominium sales programme. Routine maintenance is expensed through the income statement and shown separately.

Capital expenditure relates primarily to capitalised preparation costs incurred to ready properties for individual condominium sales. These works include legal structuring, technical preparation, compliance works and related project management and are capitalised where they enhance saleability and value realisation.

Importantly, the activities driving the elevated FY 2025 capital spend of €12.6m are finite and execution-specific. The majority of this expenditure relates to the front-loaded preparation of four condominium tranches that were brought into the active sales pool during the year. With these preparatory works now substantially complete, the principal drivers of FY 2025 capital expenditure have been removed.

Capital expenditure in 2026 and later years

A further tranche of properties is expected to enter the Condominium Sales Pool during H1 2026, which will require additional preparatory investment. However, this relates to a smaller, discrete programme and does not replicate the scale or scope of the FY 2025 preparation phase.

The scope, timing and quantum of future capital expenditure are therefore linked to defined properties and specific preparatory activities, rather than to an ongoing or open-ended investment programme. As a result, capital expenditure is expected to fall materially from FY 2025 levels as the sales programme matures. As a growing proportion of the Portfolio is sold, preparatory requirements reduce materially as initial sales tranches complete, while free cash flow generation strengthens progressively as capital intensity declines and sale proceeds are realised.

TAX

The Company's tax position reflects the transition to a managed Portfolio realisation strategy and the progressive monetisation of its German residential assets. Tax outcomes are sensitive to the timing, structure and sequencing of disposals and are managed as an integral component of the Board's execution and capital allocation framework.

As the Portfolio is sold down, the Company expects to incur cash tax charges on disposals and related profit realisation. The level of cash tax payable will depend on the historical tax base of individual assets and the structure of each sale and may be material in certain cases, particularly where assets have a low tax base.

As at 31 December 2025, the Company recognised a deferred tax liability of €46.4m (31 December 2024: €53.9m), primarily in respect of temporary differences arising from the revaluation of investment property and derivatives. To the extent that recovery of tax losses is considered probable and offset is permitted, they are offset against taxable temporary differences in determining the net deferred tax liability, rather than being recognised as a separate deferred tax asset.

The Group has accumulated tax losses of approximately €77 million (2024: €59 million) in Germany. These losses principally comprise carried-forward tax losses generated by the German operations and are available to be utilised against future taxable profits in Germany, including profits arising on the realisation of the Portfolio (to the extent such profits are taxable in the relevant entity). Utilisation is subject to the availability of suitable taxable profits and any applicable restrictions under German tax law (for example, limitations on the amount of

losses that can be offset in a given year, and restrictions that may apply following changes in ownership or business activity).

The value ultimately realised from the accumulated tax losses is therefore intrinsically linked to the orderly execution of the Company's realisation strategy and the maintenance of the current corporate and tax structure. Utilisation is expected to occur progressively over the life of the realisation programme as assets are sold in a planned sequence and taxable profits are generated.

The Board keeps the recoverability of tax attributes under review, applying prudent assumptions based on expected future taxable profits, anticipated disposal timing and the planned sequencing of realisations. In doing so, the Board seeks to preserve and maximise the economic value available to shareholders from the Company's tax attributes.

The deferred tax liability is calculated by applying the rate of German Corporation Tax expected to be in effect at the time of each anticipated disposal, including the applicable solidarity surcharge. Under legislation enacted in Germany, the Corporation Tax base rate is scheduled to decline from 15% to 10% between 2028 and 2032, in increments of 1% per annum. Including the solidarity surcharge, the effective Corporation Tax rate applied to expected disposal gains therefore ranges from approximately 15.8% for disposals expected in 2026 and 2027 to approximately 12.7% for disposals expected from 2030 onwards. The deferred tax liability recognised at 31 December 2025 reflects these rates applied to the Company's expected disposal timetable under the current realisation strategy.

The deferred tax liability is, therefore, inherently sensitive to the timing of disposals. Properties sold earlier in the programme will crystallise tax at higher rates; properties sold later will benefit from progressively lower rates as the scheduled reductions take effect. The Board factors this dynamic into its disposal sequencing and capital allocation decisions as part of the overall realisation framework, balancing tax efficiency against execution discipline, market conditions and the orderly return of capital to shareholders. The deferred tax liability should therefore be understood as a current best estimate based on the expected disposal timetable, rather than a fixed or certain obligation, and will be reassessed at each reporting date as the programme progresses.

CAPITAL STRUCTURE, DEBT AND GEARING

Overview

In November 2025, the Company completed a comprehensive refinancing that de-risked the balance sheet and aligned the capital structure with the requirements of the managed realisation strategy. This represented a structural reset of the Company’s financing arrangements, designed to remove execution constraints and refinancing risk over the life of the programme.

Prior to the refinancing, the Company operated under a multi-lender structure with debt maturing in Q4 2026. Although all covenants were met, the facilities imposed a number of practical constraints that limited execution optionality, including:

- Operational limits on the number of condominium sales that could be progressed concurrently;
- Restrictions on shareholder distributions below specified debt yield thresholds; and
- Increasing refinancing risk as maturity approached.

These constraints introduced uncertainty around execution pacing, capital allocation and the timing of cash returns. On 26 November 2025, all existing borrowings were refinanced into a single, long-dated facility arranged by Natixis Pfandbriefbank AG, materially simplifying the capital structure and reducing balance-sheet-related risks.

Table: Debt refinancing risk mitigation

Risk prior to refinancing	Status Post-Refinancing
Near-term refinancing risk (Q4 2026 maturity)	**Removed:** Maturity extended to Q4 2030
Reliance on capital markets during execution	**Removed:** No refinancing required during sales programme
Multi-lender complexity and coordination risk	**Removed:** Single-lender facility
Annual amortisation constraining cash flows	**Removed:** Interest-only structure

Condominium sales capped by debt terms	**Materially mitigated:** Higher sales capacity
Dividend distributions blocked by debt yield tests	**Removed:** No distribution restriction
Mandatory prepayments limiting capital flexibility	**Materially mitigated**: Mandatory prepayments on disposals have been materially reduced, improving flexibility over capital allocation.
Covenant pressure during execution phase	**Mitigated:** Conservative LTV (~40%) and simple ICR test
Exposure to rising interest rates	**Mitigated:** ≥80% hedged, 5-year cap at 2.0%
Balance sheet risk gating strategy delivery	**Removed:** Capital structure aligned to realisation

Note: The Company utilises interest rate derivatives to manage its exposure to interest rate fluctuations on an economic basis. These arrangements are not designated as hedging instruments under IFRS 9 and therefore hedge accounting is not applied. Changes in the fair value of these derivatives are recognised in the Consolidated Statement of Comprehensive Income.

In practical terms, the Company's strategy is no longer dependent on refinancing, lender consent or capital markets access. Shareholder distributions are not conditional on covenant resets or external funding events.

Accordingly, balance-sheet considerations are no longer expected to be a key driver of returns. Value realisation is instead governed by asset disposal execution, pricing discipline and sales timing, consistent with the Board's stated focus on orderly, value-led delivery of the realisation strategy.

Borrowings and gearing

As at 31 December 2025, the Company had gross borrowings of €256.0m (31 December 2024: €269.6m) and cash balances of €34.0m (31 December 2024: €46.5m), resulting in net debt of €222.0m (31 December 2024: €223.1m). Whilst €36.0m of condominiums were notarised during 2025, the modest reduction in net debt during the period reflects the timing difference between notarisation and cash receipt. Additionally, disposal proceeds were utilised to fund capital expenditure, refinancing costs, and finance costs.

Net loan-to-value on the Portfolio was 41.0% (31 December 2024: 40.3%), reflecting a conservative leverage position following completion of the November 2025 refinancing.

The net reduction in gross debt during the year was driven by a combination of mandatory prepayments from condominium sale proceeds and an increase in borrowings from the refinancing in November to cover the remaining capex needs. The refinancing also materially extended the debt maturity profile, increasing the average remaining duration of borrowings to 4.9 years (31 December 2024: 1.8 years).

Table: Borrowings and gearing

	31 Dec 2025	**31 Dec 2024**
Gross borrowings (€m)	256.0	269.6
Cash balances (€m)	34.0	46.5
Net borrowings (€m)	222.0	223.1
Net LTV (%)	41.0	40.3
Average remaining duration (years)	4.9	1.8

Notes: Net LTV uses nominal loan balances rather than the loan balances on the Consolidated Statement of Financial Position, which include capitalised finance arrangement fees. Average remaining duration represents the weighted average maturity of drawn borrowings.

Interest rate hedging

The Company continues to hedge not less than 80% of its outstanding debt against interest rate movements. Under the previous facilities, hedging was achieved through multiple interest rate swaps, resulting in a blended interest rate of 2.8% as at 30th June 2025.

In connection with the refinancing, the legacy hedging structure was simplified and replaced with a single five-year amortising interest rate cap at 2.0%. The mark-to-market value of existing Natixis swaps was used to partially offset the premium cost of approximately €3.5m. As at 31 December 2025, the blended interest rate on the Company's borrowings was 4.17%.

Covenant compliance

The Company complied with all debt covenants throughout the year. Under the new facility, the only hard covenant is a minimum interest coverage ratio (ICR) of 1.2x, which was met throughout the period.

The ICR is calculated in accordance with the facility agreement using an agreed cash-adjusted methodology that differs from IFRS presentation. The calculation is based on rental income and operating costs as defined in the

facility agreement and excludes non-cash items recognised under IFRS, including fair value movements on investment property (€2.3m loss in 2025), fair value changes on derivatives (€2.1m loss) and non-recurring refinancing costs. On this basis, the Company remained in compliance with the ICR covenant throughout the period.

Soft covenants include LTV and debt yield tests that adjust over the life of the facility and are aligned with the Company's progressive deleveraging trajectory as condominium sales proceed. As at 31 December 2025, the Company complied with all covenant requirements.

Under the terms of the new facility, disposal proceeds are applied in accordance with the agreed allocation mechanics and include mandatory prepayment of the loan on disposals. This repayment feature accelerates deleveraging as the Portfolio is realised and, together with the Company's capital return framework, supports the Board's ability to return surplus net proceeds to shareholders once required debt repayment and prudent liquidity/covenant headroom are maintained.

Capital returns and compulsory redemption facility

The Company's managed Portfolio realisation strategy, approved by shareholders in March 2025, is designed to convert underlying asset value into cash returns for shareholders over time. In June 2025, shareholders approved amendments to the Company's Articles of Association establishing a Compulsory Redemption Facility, which enables the Board to return surplus capital through mandatory pro rata redemptions of ordinary shares. Redemptions are effected in accordance with Jersey company law, the Company's Articles and applicable regulatory requirements and are intended to operate over the life of the realisation programme.

Capital returns under the Facility are expected to be considered on a six-monthly basis. Any capital returned is funded from net cash proceeds generated by condominium sales within the Portfolio. In allocating sale proceeds, the Company prioritises (i) debt reduction in accordance with its financing arrangements, (ii) the payment of taxes, fees and other disposal-related costs, (iii) the retention of prudent cash balances to fund ongoing operations and implementation costs, and (iv) the return of surplus capital to shareholders via compulsory redemptions. As a result, the timing and amount of any redemption will vary between reporting periods and will depend on the level and phasing of condominium sales, cash availability, solvency and covenant headroom. Redemption amounts are therefore expected to be variable rather than uniform or progressive.

The Board has not set redemption targets, whether on an absolute, periodic or cumulative basis. Instead, the realisation strategy is executed through condominium sales plans at the asset level, and capital returned to shareholders is a direct consequence of net cash proceeds realised from those sales, after the deductions outlined above, rather than a planning assumption or independently targeted objective.

The first compulsory redemption under the Facility has been announced simultaneously with the publication of the Company's annual results. This redemption reflects cumulative condominium sales completed to date, including sales executed during 2024 and 2025, and should not be regarded as indicative of the timing or quantum of future redemptions. The detailed terms and timetable for that redemption (including the amount to be returned, the record date and the payment date) are set out in a separate RNS announcement.

OUTLOOK

The Board believes the Company is well positioned to continue executing its managed Portfolio realisation strategy through 2026 and beyond. This assessment is grounded in the establishment of a proven operating platform, a strengthened and appropriately structured balance sheet, and a materially lower capital-intensity profile following completion of the preparatory phase of the programme.

The period ahead is expected to be characterised by disciplined, value-led execution, declining capital expenditure as front-loaded preparation concludes, improving cash generation as capital intensity reduces and cost trajectory improves, and continued deleveraging through the application of sale proceeds.

The Board's priorities are therefore centred on maintaining execution discipline, oversight and risk control as activity levels remain elevated during the next phase of delivery.

The Board remains mindful of external uncertainties, including geopolitical instability, ongoing conflict in the Middle East and the Ukraine war, macroeconomic conditions and the evolving regulatory environment for residential property in Germany. These factors may influence sentiment or transaction timings in the short term.

However, the structural supply constraints in Berlin residential markets, combined with a long-dated, fully financed capital structure, a declining capital expenditure profile and flexibility over sales pacing, provide resilience against volatility and allow execution to be appropriately calibrated in response to market conditions.

This flexibility is reinforced by on-the-ground execution capability and continuous market feedback through the sales platform, enabling the Board to adjust execution pragmatically while maintaining oversight and control.

The Company is therefore entering the next stage of its strategy from a position of strength. While external risks remain, the Board expects 2026 to represent a period of operational progress and financial consolidation, supporting the continued, orderly conversion of asset value into cash returns for shareholders.

KEY PERFORMANCE INDICATORS

KPIs applied for the year ended 31 December 2025
For the financial year ended 31 December 2025, the Company has continued to apply the recalibrated key performance indicators ("KPIs") introduced in 2024. These KPIs were designed to support the transition from a long-term asset holding model to a managed Portfolio realisation strategy, while maintaining continuity and comparability during the early phases of execution.

The 2025 KPI framework combines asset-level valuation measures, execution metrics and balance-sheet indicators. For this period, performance is assessed against six KPIs: like-for-like Portfolio valuation growth, EPRA NTA per share, share price discount to EPRA NTA, condominium notarisations, condominium sales velocity (last twelve months) and net loan-to-value. Together, these indicators provide a balanced assessment of underlying asset performance, progress within the condominium sales programme and balance-sheet resilience during the transition phase.

EPRA-based measures continue to be applied in 2025 to support comparability with prior periods and with industry reporting conventions. EPRA NTA provides an established measure of underlying asset backing and balance-sheet strength and remains relevant as the Company progresses through the managed Portfolio realisation strategy. EPRA metrics are therefore considered alongside execution and balance-sheet indicators to provide a comprehensive view of performance.

Table: 2025 key performance indicators

Key performance indicator	31 December 2025	31 December 2024
LFL Portfolio valuation growth (%) [1]	1.5	0.8
EPRA NTA per share (€)	3.40	3.55
Share price discount to EPRA NTA (%) [2]	43.2	42.2
Condominium notarisations (€m)	36.0	9.4
Condominium sales velocity – LTM (%)	34.0	34.0
Net loan-to-value (%)	41.0	40.3

1. Like-for-like (LFL) Portfolio valuation growth measures the change in fair value of investment properties held throughout the year, excluding the impact of acquisitions, disposals and transfers to or from assets held for sale. This differs from the investment property revaluation loss reported in Note 11 of the financial statements, which reflects total fair value movements across all investment properties, including those classified as held for sale.2. For any given year, share price discount to EPRA NTA is calculated using the sterling share price as at 31 December, the €/£ exchange rate as at 31 December and the euro EPRA NTA as at 31 December.

KPIs applied from 2026 onwards
As the Company enters a more advanced phase of its managed Portfolio realisation strategy, the Board has refined the KPI framework to reflect the increasing importance of execution delivery, realised outcomes and balance-sheet discipline, while continuing to report valuation-based measures.

In this context, from 2026 the KPI framework places greater emphasis on execution delivery, capital realisation and realised shareholder outcomes, reflecting the progressive monetisation of the Portfolio. The Board has replaced the share price discount to EPRA NTA with share price discount to IFRS NAV per share, reflecting the increasing relevance of net realisable value as asset sales and capital returns advance.

Table: Key performance indicators (from 2026 onwards)

Key performance indicator	Definition / focus	2025 outcome (for reference)

LFL Portfolio valuation growth (%)	Underlying asset performance across the Portfolio during execution	1.5%
IFRS NAV per share (€ / £)	Net value after liabilities, taxes and costs relevant to realisation	€2.94 / £2.56
Share price discount to IFRS NAV per share (%)	Market discount to net realisable value	28.6%
Condominium notarisations (€m)	Capital crystallised through individual unit disposals	€36.0m
Condominium sales velocity – LTM (%)	Pace and throughput of execution	34.0%
Net loan-to-value (%)	Balance-sheet leverage and deleveraging progress	41.0%
Cumulative cash returned to shareholders (€m)	Realised cash distributions (net of costs and taxes)	Nil

PRINCIPAL RISKS AND UNCERTAINTIES

Effective risk management underpins the delivery of the Company's strategy and the protection of long-term shareholder value. As the Company executes a managed Portfolio realisation strategy in the Berlin residential property market, it is exposed to a range of risks that could affect the timing, execution and outcomes of that strategy.

Governance, responsibility and control

The Board has overall responsibility for the identification, assessment and oversight of the Company's principal risks, including emerging risks. The Board determines the Company's risk appetite, approves the risk framework and ensures that appropriate systems of internal control and monitoring are in place.

The Board undertakes a formal review of principal risks at least annually and considers risk matters regularly as part of its ongoing oversight of strategy, capital allocation, liquidity and execution. Where appropriate, the Board applies corrective actions, adjusts strategy or strengthens controls in response to changes in the risk environment.

Risk identification and management

In accordance with Provision 26 of the AIC Code, an externally facilitated evaluation of the Board and its Committees was undertaken during the year by SGN Advisors Ltd (trading as Satori Board Review). The evaluation covered Board composition, effectiveness, governance processes and decision-making, with findings and recommendations discussed by the Board.

This approach ensures that risks are identified close to execution activity while remaining subject to independent Board scrutiny, challenge and decision-making, with clear escalation routes for material issues.

Emerging risks

Emerging risks are assessed at both Company and Portfolio level, including developments in macroeconomic conditions, financial markets, regulation, geopolitics and competitive behaviour. Following the shareholder-approved transition to a managed Portfolio realisation strategy in 2025, the Company's risk profile has been recalibrated, with increased emphasis placed on execution-related risks, including asset disposals, pricing, timing and liquidity across both condominium and PRS assets.

Monitoring, reporting and review

The Board receives regular reporting on risk exposures, control effectiveness and execution progress. The principal risks set out below reflect the Board's assessment of the most significant risks facing the Company during the year ended 31 December 2025, together with the associated mitigation and control frameworks.

To assist the reader, the table below explains how movements in principal risks should be interpreted. These movements reflect changes in the Board's assessment of the likelihood and/or potential impact of each risk over the period, having regard to the effectiveness of mitigating controls and to changes in external conditions. They are not intended to predict outcomes and should be read in conjunction with the narrative on impact, mitigation and controls for each risk.

Table: Interpretation of principal risk movements

Risk movement	Meaning
Increased	The risk is assessed to have become more significant during the period, due to an increase in likelihood and/or potential impact, or a deterioration in the external environment or control effectiveness.
Decreased	The risk is assessed to have become less significant during the period, reflecting improved mitigation, reduced exposure or more favourable external conditions.
Unchanged	The Board's assessment of the risk is broadly consistent with the prior period, with no material change in likelihood or potential impact.
New risk	A risk that has been added to the principal risks disclosure for the first time, reflecting changes in strategy, operating context or the external environment.

1. Inability to sell condominiums (volumes, pricing and timing)
Movement: NEW RISK

Impact

- The Company's strategy relies on the orderly sale of individual condominium units to crystallise value at prices that reflect or exceed Portfolio carrying values. A sustained deterioration in buyer demand, mortgage affordability or consumer confidence could reduce sales volumes, extend sales timelines or require pricing concessions.
- Recent increases in longer-dated government bond yields, including 5 and 10-year maturities, could feed through to higher mortgage rates and reduced affordability for owner-occupiers and small investors. A sustained period of higher long-term rates could therefore place additional pressure on achievable pricing and absorption rates, particularly for occupied units and higher-value segments.
- Execution risk is heightened by the multi-year, multi-tranche structure of the sales programme. Delays in legal preparation, tenant processes, capital expenditure, marketing activity or broker execution at any stage could defer sales into less favourable market conditions, affecting aggregate outcomes even where long-term demand remains intact.
- Sustained sales below carrying values, or materially slower execution than anticipated, could reduce total realised proceeds, delay capital returns and undermine confidence in reported NTA, with potential second-order effects on the Company's equity valuation.

Mitigation and controls

- Sales execution is governed through a phased, tranche-based programme that allows the Board to calibrate sales pace and supply in response to prevailing market conditions, prioritising value over volume and deferring launches where pricing conditions are unfavourable.
- The condominium sales programme is supported by a diversified panel of specialist residential brokers, providing broad market coverage and reducing reliance on any single sales channel. Broker performance, pricing outcomes and sales velocity are monitored continuously.
- Pricing strategy is actively managed and can be adjusted to stimulate demand where appropriate, while remaining disciplined against carrying values and return objectives.
- The Board receives regular, detailed reporting on achieved pricing, sales velocity, pipeline activity and market conditions, enabling execution decisions to be adjusted dynamically and supported by real-time evidence.

2. Inability to sell PRS buildings (timing, pricing and liquidity)
Movement: NEW RISK

Impact

- While the primary focus of the realisation strategy is individual condominium sales, a residual PRS Portfolio remains with a value, as at 31 December 2025, of €269.1m. Over time, the Company will seek to dispose of PRS assets where appropriate to accelerate value realisation or manage liquidity.
- PRS disposals are typically more exposed to institutional investor sentiment, financing conditions and required yields than individual condominium sales. Recent increases in long-dated government bond yields could raise required return thresholds for institutional investors, increasing yield-based pricing pressure and reducing liquidity for PRS assets. Periods of elevated bond yields or constrained debt markets could therefore materially reduce transaction volumes or require pricing concessions to achieve execution.

- PRS valuations remain below peak levels and are more sensitive to changes in capital availability, regulatory risk perception and macroeconomic conditions. An inability to dispose of PRS buildings on acceptable terms could extend the duration of the realisation programme, delay capital returns and increase the relative weight of fixed operating costs.
- Delays or pricing pressure in PRS disposals may also affect the timing and quantum of shareholder distributions, contributing to a persistent share price discount where realised cash flows lag expectations.

Mitigation and controls
- The Company retains full discretion over the timing of PRS disposals and is not reliant on near-term PRS sales to fund operations or capital returns.
- The November 2025 refinancing provides a long-dated, interest-only debt structure through to 2030, reducing pressure to dispose of PRS assets in adverse market conditions and preserving strategic optionality.
- Conservative leverage and ongoing deleveraging through condominium sale proceeds reduce balance sheet risk and support liquidity resilience.
- The Board regularly reviews market conditions, valuation evidence and strategic alternatives for PRS assets, including continued operation versus disposal, and will not pursue sales where pricing does not reflect long-term value considerations.

3. Financing and interest rate risk
Movement: DECREASED

Impact

- While refinancing risk has been materially reduced following the November 2025 refinancing, sustained increases in longer-dated interest rates may continue to influence valuation benchmarks and required investor returns, with second-order effects captured primarily within execution and disposal risks rather than balance-sheet solvency.
- The ECB maintained its deposit facility rate at 2.0% through early 2026. However, monetary policy remains uncertain given competing pressures from weak growth and persistent services inflation in the eurozone.
- Covenant testing could be triggered if asset valuations decline, potentially requiring additional security, facility repayment or higher borrowing costs.
- The Company's variable-rate exposure is linked to three-month Euribor. A sustained increase would raise financing costs.

Mitigation and controls

- In November 2025, the Company completed the refinancing of all borrowings, securing a new €255m, five-year, interest-only facility at 210 basis points over three-month Euribor - eliminating the near-term refinancing risk under the previous facility (maturing September 2026) and providing a stable debt platform through to 2030.
- At least 80% of drawn loan facilities are hedged using derivative instruments or fixed-rate debt.
- The new facility removed previous restrictions on condominium sales volumes and shareholder distributions.
- The new facility has only one ‘hard’ covenant: a minimum interest coverage ratio (“ICR”). This covenant tests the Group’s ability to service interest costs from rental income.
- Net LTV has increased to 41.0% as at 31 December 2025 (up from 40.3% at 31 December 2024), with reductions expected as sale proceeds repay debt.
- Expected revenues, property values and covenant levels are modelled and reported to the Board as part of the annual Viability Assessment.

4. German regulatory risk
Movement: UNCHANGED

Impact
- Changes in legislation or regulation affecting property rights, zoning, landlord practices, environmental standards and taxation can affect the Company's ability to implement its condominium sales strategy and impact operational costs.

- The Berlin conversion regulation was renewed in March 2025 for a further five years, covering 81 designated social preservation areas (Milieuschutzgebiete), in which conversion of rental apartments to condominium ownership requires official approval.
- Under the Building Land Mobilisation Act, Berlin has adopted provisions allowing the state to block the splitting of apartment blocks into condominiums.
- The nationwide property tax reform, in force from 1 January 2025, has required a comprehensive reassessment of all properties and may alter individual property tax burdens.
- The Mietpreisbremse (rent cap) was extended nationwide to 31 December 2029 by the Bundestag in June 2025, limiting re-letting rents to 10% above the local reference rent (Mietspiegel).
- Proposals to increase penalties for breaches of the Mietpreisbremse (rent cap) could increase legal and financial exposure where historic rents are challenged, potentially raising operating costs and requiring additional resources for compliance, documentation and dispute resolution.
- Berlin has proposed further tightening of rules on short-term letting (e.g., holiday/temporary rentals), which could reduce flexibility to use short-let strategies to manage vacancy during sales preparation and may increase compliance and enforcement costs.
- Berlin maintains a ten-year termination blocking period for converted units, during which the new owner may not serve notice for personal use - affecting vacant possession timelines and the pricing of occupied condominium sales.
- Changes to the Mietspiegel could reduce rental values and affect PRS valuations. Further tightening of tenant protection laws could negatively impact rental income.

Mitigation and controls

- German lawyers advise on forthcoming changes to relevant laws and regulations, and the Board is kept informed by the Property Advisor of their implications for condominium disposals and property values.
- Over 70% of the Portfolio by units is already legally divided as condominiums. Conversion restrictions therefore act as a supply constraint, reducing competing condominium supply and supporting the value of the Company's existing divided stock.
- Importantly, there is currently no proposal that would restrict the sale of already-divided (split) condominium units, and the Company’s managed realisation strategy does not rely on any further condominium divisions to execute the planned sales programme.
- Full compliance is maintained with the conversion regulation in all designated social preservation areas.
- The Company's pivot to condominium sales progressively reduces exposure to rental regulation risk as properties are sold rather than retained for income.
- The ten-year blocking period, which impacts a small number of units is factored into pricing, with occupied units priced at a discount to vacant units to reflect this constraint.

5. Tenant affordability and rental challenges
Movement: INCREASED

Impact

- Tenants are increasingly using online platforms to assess whether rents comply with applicable laws, giving rise to legal challenges that, if successful, could result in rental reductions.
- Tenant default or unexpected vacancy trends across the Portfolio could cause a rental income shortfall, adversely affecting the Company's financial performance while the PRS Portfolio remains a significant revenue source.

Mitigation and controls

- The Company maintains active oversight of applicable German rental legislation and case law, with compliance embedded in rent-setting, leasing and ongoing tenancy management processes. Legal advisers and the Property Advisor monitor regulatory developments and emerging tenant challenge trends to ensure practices remain compliant and up to date.
- Rental challenges are closely monitored, contested where appropriate, and charges adjusted where claims succeed.
- New tenants are subject to strict creditworthiness and income-to-rent criteria. Close contact is maintained with existing tenants through the Property Advisor and property manager.
- The Company maintains a Vulnerable Tenant Policy and cases of hardship are supported where appropriate.

6. IT and cyber security risk
Movement: INCREASED

Impact

- Cybercrime remains a significant and growing risk. A breach could result in unlawful access to commercially sensitive information and adversely affect investor, supplier and tenant confidentiality or disrupt business operations.
- The threat landscape continues to evolve, with state-linked cyber actors (including those associated with Russia, China, Iran and North Korea) identified as ongoing threats to European corporate infrastructure.
- Threat actors' increasing use of artificial intelligence has heightened the sophistication and frequency of phishing, social engineering and ransomware attacks.

Mitigation and controls

- IT systems relied on by the Company are subject to regular review. All service providers are required to report to the Board on their IT controls at least annually and to carry out penetration testing.
- A detailed review of the cyber security of the Company and its outsourced processes has been completed. Service providers maintain risk and control registers that are reviewed by the Board. No material concerns have arisen from these reviews.
- The Company maintains both business continuity and disaster recovery plans, which are reviewed periodically and are designed to support the continuity of critical operations in the event of disruption, including where the Company relies on key outsourced IT service providers.

7. Reliance on third party service providers
Movement: UNCHANGED

Impact

- The Company relies on third-party service providers for execution of its managed Portfolio realisation strategy and day-to-day operations. These include QSix, as Property Advisor, Apex Group as the Company Administrator, together with property managers, residential brokers and other specialist advisers. Failure by any material service provider to perform in accordance with agreed mandates or service standards could adversely affect execution pace, pricing outcomes, regulatory compliance, financial performance or the Company's reputation.
- Service delivery risk includes control failures, errors or omissions, regulatory or legal breaches, operational disruption and increased costs. Inconsistent performance may also increase demands on management time and divert Board attention during a critical execution phase.
- There is a risk that QSix or other key providers do not allocate sufficient resources to the Portfolio, or that deterioration in operational capability, personnel or financial position adversely affects delivery. Key person risk is heightened during the execution phase, which is managed by a relatively small group of experienced individuals.
- The Company operates in Germany through a Master Power of Attorney and multiple individual Powers of Attorney ("POAs"), primarily granted to QSix personnel. Risks include ineffective authorisation, non-compliance with POA terms, KYC deficiencies or insufficient monitoring of delegated powers.
- In addition, the Company relies on outsourced providers, including Core Immobilien for tenant engagement and a panel of external brokers for condominium sales. Deterioration in service quality, continuity or conduct could adversely affect tenant relationships, rental income, sales execution and pricing outcomes.
- There is also a risk that actions undertaken by service providers diverge from the Company's stated investment objectives, guidelines or regulatory obligations.

Mitigation and controls

- The Board retains ultimate responsibility for oversight of all material third-party service providers and operates a structured governance and control framework to monitor performance, resourcing and compliance. This includes regular reporting from the Property Advisor covering execution progress, budgets, cash flows and operational KPIs.
- The Chairman maintains regular engagement with senior principals at QSix to monitor performance, resourcing, succession planning and key person risk. Any material changes to service arrangements or mandates are subject to Board approval.

- QSix is wholly owned by an FCA-regulated entity and operates within an established control environment, supported by internal control reviews and a tested business continuity and disaster recovery framework. Senior personnel and their families retain a significant equity interest in the Company, supporting alignment with shareholders. Apex undertakes annual regulatory and compliance assessments of QSix.
- All POAs are prepared or reviewed by legal advisers, formally authorised by the Board following completion of KYC procedures and subject to ongoing monitoring. Apex oversees compliance with POA terms and reports any deviations to the Board. QSix provides quarterly reporting on compliance with the Master Power of Attorney.
- The Board regularly reviews investment and disposal activity against the Company’s stated objectives, guidelines and regulatory requirements. QSix provides formal compliance confirmations in connection with execution decisions, and the Administrator undertakes periodic file reviews.
- Key third-party providers are subject to annual Board assessment questionnaires covering internal controls, service quality and resilience, supplemented by ongoing monitoring.
- The expansion of the residential broker panel has reduced concentration risk, with broker performance reported regularly.

8. Environmental and climate risk
Movement: UNCHANGED

Impact

- Failure to anticipate and respond to energy performance and climate legislation could damage the Company's reputation and lead to unplanned capital expenditure.
- Investor and buyer expectations for ESG compliance could result in diminished asset values or reduced demand for condominiums that do not meet evolving energy efficiency standards. Energy-efficient apartments in Berlin are reported to command price premiums over comparable less-efficient units.
- Evolving energy efficiency requirements may increase the cost of holding and managing properties.

Mitigation and controls

- All asset modernisation investment is assessed for energy efficiency impact on an asset-by-asset basis.
- The Company engages an in-house ESG consultant and an external specialist to advise on current and future climate and energy performance legislation.
- The Company was awarded an EPRA Gold Award for sustainability reporting for the fourth consecutive year in 2025.
- The Company's Altbau housing stock is upgraded with a focus on heating system efficiency while preserving architectural characteristics. Heating optimisation systems were piloted during 2025, with the potential to expand across other parts of the PRS portfolio, subject to detailed cost-benefit analysis.

ESG AND RESPONSIBLE BUSINESS

Introduction
The Company recognises that effective environmental, social and governance ("ESG") management protects value, reduces operational risk and can strengthen stakeholder engagement. This remains essential as the Company executes an orderly managed realisation programme over time.

The Company's commitment to transparent ESG disclosure has been recognised externally: PSD received the EPRA Gold Award for sustainability reporting (sBPR) for four consecutive years (2022–2025), reflecting the consistent strength in its measurement and reporting framework. Portfolio energy consumption and greenhouse gases measurement coverage increased from 25% in 2020 to over 90% currently, providing a more complete picture of environmental performance across the asset base.

As the Company progresses through its orderly wind-down, it has taken the decision to no longer produce a separate EPRA sBPR report this year. This reflects the practical reality that consistent like-for-like measurement becomes nearly impossible as units are sold to private buyers, and the Board no longer believes that, on a cost-benefit basis, continuing to produce this document is in the best interests of stakeholders.

The wind-down is designed to be disciplined and tenant conscious. In practice, this means reducing leverage, monetising the Portfolio in a planned sequence and completing condominium sales at scale where buildings have been designated for individual apartment disposals. While the Portfolio is expected to reduce over time, the Company's responsibilities to tenants, communities, regulators and commercial counterparties remain a priority.

ESG is therefore treated as an integrated, consistent core operating discipline throughout the transition period.

Our two asset pathways (retain vs sell)
As the asset realisation process now follows a mixed strategy - some buildings retained as PRS homes and others progressed through condominium sales - we tailor our ESG approach to each pathway. Our principles and policies are consistent across the business, but priorities and day-to-day delivery differ between retained and sale assets.

Asset pathway	How the Company defines it	Core ESG emphasis	What this means in practice
PRS pathway (manage then dispose)	Buildings expected to remain as rental properties.	Safe and resilient operations, strong tenant experience, and efficiency improvements where value accretive.	ESG focuses on operational improvement that supports stable rental income and long-term asset quality (preventive maintenance, consistent service standards, and measured efficiency upgrades).
Condominium sales pathway (sell-down)	Buildings designated for individual apartment sales as part of the wind-down.	Stewardship plus transition protections: fair tenant treatment, early and clear communication, strong data/privacy controls, and service continuity for non-purchasing residents.	ESG focuses on managing change responsibly - ensuring residents have clarity and genuine choice, and that building standards and essential services are maintained during the sales period.

ESG governance, oversight and operating model
Ultimate responsibility for ESG sits with the Board, which considers stakeholder impact when approving material decisions. Delivery is supported through the Company's partner-led operating model, primarily via QSix (Property Advisor) and Core Immobilien (tenant/building management).

Governance is structured through a three-tier oversight model. The QSix ESG Task Force oversees day-to-day implementation of our Better Futures responsibility plan across the business and provides regular progress reports to the Company's ESG Committee, which in turn reports to the Board. This layered approach ensures that ESG considerations are embedded in operational decision-making while maintaining independent Board oversight of material risks and strategic direction.

Governance tier	Key parties	Main responsibilities	Typical information flows to the Board
Board of Directors	Chair and Non-Executive Directors.	ESG embedded in strategy, risk oversight and key decisions.	Regular ESG dashboard; annual Better Futures review.
Property Advisor	QSix Portfolio and asset management teams.	Implement ESG policies, coordinate partners, collate data, oversee delivery.	Monthly operational report; exceptions and escalation updates.
Property manager / tenant management	Core Immobilien team.	Tenant service delivery, repairs, maintenance coordination, feedback capture.	Service-level reporting; complaint themes; tenant survey results.

Partner expectations
The Company expects key counterparties to align day-to-day work with Better Futures through:

- Policy alignment (e.g., health and safety, complaints, vulnerable tenant processes, data handling);
- Defined service standards (including response times and escalation routes);
- Controls over outsourced activity, where partners appoint third parties; and
- Ongoing monitoring, using reporting, targeted reviews and improvement actions where needed.

Relevant PSD policies are shared with all key business partners on an annual basis, and partners are asked to affirm their compliance. Where QSix outsources key functions, those business partners are also mandated to comply with PSD's policies. QSix works closely with PSD to ensure its own policies remain aligned with PSD's values and standards.

Materiality and prioritisation (by pathway)
The Company screens a broad set of ESG topics, assesses their potential impact on stakeholders and enterprise value, and prioritises effort where it can influence outcomes. Given different risk profiles and stakeholder dynamics, topics are weighted by pathway.

Pathway	Strategic objective	Key day-to-day focus	High-priority ESG topics	Core KPIs
PRS	Protect rental income and asset value via high-quality operations.	Repairs responsiveness; preventive maintenance; supplier oversight; efficiency upgrades where value accretive.	E: Maintain energy-use records and improve building performance (incl. heating optimisation) S: Safe, comfortable homes and strong tenant experience G: Supplier oversight, compliance and ethical conduct	Tenant satisfaction score (tenant survey) Safety/statutory compliance rate Energy consumption trend (where measurable)
Tenant first right of refusal (sell-down)	Realise proceeds while safeguarding residents and maintaining orderly execution.	Early and transparent communications; fair purchase process; consistent service for non-buyers; strict privacy controls.	E: Maintain compliant and safe building condition through sales window S: Clear communication of tenant choice, availability and service continuity G: Third-party controls (brokers), GDPR-compliant processing, consistent treatment	Tenant contact coverage (where practicable) Enquiry/complaint resolution time Essential works completed in a timely manner. Sales progress metrics (e.g., completions vs plan)

BETTER FUTURES: OUR CORPORATE RESPONSIBILITY PLAN
The Company's Corporate Responsibility Plan, Better Futures, provides a consistent structure for ESG delivery across the wind-down. It is organised into five pillars:

Better Futures pillar	What it covers
Tenant Satisfaction	Service quality, responsiveness, retention, complaint handling.
Environmental Stewardship	Energy and carbon, water, waste, procurement, efficiency planning.
Social Responsibility	Resident wellbeing, fair treatment, support for vulnerable tenants, workforce and partner standards.
Community Investment	Support for charities and community initiatives, with outcome focus.
Governing Responsibly	Ethics, compliance, data protection, partner oversight and reporting.

TENANT SATISFACTION

Tenant satisfaction is the first pillar of Better Futures, reflecting the Company's conviction that service quality and responsiveness are fundamental to protecting both resident wellbeing and long-term asset value. Tenant feedback, including results from the Portfolio-wide tenant survey, is a primary input to service improvement and Board oversight. The 2026 tenant survey has been revised to accommodate the separate asset pathways of PRS and condominium assets to capture information from those tenants offered the opportunity to purchase their apartments.

Tenant feedback

How feedback is captured	Core Immobilien conducts tenant surveys and maintains complaint enquiry channels (including escalation routes).
What the Company monitors	Satisfaction scores, response and resolution times, recurring service themes, and evidence of improvement actions.
How results are used	Survey findings and service metrics are reported through the operating model and inform priority setting (repairs standards, communications, and contractor performance).

PRS: Stable Homes and consistent service
Within the PRS segment , the Company's focus is on providing comfortable homes and consistent service. Priorities include responsive repairs and maintenance, preventive maintenance and lifecycle planning, clear service standards and fair complaint handling.

Condominium pathway (sell-down): Transition model
When a building is designated for sale, the Company recognises that residents may experience uncertainty. The Company applies a structured approach built around five principles: Clarity, Choice, Continuity, Support and Respect. This approach aims to protect resident outcomes while supporting orderly realisation of value.

Step	Typical timing	What tenants receive	Purpose
1. Designation notice	Day 0	Written communication with practical explanation (and verbal support where appropriate).	Transparency on what is changing and what is not.
2. Rights and options briefing	Week 1	Clear FAQ and contact route for questions.	Ensure tenants understand rights and that purchase is optional.
3. Priority purchase window	Weeks 1–12 (typical)	Written offer and deadline, consistent process.	Genuine, fair opportunity to purchase.
4. Practical sales support	On request	Broker/process support through to notarisation.	Reduce friction and stress for interested buyers.

5. Service continuity assurance	Ongoing	Confirmation that repairs, safety checks and tenancy terms continue.	Protect quality of life for non-purchasing tenants.

ENVIRONMENTAL STEWARDSHIP

The Company's environmental approach reflects the wind-down: improve efficiency in assets that retain long-term cash flows, while keeping assets held for sale safe, compliant and market-ready.

The Company has also strengthened its environmental data infrastructure to support effective disclosure. Measurement coverage increased from around 25% of the Portfolio in 2020 to over 90% in 2025, enabling broader analysis of energy, utilities, water and waste. This data supports operational decisions on efficiency investments.

PRS Pathway (Retain): Improve operational performance

Key focus areas include:

Energy use and carbon	Prioritise initiatives that deliver measurable operational insights and efficiency gains (e.g., heating optimisation pilots and rollout where successful), and pursue upgrades where feasible and value-accretive. The Company sources 100% of Portfolio electricity from renewable providers and encourages tenants to adopt sustainable utility choices and behaviours through practical guidance.
Resource management	Expand monitoring to improve insight and work with property managers and residents on waste reduction and recycling. Portfolio properties have received recycling awards for effective waste management. The Company partners with specialist waste providers to optimise disposal routes and provides tenants with guidance on recycling.
Procurement	Apply sustainable procurement principles ensuring materials meet required standards and are economically viable. The Company's Sustainable Procurement Policy aims to use products and materials with a low environmental impact, particularly when refurbishing properties. This policy applies to QSix and its key suppliers.

Condominium pathway (sell-down): Maintain standards during transition

Key focus areas include:

Safety and legal compliance	Ensure statutory obligations and essential works are completed during the sales window.
Proportionate efficiency works	Undertake improvement works where appropriate, but prioritise resident safety, compliance and orderly execution.
Data readiness	Maintain records and handover information to support buyer due diligence without compromising resident privacy.

Property Advisor environmental practices

QSix, as Property Advisor, has implemented a range of environmental measures within its own operations, including energy-saving products in offices, the appointment of Environment Champions to promote reduced utility usage, improved recycling infrastructure, and initiatives to reduce paper consumption among employees. These practices complement the Portfolio-level environmental strategy and ensure that the Property Advisor leads by example.

SOCIAL RESPONSIBILITY

The Company's social priorities reflect a continued duty of care to residents and a commitment to fair treatment across all stakeholder relationships, encompassing resident wellbeing, support for vulnerable tenants, and the standards expected of the Company's workforce and partners.

Resident wellbeing and fair treatment

The Company is committed to maintaining safe, healthy and well-managed homes for all residents. All residents are treated consistently and equitably, regardless of whether their building is on the PRS or condominium pathway. The Company's policies ensure that the transition to sales does not compromise the quality of service or the rights of residents who choose not to purchase.

In 2025, the Company invested over €13m across the Portfolio to enhance buildings and better serve tenants. This investment encompassed both planned maintenance programmes and proactive improvements to communal areas, amenities and building infrastructure. Core Immobilien also proactively provides amenities such as bike storage and playgrounds to enhance the quality of life for residents.

The Company is pleased to report zero major health and safety incidents across the Portfolio in 2025, reflecting the effectiveness of regular inspections and the preventive maintenance regime.

Support for vulnerable tenants

The Company's Vulnerable Tenant Policy provides a structured framework for identifying and supporting tenants who require additional care, ensuring that property management teams are equipped to respond sensitively and appropriately to residents' individual circumstances. This includes sensitivity in communications, tailored engagement where necessary, and coordination with relevant support services.

Respecting our people

QSix, as Property Advisor, is the face of PSD in the German residential property market. The Company recognises that the quality of its people directly influences the quality of service delivered to tenants, investors and business partners. QSix's People Policy governs the treatment of its workforce, founded on principles of dignity, fairness and consideration.

Creating the right working environment

QSix's approach to its people is structured around four pillars:

Work environment	Access to training programmes, on-the-job support and coaching, and annual Development Reviews for all employees.
Work-life balance	A commitment to health and wellbeing, leading health and welfare benefits, and access to medical and legal advice.
Home working	A hybrid model that balances productivity with employees' needs, supported by employee engagement surveys.
People policies	Including the Anti-Slavery and Human Trafficking Policy, shared with key business partners, with verification of compliance.

Each Board member is also required to undertake professional training throughout the year, facilitated by external third-party entities, the Property Advisor or other service providers. Annual appraisals are conducted for each Board member to ensure continued effectiveness and development.

COMMUNITY INVESTMENT

Beyond the buildings themselves, the Company supports organisations addressing homelessness and supporting families, consistent with the Community Investment Policy and the Company's footprint.

In 2025, the Company allocated €5.2m towards building improvement and investment programmes across the Portfolio, directly enhancing the living environment for residents and the communities in which the Portfolio is located.

Region	Partner charities	Primary focus areas
Berlin	Intercultural Initiative; Laughing Hearts	Youth inclusion; support for disadvantaged families
United Kingdom	SPEAR; Single Homeless Project; Home-Start	Homelessness prevention; family resilience

Charitable partnership milestones

The Intercultural Initiative (Berlin): A Berlin-based women's refuge supporting women affected by violence. It provides practical help including free legal advice, shelters and housing support for women and children fleeing domestic abuse, and protection for refugees at risk of exploitation and human trafficking.

Laughing Hearts (Berlin): A Berlin charity improving the lives of children and teenagers facing difficult circumstances. It funds activities and essentials such as dance lessons, sports memberships, tutoring and language trips, and health-related support including contributions towards glasses and dental care.

Single Homeless Project (London): Now in its fifth year, QSix's partnership with Single Homeless Project (SHP) is its longest-standing charitable collaboration. QSix supported SHP's strongest fundraising year to date in 2024, with its donation matched pound-for-pound through the Big Give appeal, helping fund SHP's Achieving Potential programme.

SPEAR (Southwest London): SPEAR supports people experiencing or at risk of homelessness across South and West London. In 2025, it continued delivering integrated services including outreach, accommodation support, tenancy sustainment and health-focused assistance, helping clients access GP and primary care and navigate NHS and local health systems.

GOVERNING RESPONSIBLY

A robust governance culture underpins delivery across both pathways. As sales activity increases, governance emphasis rises accordingly-particularly for third-party controls and data handling.

Core controls

Supplier and contractor standards	ESG expectations reflected in contracts; onboarding checks and periodic confirmations; selective reviews where risk is higher. The Company's Suppliers Code of Conduct holds business partners to the same high standards applied internally. The Code is shared with all partners on an annual basis, and annual affirmation of compliance is requested. This ensures that the principles of Better Futures extend throughout the Company's supply chain.
Data protection and privacy:	GDPR-compliant processing agreements, purpose limitation, and breach escalation protocols-particularly relevant for condominium sales communications and broker interfaces.
Reporting and assurance	Regular ESG reporting packs to the Board, with defined KPIs and exception reporting, and periodic review of selected metrics and controls.

Priorities as the wind-down progresses

As the wind-down progresses, the Company's near-term priorities are increasingly framed through the lens of corporate governance: ensuring clear accountability, robust oversight and decision-useful reporting during a higher-activity period. This includes addressing the evolving ESG regulatory landscape at European, German and Berlin levels, ensuring the consistency of reporting across pathways, with clearer separation between PRS stewardship metrics and condominium-transition metrics, and ensuring data coverage and quality to support Board scrutiny, operational decision-making and transparent disclosure.

The Company will also reinforce governance over execution by maintaining strong service standards throughout the sales programme - using tenant survey insights, feedback themes and service-level tracking as key

management information for escalation and oversight. In parallel, it will deepen third-party controls, particularly where brokers and outsourced providers are involved in sales processes, to ensure appropriate conduct, documentation and control of risks.

Overall, the approach is deliberately pragmatic: applying disciplined governance to protect value and stakeholders during the orderly wind-down. For PRS assets, this means sustained stewardship-safe, efficient, well-maintained homes that support tenant satisfaction-alongside maintaining high standards of disclosure in the Annual Report, while adapting reporting to reflect the evolving shape of the Portfolio as units are sold.

STAKEHOLDER ENGAGEMENT

Listening to our stakeholders

Engagement with key stakeholders is integral to the delivery of the Company's strategy and the long-term success of the business. The Company engages with tenants, shareholders, partners, people, local communities and regulators to understand their priorities and concerns and to inform Board decision-making.

Although, as a non-UK company, the Company is not legally required to comply with section 172 of the UK Companies Act 2006, it applies the related corporate governance principles set out in the AIC Code on a comply-or-explain basis.

The Board of Directors, both individually and collectively, is committed to acting in good faith to promote the success of the Company for the benefit of its members. In doing so, the Board considers the interests of stakeholders and the matters specified in section 172. While the Board engages directly with stakeholders on certain matters, much of the day-to-day engagement is undertaken through the Property Advisor, which provides regular reporting and insight to the Board.

A summary of how the Company engages with its key stakeholders, and why those stakeholders are important to the business, is set out below. Further detail on the Company's and the Property Advisor's approach to corporate responsibility is provided in the Corporate Responsibility section of this report.

HOW WE ENGAGE

Tenants

Key stakeholder issues

Tenant engagement assumed heightened importance during 2025 as the Company accelerated its managed Portfolio realisation strategy. With 40 properties (942 units) designated for condominium sales across four tranches, clear, timely and empathetic communication with tenants was essential to maintaining trust and supporting an orderly transition.

The Board and Property Advisor recognise the sensitivity of the condominium sales process for sitting tenants and are committed to transparent, fair and respectful engagement. The Company operates within Berlin's robust tenant protection framework, including statutory rights of first refusal (Vorkaufsrecht), a ten-year termination blocking period following conversion, and the Berlin conversion regulation, renewed in March 2025 for a further five years. Compliance with these protections is maintained across the Portfolio.

The Board considers effective tenant engagement to be integral to execution quality, legal compliance and the preservation of pricing outcomes during the realisation programme. Health and safety remain integral to the Company's operations across both retained and sale assets.

How the Company engages

The Property Advisor plays a central role in tenant engagement through its oversight of Core Immobilien, which manages day-to-day tenant relations. Core's activities are actively monitored to ensure effective engagement and responsible issue management.

All tenants in properties designated for condominium sale were contacted directly and provided with clear explanations of the sales process and their statutory rights. In addition to the legal minimum, the Company offered sitting tenants the opportunity to purchase their apartments at pricing reflecting statutory protections and occupancy status. This approach supported tenant participation in sales during 2025 while respecting tenant choice.

Tenant feedback is captured through the Property Tenant Survey and ongoing engagement channels. The Property Advisor's Vulnerable Tenant Policy and complaints handling protocols remain in place to ensure sensitive, fair and timely resolution of tenant issues.

Highlights

- Tenants across four condominium sales tranches were contacted through a phased communication programme tailored to each stage of the process.
- A number of sitting tenants exercised their statutory right of first refusal, resulting in 55 units being sold to existing tenants during 2025 for an aggregate consideration of €16.5m. These sales formed part of the occupied unit notarisations, with achieved pricing reflecting statutory protections and occupancy status.
- Approximately €12.6m of capital expenditure in 2025 was invested in properties and directed towards preparing properties for sale, including works that also improved living conditions for current tenants.
- Tenant survey feedback continued to inform operational priorities and Board oversight.
- Tailored support was provided to tenants facing financial difficulty, including agreed rental payment deferrals where appropriate.
- Heating optimisation pilots progressed during the year, supporting energy efficiency and reduced costs for tenants.

Shareholders

Key stakeholder issues

2025 was a pivotal year for shareholder engagement as the Company secured approval for its managed Portfolio realisation strategy and established a framework for capital returns. Clear and transparent communication was particularly important during this period of strategic transition.

How the Company engages

The Company maintains regular dialogue with institutional investors through meetings, presentations and reporting, and engages retail shareholders through AGMs, EGMs and digital communication platforms.

Two significant shareholder votes were held during the year: the continuation vote at the EGM in March 2025 approving the managed Portfolio realisation strategy, and the AGM/EGM in June 2025 approving amendments to the Company's Articles to establish a Compulsory Redemption Facility. The Company operates a comprehensive investor relations programme supported by RNS announcements, published materials and independent research coverage. The Board also oversees engagement with key service providers supporting shareholder processes, including the Company's administrator and registrar, with particular focus on operational resilience, data protection and continuity.

Highlights

- Shareholders approved the managed Portfolio realisation strategy and continuation of the Company for a further five years.
- Amendments to the Articles establishing the Compulsory Redemption Facility were approved, enabling systematic pro-rata capital returns.
- All Non-Executive Directors were re-elected at the June 2025 AGM and the auditor was re-appointed.
- Following the successful refinancing completed in November 2025, the Board has announced the first shareholder distribution with the Full Year Results in April 2026.
- The Property Advisor demonstrated alignment with shareholder interests through reinvestment of disposal fees into PSD shares and a permanent reduction in its fee cap.
- Six RNS announcements were issued during the year to keep shareholders informed of key developments.

Partners

Key stakeholder issues

The Company and its Property Advisor rely on a broad network of professional advisers, brokers, lenders and service providers to deliver the managed Portfolio realisation strategy. Fairness, mutual respect and high ethical standards are essential to maintaining effective partnerships and consistent service quality.

During 2025, the acceleration of the condominium sales programme increased operational complexity and required close coordination with an expanded network of partners, including additional residential brokers, legal

advisers and lending institutions. The Board recognises the importance of robust oversight of third-party relationships during periods of heightened execution activity.

How the Company engages
The Property Advisor maintains close working relationships with all key partners and advisers and is responsible for coordinating activity across the execution platform. Supplier standards are governed by the Company's policies and codes of conduct.

All key suppliers are required annually to confirm, through formal questionnaires and affirmation letters, that they maintain policies and procedures aligned with the Company's standards. The Board receives regular reporting on partner performance and undertakes an annual review of all material service providers.

Highlights

- The broker panel was expanded from three to five firms during 2025 to support increased sales volumes.
- A €255m, five-year, interest-only refinancing was completed in November 2025 through close collaboration with lending partners and professional advisers.
- The new facility removed previous restrictions on condominium sales volumes and shareholder distributions, materially improving operational flexibility.
- The Board conducted its annual review of service provider performance and confirmed its continued confidence in all key partners.

People
Key stakeholder issues
The Company places significant emphasis on the employment practices and capability of its Property Advisor, QSix. As the business transitioned from a steady-state rental platform to an active realisation model, the experience, resilience and adaptability of the QSix team became increasingly critical to successful execution.

The Board recognises that employee engagement, diversity and professional development are central to sustaining operational performance during a multi-year, execution-intensive programme.

How the company engages
The Company and its Property Advisor promote an inclusive and supportive workplace culture founded on fairness, transparency and engagement. QSix places strong emphasis on employee wellbeing, flexible working and access to professional development, while ensuring full compliance with applicable labour laws and regulations.

Open communication is maintained through regular internal updates, employee surveys and town hall meetings, providing insight into employee sentiment and operational capacity.

Highlights

- Monthly employee town hall meetings were held throughout 2025 to communicate business updates and reinforce organisational culture.
- Results from the 2025 employee survey indicated that employees feel treated with respect and provided with equal opportunities.
- Flexible working arrangements, including remote working with line manager approval, remained in place.
- As the condominium sales programme scaled, QSix expanded its operational capacity to manage four sales tranches concurrently across five broker firms.
- Continued investment was made in training and professional development to support the evolving demands of the realisation strategy.

Local communities
Key stakeholder issues
Local communities are an important consideration as the Company progresses its managed Portfolio realisation strategy. The transition of properties from rental accommodation to individual ownership can affect neighbourhood stability and community dynamics, particularly in Berlin's designated social preservation areas.
The Board recognises its responsibility to manage this transition in a considered and responsible manner, balancing value realisation with respect for local communities and regulatory frameworks.

How the Company Engages

Community engagement is delivered through the Company's Community Policy and the Better Futures Corporate Responsibility Plan, which focuses on charitable support and community investment aligned with the Company's geographic footprint.

The Company supports a number of established charitable organisations in Berlin and the UK that address homelessness, domestic abuse, youth disadvantage and family wellbeing.

Highlights

- Continued multi-year support for the Intercultural Initiative women's shelter in Berlin, providing refuge and support for women and children affected by domestic abuse.
- Ongoing support for Laughing Hearts, funding programmes for disadvantaged children and young people.
- Financial support maintained for UK charities including SPEAR, SHP and Home-Start.
- Investment in common areas of properties designated for condominium sale, supporting building condition, safety and resident experience during the transition period.
- A phased, tranche-based sales approach designed to manage sales activity in a controlled manner that respects the social fabric of local communities.

Regulators

Key stakeholder issues

The Company operates within a highly regulated environment and is committed to maintaining full compliance with all applicable legal and regulatory requirements, particularly those governing residential property, tenant protections and condominium conversions in Berlin.

The regulatory environment continued to evolve during 2025, with material developments including the extension of the rent cap, renewal of the Berlin conversion regulation and implementation of property tax reform.

How the Company engages

Regulatory compliance is embedded across the Company's operations and overseen by the Board, with day-to-day monitoring undertaken by the Property Advisor. Legal advisers are engaged to provide guidance on regulatory developments, and the Board is kept informed of emerging risks and requirements.

The Company adopts a constructive and transparent approach in its interactions with regulators and local authorities and ensures that tenant protection laws are rigorously observed throughout the condominium sales process.

Highlights

- Full compliance maintained with Berlin tenant protection laws, including rights of first refusal, termination protection and condominium conversion approvals.
- Successful navigation of regulatory approvals associated with the Compulsory Redemption Facility and amendments to the Company's Articles.
- Continued adherence to EPRA Best Practice Recommendations, with the Company receiving a Gold Award for sustainability reporting for the fourth consecutive year.
- Progression of heating optimisation pilots in line with evolving environmental regulation and efficiency standards.
- Ongoing compliance with IFRS and the AIC Code of Corporate Governance on a comply-or-explain basis.

BOARD DECISION-MAKING

Board decision-making and stakeholder considerations

In making decisions during the year, the Board seeks to promote the long-term success of the Company while maintaining high standards of business conduct. This section summarises the principal decisions taken or implemented in 2025 and explains how stakeholder interests were considered in reaching those decisions.

As a Jersey-incorporated company listed on the London Stock Exchange, PSD follows the corporate governance principles set out in the AIC Code on a comply-or-explain basis. Although not legally required to comply with section 172 of the UK Companies Act 2006, the Board voluntarily applies its principles, having regard to the long-term consequences of decisions, the interests of employees, relationships with suppliers and partners, the impact on communities and the environment, and the need to act fairly between shareholders.

2025 marked a decisive shift from strategy approval to execution. The Board took a number of significant decisions to accelerate the managed Portfolio realisation strategy, de-risk the balance sheet and establish a framework for capital returns. The key decisions, and the Board's consideration of stakeholder interests, are set out below.

1. Continuation vote and managed Portfolio realisation strategy
Stakeholders: Shareholders, tenants, partners, regulators
Decision and rationale

Under the Company's Articles of Association, a continuation vote was required by the 2025 AGM. Given the strategic importance of the accelerated condominium sales programme, the Board brought forward the vote to an Extraordinary General Meeting held on 12 March 2025, alongside proposals to amend the Company's investment objective and policy to facilitate an orderly Portfolio realisation.

Stakeholder considerations and outcome

The Board engaged extensively with shareholders, who expressed strong support for a managed Portfolio realisation strategy focused on individual condominium sales rather than bulk disposals. Tenant impacts were carefully considered, with a phased tranche approach designed to ensure clear communication and preservation of statutory protections, including rights of first refusal. The strategy was structured to comply fully with Jersey company law, the Listing Rules and Berlin tenant protection legislation.

Shareholders approved the continuation of the Company for a further five years and the adoption of the managed Portfolio realisation strategy, providing a clear mandate for systematic disposal of the Portfolio while balancing value optimisation, capital returns and responsible tenant engagement.

2. Condominium sales strategy and Portfolio split
Stakeholders: Shareholders, tenants, local communities
Decision and rationale

A central element of the Company's strategy is the division of the Portfolio into a Condominium Sales Pool and a PRS Pool. During 2025, the Board approved four tranches of properties for condominium sales, materially expanding the active sales pool.

Stakeholder considerations and outcome

For shareholders, the strategy reflects the structural pricing premium achieved through individual unit sales. For tenants, each tranche was phased to allow early and clear communication, statutory rights of first refusal and discounted purchase opportunities. The Board also considered the impact of conversions on local communities, particularly in designated social preservation areas, and ensured compliance with the renewed Berlin conversion regulation.

During the year, condominium sales exceeded the Company's original targets, supporting the Board's confidence in the strategy and underpinning expectations for 2026.

3. Debt refinancing
Stakeholders: Shareholders, partners
Decision and rationale

The Company's previous debt facilities were due to mature in 2026 and constrained sales volumes and shareholder distributions. During 2025, the Board pursued a comprehensive refinancing to align the capital structure with the realisation strategy.

Stakeholder considerations and outcome
Shareholders emphasised the importance of de-leveraging, execution flexibility and capital returns. The Board and Property Advisor worked closely with lending partners and advisers to balance operational flexibility with prudent financial management.

In November 2025, all borrowings were refinanced into a single long-dated, interest-only facility. The refinancing removed operational constraints on condominium sales, eliminated near-term refinancing risk and enabled the Company to commence capital returns.

4. Compulsory Redemption Facility
Stakeholders: Shareholders, regulators
Decision and rationale

To enable orderly and equitable capital returns, the Board proposed amendments to the Company's Articles of Association to establish a Compulsory Redemption Facility, approved at the AGM/EGM in June 2025.

Stakeholder considerations and outcome
The Board engaged with shareholders to design a transparent, pro-rata mechanism for returning capital, while ensuring full compliance with Jersey company law, FCA Listing Rules and London Stock Exchange requirements. The Facility provides a flexible and repeatable mechanism for returning capital to shareholders as sale proceeds are realised, supporting the orderly wind-down of the Portfolio.

5. Property Advisor fee arrangements (PAIR agreement)
Stakeholders: Shareholders, people
Decision and rationale

The Board reviewed the Property Advisor's fee arrangements to ensure continued alignment with the revised strategy and shareholder interests. Reflecting shareholder feedback on cost discipline and the increased operational demands of the realisation programme, the ongoing fee cap was permanently reduced. The revised arrangements strengthen alignment with shareholders and deliver ongoing cost savings over the life of the programme.

6. Tenant engagement, ESG and community considerations
Stakeholders: Tenants, local communities, all stakeholders
Decisions and rationale

As implementation of the sales programme accelerated during 2025, the Board maintained close oversight of tenant engagement, environmental stewardship and community investment. Regular reporting from the Property Advisor informed Board discussions on tenant communications, vulnerable tenants and service continuity. The Board also oversaw continued ESG monitoring, including a review and refinement of the Company's EPC certification processes during the year, and reviewed the focus and impact of charitable partnerships in Berlin and the UK.

Together, these actions reflect the Board's commitment to responsible execution of the realisation strategy, positive engagement with tenants, maintaining regulatory compliance and preserving the Company's reputation as a responsible corporate citizen throughout the wind-down.

Our Board

The Company has an experienced Non-executive Board, chaired by Robert Hingley. The Directors have a wealth of experience in real estate, corporate finance, investment funds and capital markets.

Robert Hingley
Independent Non-Executive Director, Chair of the Company and Chair of the Nomination Committee

Robert, a UK resident, acts as an Independent Non-Executive Director and Chair of the Company. He also acts as Chair of Euroclear UK & International Limited, The Law Debenture Corporation PLC and Marathon Asset Management Limited. Robert has over 30 years' experience as a corporate finance advisor, retiring in 2017 as a Partner at Ondra Partners LLP. He joined the Association of British Insurers ("ABI") as Director, Investment Affairs in September 2012 and, following the merger of ABI's Investment Affairs with the Investment Management Association ("IMA"), acted as a consultant to the enlarged IMA until the end of 2014. From 2010 until 2015, he was a Managing Director, and later Senior Advisor, at Lazard & Co.

He was previously Director General of The Takeover Panel from 2007, on secondment from Lexicon Partners, where he was Vice Chairman. Prior to joining Lexicon Partners in 2005, he was Co-Head of the Global Financial Institutions Group and Head of German Investment Banking at Citigroup Global Capital Markets, which acquired the investment banking business of Schroders in 2000. He joined Schroders in 1985 after having qualified as a solicitor with Clifford Chance in 1984.

Skills and experience:
Qualified solicitor with extensive corporate financial advisory experience and knowledge of the global market and banking sector.

Date of appointment:
15 June 2015

Antonia Burgess
Independent Non-Executive Director, Senior Independent Director and Chair of the Risk Committee and the Remuneration Committee

Antonia has over 30 years' experience working in the legal and financial services sectors. She is a Jersey resident Independent Non-Executive Director with considerable experience working with leading institutional real estate fund managers and investment companies and has an in-depth understanding of real estate investment transactions and structuring.

Antonia qualified as a Solicitor in England and Wales in 1995 and practised as a real estate lawyer at Hogan Lovells in London, prior to relocating to Jersey, where she led Mourant's European real estate fund administration business (subsequently acquired by State Street). She holds several non-executive roles in fund entities managed by Signal Capital Partners. She is regulated by the Jersey Financial Services Commission and is a member of the Institute of Directors. Antonia was elected Senior Independent Director on 1 April 2022, and she was appointed Chair of the Risk Committee and Remuneration Committee with effect from 14 September 2020 and 1 December 2022 respectively.

Skills and experience:
Qualified solicitor with extensive legal and real estate expertise in the funds and financial services sector.

Date of appointment:
12 August 2020

Jonathan Thompson
Independent Non-Executive Director and Chair of the Audit Committee

Jonathan is a Non-Executive Director and an independent member of the investment advisory board to a family wealth fund. He sat as Chair of the Investment Property Forum and was a member of the Board of the British Property Federation.

An accountant by background, he spent 32 years at KPMG which included 12 years as Chair of its international real estate and construction practice. He is a member of the Institute of Chartered Accountants and an Honorary Fellow of the Royal Institute of Chartered Surveyors. He is the recent past Chair of the Argent Group of real estate regeneration, development and investment businesses and former Non-Executive Director and Chair of the Audit Committee at Schroders European Real Estate Investment Trust PLC.

Skills and experience:
Chartered Accountant with extensive experience, both in real estate and family wealth, within the investment and property sectors.

Date of appointment:
24 January 2018

Isabel Robins
Independent Non-Executive Director and Chair of the Environmental, Social & Governance Committee and the Property Valuation Committee

Isabel has been a member of The Royal Institution of Chartered Surveyors since 1993 and received a BSc (Hons) Valuation and Estate Management degree from the University of the West of England (1991). She holds several non-executive roles, with Lloyds Bank, Columbia Threadneedle Investments, a Canadian pension scheme investing in prime London real estate, and Jersey Development Company – the regeneration and development arm of the States of Jersey. She was previously Chair of Schroders Real Estate in Jersey and a Director on various entities with EcoWorld Ballymore and Nuveen. Isabel has over 23 years' experience running complex offshore real estate structures, encompassing a broad range of property funds, investments, and developments.

She is a Jersey resident Independent Non-Executive Director and regulated by the Jersey Financial Services Commission. Isabel was appointed Chair of the Environmental, Social & Governance Committee and the Property Valuation Committee with effect from 1 April 2022 and 28 September 2022 respectively.

Skills and experience:
Chartered Surveyor with significant international experience in real estate within the investment and development fund sector.

Date of appointment:
14 March 2022

Steven Wilderspin
Independent Non-executive Director

Steven, a Jersey resident, is a fellow of the Institute of Chartered Accountants of England and Wales. He has acted as an Independent Director for a number of public and private investment funds and commercial companies since 2007.

He is currently a Non-executive Director and Chair of the Audit and Risk Committee of HarbourVest Global Private Equity Limited, a Non-executive Director and Chair of the Audit and Risk Committee of GCP Infrastructure Investments Limited and a Non-executive Director of Henderson Far East Income Limited all listed on the LSE.

Prior to 2007, Steven was a Director at Maples Finance Jersey, with responsibility for their fund administration and fiduciary business. Steven began his career at PwC in London in 1990.

Skills and experience:
Chartered Accountant with extensive audit and accounting experience with a deep knowledge of financial matters within the financial services sector.

Date of appointment:
10 January 2023

The Directors are pleased to present their Annual Report and the audited consolidated financial statements for the year ended 31 December 2025.

Corporate Governance

The Corporate Governance Statement on pages 49 to 61 forms part of this Directors' Report, which, together with the Strategic Report set out on pages 1 to 42 form the management report for the purposes of Disclosure Guidance and Transparency Rule 4.1.5R(2).

The Corporate Governance Statement details how the Association of Investment Companies Code of Corporate Governance ("**AIC Code**") has been applied (available in the AIC's website).

General information

The Company is a public limited company incorporated in Jersey, Channel Islands under the Companies (Jersey) Law 1991 (as amended). The Company has a listing on the Official List of the Financial Conduct Authority and was originally admitted to the premium segment of the Main Market of the London Stock Exchange on 15 June 2015. Following shareholder approval at the Extraordinary General Meeting of the Company held on 12 March 2025 (the "**2025 EGM**"), the Group's new objective is to realise the value of its existing assets through a carefully managed Portfolio realisation, resulting in a managed sell down of the Company's Portfolio over time, with a view to returning available cash to shareholders. The Group is primarily invested in the residential market in Berlin, supplemented with selective investments in commercial property. The majority of commercial property within the Portfolio is located within residential and mixed-use properties.

Capital return

The Company has completed a comprehensive refinancing of its existing borrowings. Facilitated by Natixis Pfandbriefbank AG, the refinancing has provided a stable, flexible capital structure to support the Company's orderly wind-down and managed realisation strategy. A key term of the new facility is to permit distributions to shareholders by removing the prior block on distributions, enabling distributions to shareholders while debt is being progressively repaid (i.e. returning capital to shareholders is no longer contingent on full debt repayment). Subject to available cash, market conditions and covenant headroom, the Company intends to make regular distributions through pro rata redemptions as disposals complete.

The Board remains committed to returning surplus cash in a timely and equitable manner while safeguarding value through disciplined execution of the wind-down, continued sales, tenant engagement and cost control.

Directors

The Directors in office at the date of this report and their biographical details are shown on pages 41 to 42.
The Company has made third party indemnity provisions for the benefit of its Directors which were in place throughout the year and remain in force at the date of this report. The Company maintains directors' and officers' liability insurance.
The terms and conditions of appointment of the Directors are formalised in letters of appointment, copies of which are available for inspection at the Company's registered office. None of the Directors has a contract of service with the Company nor has there been any other contract or arrangement between the Company and any Director at any time during the year.

During the year, none of the Directors or any persons closely associated to them had a material interest in the Company's transactions or agreements.

The Board, through the Company Secretary, maintains a register of conflicts which is reviewed quarterly at Board meetings, to ensure that any conflicts remain appropriate and to confirm whether there have been any changes.

It is the Directors' duty to avoid situations where they have, or could have, a direct or indirect interest that conflicts, or possibly could conflict, with the Company's interests. The Director must inform the

Board as soon as he or she becomes aware of an interest that might conflict with the interests of the Company. Any Director who has a material interest in a matter being considered will not be able to participate in the Board approval process.

The Board believes that its procedures regarding conflicts of interest have operated effectively. At 31 December 2025, the interests of the Directors in the ordinary shares of the Company were as follows:

	31 December 2025	31 December 2024
	Number of shares	Number of shares
Robert Hingley	5,150	5,150
Jonathan Thompson	7,337	7,337
Steven Wilderspin	6,500	N/A

There has been no change to the interests of each Director between 31 December 2025 and the date of this report.

The Board has adopted the policy of maintaining a gifts and hospitality register to record all gifts and hospitality in excess of £250 accepted by the Directors from the Company's service providers or other third parties. All gifts and hospitality in excess of £500 require pre-approval from the Board.

Share repurchases

In accordance with the Company's Articles of Association and the Companies (Jersey) Law 1991, the Company may hold any ordinary shares that it repurchases in treasury or cancel them. Authority for the Company to make market purchases of and to cancel or hold in treasury up to 13,764,921 of its ordinary shares (representing approximately 14.99 per cent of the ordinary shares in issue) is sought from shareholders at each Annual General Meeting, with the latest authority granted on 18 June 2025.

This authority will expire at the conclusion of, and renewal sought at, the AGM to be held on 23 June 2026.

There were no share repurchases made during the year under review.

Holding the shares purchased in treasury gives the Company the ability to re-sell or transfer them quickly and cost effectively and provides the Company with additional flexibility in the management of its capital base.

Share capital

At the year end, the issued share capital of the Company comprised 100,751,410 redeemable ordinary shares of which 8,924,047 were held in treasury and 1 non-redeemable ordinary share. Therefore, the total voting rights of the Company were 91,827,363, being the redeemable ordinary issued share capital minus shares held in treasury.

On 18 June 2025:

- the Company obtained shareholder approval authorising the Directors to allot and issue up to 10,075,141 redeemable ordinary shares in the issued capital of the Company for cash on a non-pre-emptive basis, representing approximately 10 per cent of the ordinary shares then in issue. The Directors are proposing that this shareholder approval be renewed at the forthcoming 2026 AGM; and

- the Company obtained shareholder approval authorising the Directors to allot and issue one ordinary share of no par value (the "**PSD Trustee Share**") to Apex Financial Services (Corporate) Limited acting in its capacity as trustee of The Phoenix Spree Deutschland Purpose Trust (the "**PSD Trustee**"), at a subscription price of £1. The PSD Trustee Share was immediately converted into and redesignated as a non-redeemable ordinary

share of no par value. Furthermore, the Company's entire issued ordinary shares of no par value other than the PSD Trustee Share was converted into and redesignated as redeemable ordinary shares of no par value.

At general meetings of the Company, redeemable ordinary shareholders are entitled to one vote on a show of hands or on a poll, to one vote for every redeemable ordinary share held.

Substantial shareholdings

At 31 December 2025, the Company had been informed of the following holdings representing more than 5 per cent of the voting rights of the Company:

Name of holder	Percentage of voting rights	No. of Ordinary Shares
Columbia Threadneedle Investments	19.86%	18,232,905
Bracebridge Capital	15.84%	14, 543,162

There were no changes notified to the company between 31 December 2025 and the date of this report in respect of holdings representing more than 5% of the Company.

Requirements of the Listing Rules

Listing Rule 6.6.4R requires the Company to include the information required under UKLR 6.6.1R in a single identifiable section of the annual report or a cross-reference table indicating where the information is set out. The Directors confirm that there are no other disclosures required in relation to Listing Rule 6.6.4R

Financial risk management

Details of the financial risk management objectives and policies adopted by the Directors, and the exposure of the Company to price, credit, liquidity and cashflow risk can be found in note [x] to the consolidated financial statements.

Events after the reporting date

Since the reporting date, the Company has notarised 56 condominium units for aggregate proceeds of €16.5m, at an average of €4,431 per sqm. Of these, 24 units were vacant, generating €8.3m at an average of €4,594 per sqm, and 32 were occupied, generating €8.3m at an average of €4,278 per sqm. 37 units that were notarised prior to the balance sheet date completed after the year end, realising €11.7m at an average of €4,336 per sqm. On 21 April 2026, the Board resolved to cancel all 8,924,047 treasury shares held by the Company. Following cancellation, the Company's total issued share capital comprises 91,827,363 redeemable ordinary shares and 1 non-redeemable ordinary share.

Auditor

Each of the Directors at the date of approval of this Annual Report has taken all the steps that he or she ought to have taken as a Director in order to make him or herself aware of any relevant audit information and to establish that the Group's auditor is aware of that information. The Directors are not aware of any relevant audit information which has not been disclosed to the auditor.

During 2025 it was concluded that RSM UK Audit LLP ("**RSM**") continued to meet the required levels of independence, objectivity, and performance, and was subsequently reappointed as the Company's auditor at the AGM held on 18 June 2025.

Going concern

The Directors have reviewed detailed financial projections covering a period of at least 12 months from the date of approval of the financial statements. The projections have been prepared using assumptions that the Directors consider to be reasonable and realistic, having regard to the Group's current financial position, expected revenues, cost base, capital expenditure requirements, planned asset disposals and financing arrangements.

Following the comprehensive refinancing completed in November 2025, the Group benefits from a €255m, five-year, interest-only debt facility maturing in 2030. In assessing going concern, the Directors have considered

forecast cash flows, available liquidity and covenant headroom under this facility. Under the base-case and stressed projections considered, the Group maintained positive cash balances throughout the assessment period, with liquidity not falling below internal minimum thresholds, and remained in compliance with all banking covenants, with headroom maintained above covenant minimums. On this basis, the Directors are satisfied that the Group is expected to operate within its available resources and comply with all banking covenants for at least 12 months from the date of approval of the financial statements.

In forming this assessment, the Directors have taken into account the discretionary nature of shareholder capital returns under the Compulsory Redemption Facility. Any compulsory redemption may only be effected where the Board is satisfied that, immediately following such redemption, the Group will remain solvent, maintain adequate liquidity and retain sufficient covenant headroom. Capital returns are therefore not assumed in the going concern assessment and are treated as a use of surplus capital rather than a funding requirement.

The Group's business activities, strategic objectives, principal risks and the systems of control applied to manage those risks are set out in the Strategic Report.

Accordingly, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of approval of the financial statements, and therefore continue to adopt the going concern basis in preparing the financial statements.

Viability statement

The Directors have assessed the viability of the Group over a three-year period to 31 December 2028, which they consider appropriate as it aligns with the Group's strategic planning horizon, provides meaningful coverage of the active execution phase of the managed Portfolio realisation strategy, and remains within the maturity of the Group's current debt facilities.

The assessment is based on a robust evaluation of the principal risks that could threaten the Group's business model, future performance, solvency or liquidity, as described in the Principal Risks and Uncertainties section of this report. Following the Group's transition to a managed Portfolio realisation strategy, particular emphasis has been placed on execution-related risks, including asset disposals, pricing, timing and liquidity across both condominium and PRS assets.

Financial modelling and stress testing

In assessing viability, the Directors considered projected cash flows over the three-year period under both base-case and stressed scenarios. The analysis incorporated explicit quantitative assumptions in relation to sales volumes, pricing, operating costs, capital expenditure, liquidity and covenant compliance, and considered, in particular:

- projected operating cash flow requirements;
- the absence of any requirement to refinance debt facilities prior to their maturity in 2030;
- working capital requirements during execution of the realisation strategy;
- property vacancy levels during the disposal programme;
- capital and corporate expenditure requirements;
- the timing and quantum of proceeds from condominium sales and, where appropriate, PRS asset disposals; and
- the discretionary nature of shareholder capital returns under the Compulsory Redemption Facility, with no assumption that such redemptions are required or undertaken to maintain solvency, liquidity or covenant compliance.

Stress testing applied adverse but plausible downside assumptions, including reduced sales volumes, lower achieved pricing relative to the base case, elevated operating and execution costs, and delays in the timing of disposal proceeds. The modelling also considered broader macroeconomic and geopolitical uncertainty, including the potential impact of ongoing conflict in the Middle East on market sentiment, financing conditions and buyer demand.

In the most severe downside scenario modelled, the Company remained liquid, and covenant headroom remained above minimum requirements by 9% / 0.03x throughout the assessment period.

Viability assessment – key quantitative assumptions and minimum outcomes

Area	Quantitative assumptions applied in stressed scenarios	Minimum outcome observed under stressed scenarios
Liquidity	Downside cash flow forecasts incorporating delayed sale proceeds and lower rents	Cash balances remained positive throughout, and did not fall below internal minimum liquidity thresholds at any point.
Sales execution	Reduced condominium sales volumes and lower achieved pricing relative to base case	Disposal proceeds remained sufficient to fund operating requirements and debt service without reliance on external funding.
Operating costs	Elevated property-level and administrative costs relative to base case	Costs remained absorbable within available liquidity, with discretionary expenditure available to be reduced or deferred if required.
Capital expenditure	Continued execution-related capital expenditure under downside assumptions	Capital expenditure remained discretionary and capable of deferral without breaching liquidity or covenant thresholds.
Debt and covenants	Downside valuation, cash flow and cost assumptions	The Group remained in compliance with all banking covenants at all times, with covenant metrics not falling below minimum covenant requirements.
Shareholder returns	No assumption of capital returns in base-case or stressed scenarios	Viability was demonstrated without reliance on shareholder capital returns.

Viability assessment and controls

Under the stressed scenarios modelled, the Group was not required to deploy control actions to remain solvent or liquid over the three-year assessment period. In all scenarios considered, the Group remained able to meet its liabilities as they fell due, maintained positive liquidity throughout, and complied with all banking covenants, with headroom maintained above minimum covenant levels at all times.

Shareholder capital returns under the Compulsory Redemption Facility are entirely discretionary and are not assumed in either the base-case or stressed cash flow projections. Any decision to undertake a compulsory redemption would be subject to the Directors being satisfied, at the time of authorisation, that the statutory solvency test under Jersey law is met, including that the Group will be able to discharge its liabilities as they fall due for a period of at least 12 months following the redemption. Capital returns are therefore treated as a consequence of successful execution rather than a determinant of viability.

The Directors note that the Group retains clearly identifiable control actions should further mitigation be required, including reducing or deferring discretionary capital expenditure, adjusting condominium pricing and sales pacing, and disposing of PRS assets where appropriate and where pricing conditions are acceptable.
The Board receives regular reporting on cash flows, liquidity, covenant compliance and execution progress and retains full discretion over the timing and sequencing of asset disposals, capital expenditure and shareholder distributions.

Directors' confirmations

In accordance with the FCA's Disclosure Guidance and Transparency Rules, each of the Directors in office at the date of this report, whose names are set out on pages 41 to 42, confirms that to the best of his or her knowledge:

- the annual report and financial statements have been prepared in accordance with IFRS and UK IAS, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the annual report, including the Directors' report, includes a fair and balanced review of the development and performance of the business, and the financial position of the Company, together with a description of the principal risks and uncertainties that the Company faces.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Annual Report and financial statements, taken as a whole, are considered by the Board to be fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

On the basis of the above, and assuming the principal risks are managed or mitigated as expected, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year period of their assessment.

The Directors' Report was approved by the Board of Directors and authorised for issue and signed as follows:

On behalf of the Board

Robert Hingley
Chair
22 April 2026

Corporate Governance Statement

This Corporate Governance Statement comprises pages 49 to 61 and forms part of the Directors' Report.

Introduction from the Chair
I am pleased to introduce this year's Corporate Governance Statement. In this statement, the Company reports on its compliance with the AIC Code, sets out how the Board and its committees have operated during the past year and describes how the Board exercises effective oversight of the Group's activities in the interests of shareholders.

The Board recognises the importance of a strong corporate governance culture and has established a framework for corporate governance which it considers to be appropriate to the business of the Company and the Group as a whole.

The AIC Code

As a member of the AIC, the Company reports against the principles and provisions of the AIC Code. The AIC Code addresses the principles and provisions set out in the UK Corporate Governance Code (the "UK Code") and also includes additional provisions of specific relevance to investment companies. The AIC Code also explains how the principles and provisions of the UK Code are applied in the context of investment companies.

The Board considers that reporting against the AIC Code, which has been endorsed by the Financial Reporting Council and supported by the Jersey Financial Services Commission, provides shareholders with governance reporting that is more relevant to the Company.

The Board has made the appropriate disclosures in this report to ensure that the Company meets its continuing obligations. As an investment company, most of the Company's day-to-day responsibilities are delegated to third-party service providers. The Company has no executive employees and the Directors are all Non-executive Directors; therefore, not all of the provisions of the UK Code are directly applicable to the Company. The Board considers that the Company has complied with the principles and provisions of the AIC Code.

The Board notes the amendments to the UK Corporate Governance Code published in January 2024, including the revised requirements under Provision 29 (effective for financial years beginning on or after 1 January 2026). In advance of the effective date, the Board will continue to enhance its approach to monitoring and reviewing the effectiveness of the Company's risk management and internal control framework, taking into account the Company's externally managed operating model and reliance on third-party service providers.

This work will include identifying the controls considered material to the Company (covering financial, operational, reporting and compliance controls), assessing the assurance obtained from key service providers and other sources, and documenting the basis on which the Board will be able to make the required declaration regarding the effectiveness of material controls and any actions taken to remediate identified deficiencies.

Board Leadership, Purpose and Culture
At the date of this report, the Board comprised five Directors. Their biographical details are shown on pages 41 to 42. The Board considers all Directors to be independent and that there are no relationships or circumstances that are likely to affect their independence. Further details can be found in the Nomination Committee report on pages 59 to 61. The interests that some of the Directors hold in the Company, as set out on page 66 of this report, are not considered significant so as to bring their independence into question.

The Board has overall responsibility for maximising the Group's long-term success by directing and supervising the affairs of the business and meeting the appropriate interests of shareholders and relevant stakeholders, while enhancing the value of the Group and ensuring protection of investors.

Within the annual report and financial statements, the Directors have set out the Group's investment objective and policy which, following shareholder approval at the 2025 EGM, is to realise the value of its existing assets through a carefully managed Portfolio realisation, resulting in a managed sell down of the Company's Portfolio over time, with a view to returning available cash to shareholders. Its investment objective and policy are set out

on pages 6 to 22 of the annual report. The Directors have reported how the Board, and its delegated committees operate and how the Directors consider and address the opportunities and risks to the future success of the Company, along with the sustainability of the Company's business model and how its governance contributes to the delivery of its strategy. The Board has approved a formal schedule of matters reserved for its approval which is available on the Company's website and upon request from the Company Secretary. The principal matters considered by the Board during the year included:

- the Interim and Annual Financial Statements;
- revision of the Property Advisory and Investor Relations Agreement;
- renewal of Master Power of Attorney delegating a number of administrative matters to the Property Advisor;
- sale of condominium assets and portfolio sales;
- consideration of intercompany loans;
- standard and non-standard capital expenditure projects;
- recommendations from the Company's respective committees;
- the annual review of service providers;
- the condominium pivot strategy; and
- negotiation and approval of the Company's refinancing with its existing debtor Natixis Pfandbriefbank AG.

The Board is also responsible for assessing the performance of the Company's key service providers, including the Property Advisor, the terms of their engagement, remuneration and their continued appointment.

Following the Board's annual assessment of the Company's key service providers, including the Property Advisor, their continued appointment, was considered in the best interest of shareholders as a whole. Thus, it was agreed that the service providers be retained.

The Company has no direct employees therefore is not required to monitor culture in this respect. However, the Board recognises its wider responsibility to demonstrate to shareholders that it is operating responsibly and managing its social and environmental impacts for the benefit of all stakeholders. Following a thorough review of how sustainability is managed within the Company, a 'Better Futures' CR Plan has been developed. This provides a framework to measure existing activities better while adding new initiatives to improve overall sustainability.

Additionally, the Board continuously monitors its policies, practices and behaviours and undertakes a rigorous evaluation of its own performance and that of its key service providers on an annual basis to ensure their culture is aligned with the Company's purpose, values, and strategy. Details on the Board evaluation and the annual service provider review can be found on pages 61 and above, respectively. Where the Board is not satisfied, it will seek assurance from key service providers that management have taken corrective action.

Stakeholder engagement
Details of how the Directors have engaged with the Company's key stakeholders is set out in the Stakeholder Engagement section and Corporate Responsibility report within the Strategic Report on pages 31 to 40, respectively.

The Board believes that the maintenance of good relations with both institutional and retail shareholders is important for the long-term prospects of the Group. The Board receives feedback on the views of shareholders from its corporate broker and the Property Advisor. Through this process the Board seeks to monitor the views of shareholders and to ensure an effective communication programme. The Board seeks to utilise stakeholder communication to inform them of the decisions that the Company takes, whether about the products or services it provides, or about its strategic direction, its long-term health, and the society in which it operates. The Board agrees that stakeholder engagement strengthens the business and promotes its long-term success to the benefit of stakeholders and shareholders alike.

The Chair is open to discussions on governance and strategy with major shareholders and the other Directors are provided with the opportunity to attend these meetings.

The Board believes that the Annual General Meeting provides an appropriate forum for investors to communicate with the Board and encourages participation.

The Group regularly reviews its shareholder profile through reports prepared by its corporate broker. Shareholders may contact the Company directly through the investor section of the Company's website at www.phoenixspree.com.

2025 Annual General Meeting

The 2025 Annual General Meeting of the Company was held on 18 June 2025. Resolutions 1 to 9 related to ordinary business and resolutions 10 and 11 related to the following special business:

to authorise the Company to make market purchases of and to cancel or hold in treasury up to 13,764,921 of its shares (representing approximately 14.99 per cent of its issued shares capital at the date of the AGM notice); and

to authorise the Directors to issue up to 10,075,141 shares (representing approximately 10 per cent of the Company's issued shares capital at the date of the AGM notice) for cash as if the pre-emption rights contained in the Articles of Association did not apply.

All resolutions put to shareholders were passed with in excess of 90 per cent of votes cast in favour.

2025 Extraordinary General Meetings

An Extraordinary General Meeting of the Company was held on 12 March 2025. Resolutions 1 to 3 related to the following:

- to replace Article 144.3 of the Articles of Association of the Company with the following words: "144.3 Without prejudice to Article 144.1, the Directors shall propose one or more ordinary resolutions at a general meeting to be held on or around 12 March 2025 (or any adjournment thereof) and at the annual general meetings of the Company (and any adjournments thereof) to be held in 2028 and 2031 that the Company continue as a closed-ended investment company (the "Continuation Resolution"). In the event that a Continuation Resolution is not passed, the Directors shall formulate proposals to be put to the Members as soon as is practicable but, in any event, by no later than six months after the Continuation Resolution is not passed, to reorganise, unitise or reconstruct the Company or for the Company to be wound up with the aim of enabling Members to realise their holdings in the Company."
- to adopt the investment policy as set out on pages 4 to 6 of the circular to Shareholders of the Company dated 17 February 2025; and
- to approve the Company's continuance as a closed-ended investment company.

All resolutions put to shareholders were passed with in excess of 90 per cent of votes cast in favour.

An Extraordinary General Meeting of the Company was held on 18 June 2025. Resolution 1 related to the following:

- to amend the Company's Articles of Association by the addition of a new Article 3A, immediately following the pre-existing Article 3 with the following words: "3A REEDEEMABLE SHARES – For the purposes of Article 55(1) of the Companies Law, the Company may, by special resolution, convert existing non-redeemable limited shares, whether issued or not, into limited shares that are to be redeemed or liable to be redeemed."
- to issue one ordinary share of no par value (the "PSD Trustee Share") to Apex Financial Services (Corporate) Limited acting in its capacity as trustee of The Phoenix Spree Deutschland Purpose Trust (the "PSD Trustee") at a subscription price of £1;
- the conversion and redesignation of the PSD Trustee Share as a "non-redeemable ordinary share" of no par value having the rights and being subject to the restrictions set out in the amended and restated memorandum and articles of association of the Company;
- the conversion and redesignation of all the issued ordinary shares of no par value of the Company other than the PSD Trustee Share into "redeemable ordinary shares" of no par value having the rights and being subject to the restrictions set out in the amended and restated memorandum and articles of association of the Company adopted on 18 June 2025; and

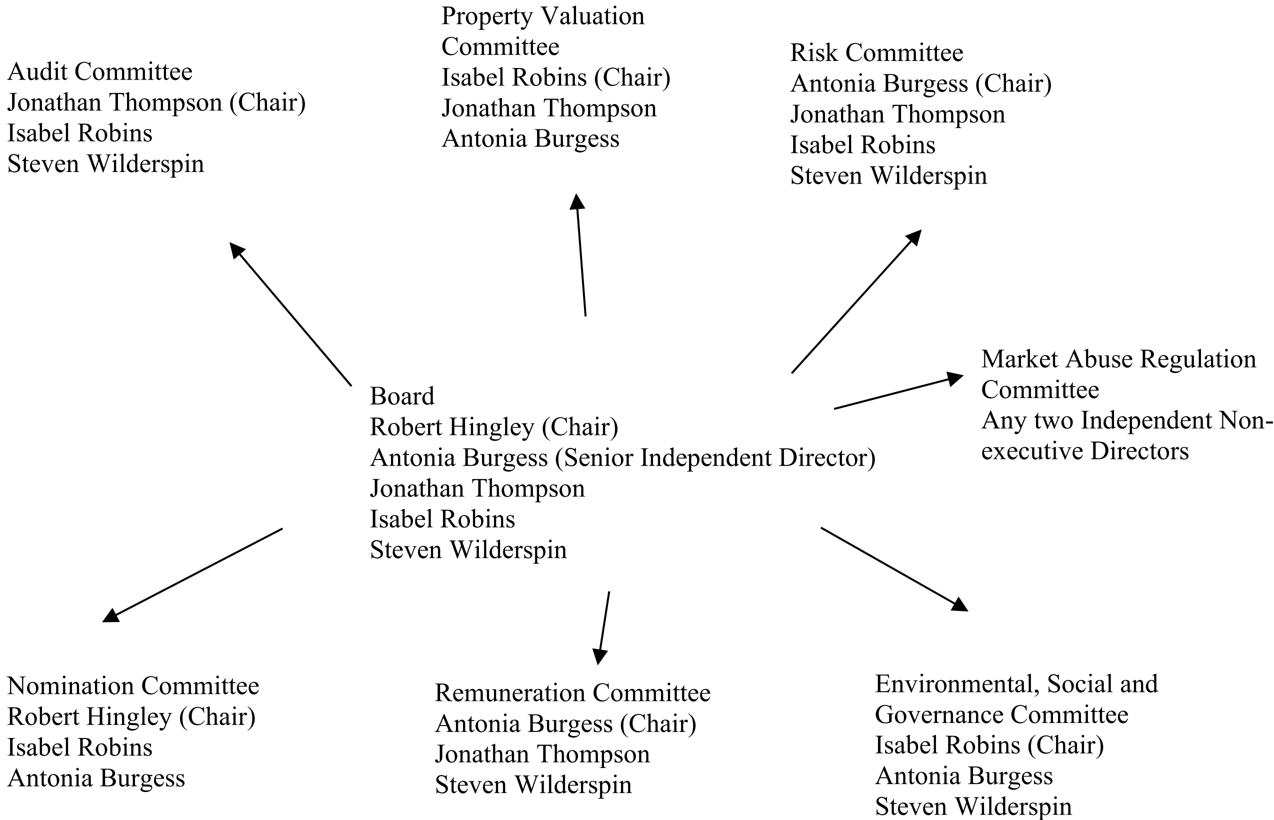
- the adoption of the revised memorandum and articles of association tabled as initiated by the chair of the Company for the purpose of identification.

2026 Annual General Meeting
The 2026 Annual General Meeting will be held on or around 23 June 2026 at the registered office of the Company: IFC 5, St Helier, Jersey JE1 1ST.

A separate notice convening the AGM will be distributed to shareholders with the annual report and financial statements on or around 29 May 2026, which includes an explanation of the items of business to be considered at the meeting. A copy of the notice will also be published on the Company’s website.

Division of Responsibilities

Board and Committee composition as at the date of this report:



As at the date of the report, the Board comprised five non-executive Directors. Their biographical details are on pages 41 to 42.

Changes to the composition of the committees during the year are described in the Nomination Committee report on page 59.

Chair and Senior Independent Director

The Chair, Robert Hingley, is responsible for the leadership of the Board's business and setting its agenda, together with the promotion of a culture of openness and debate, for ensuring that the Directors receive accurate, timely, and clear information and that there is adequate time available for the discussion of agenda items at each Board meeting. The Chair is deemed by his fellow Board members to be independent in character and judgement and free of any conflicts of interest. He considers himself to have sufficient time to spend on the affairs of the Company. He has no significant commitments other than those disclosed in his biography on page 41 and the Board is of the view that the Chair should continue to lead the Company until the continuation vote at the AGM in 2028.

Antonia Burgess is Senior Independent Director of the Company. She works closely with the Chair, acting as a sounding board when necessary, serves as an intermediary for the other directors and shareholders, and takes the lead in the annual evaluation of the Chair by the Directors.

A schedule of responsibilities of the Chair and the Senior Independent Director is available on the Company's website.

Committees of the Board

At year end, the structure included an Audit Committee, a Risk Committee, a Property Valuation Committee, a Remuneration Committee, a Nomination Committee, an Environmental, Social and Governance Committee, and a Market Abuse Regulation Committee.

The terms of reference for the Board Committees, including their duties, are available on the Company's website at www.phoenixspree.com. The terms of reference are reviewed annually by the respective Committees, with any changes recommended to the Board for approval.

Management Engagement Committee

It was agreed and disclosed in the Company's 2020 annual report that the role of the Management Engagement Committee be subsumed into the Board agenda. The Board felt that all Directors would have a crucial view on the Property Advisor, and other key service providers, that should be captured. Therefore, it was agreed to avoid duplication and subsume the role of the Management Engagement Committee into the Board agenda rather than appoint all Directors as members of such committee.

Property Valuation Committee

The Property Valuation Committee is responsible for reviewing the property valuations prepared by the Valuation Agent and any further matters relating to the valuation of the Portfolio. The Property Valuation Committee met four times during the year with the Valuation Agent and the Property Advisor in attendance to review the outcomes of the valuation process throughout the year and discuss:

- the valuation methodology;
- the sociodemographic and residential market overview; and
- the detail of each semi-annual valuation.

The Property Valuation Committee reported its findings on the property valuation to the Board and the Committee was satisfied with the independent valuation report and values associated with all properties of the Group.

Environmental, Social and Governance ("ESG") Committee

The ESG Committee meets no less than twice a year. It is responsible for approving a strategy for discharging the Company's ESG strategy, overseeing the creation of appropriate policies and supporting measures along with monitoring compliance with such policies. The ESG Committee also ensures that the policies are regularly reviewed and updated in line with national and international regulations.

The ESG Committee has responsibility for deciding upon which environmental guidelines to follow and report against, with the Audit Committee overseeing how this is reported upon in the annual report and financial statements.

ESG consultant Leslye Jourdan, was appointed in January 2023 to support the Company in implementing its ESG policy and strategy. Ms. Jourdan has been Head of ESG for the Property Advisor since December 2020, during which time she provided support to the Company's previous ESG consultant. Further details on the Company's ESG policy and strategy can be found in the corporate responsibility report on pages 29 to 40.

Risk Committee

The Risk Committee is comprised of Independent Non-executive Directors and meets no less than twice a year and, if required, meetings can also be attended by the Property Advisor. The Risk Committee is responsible for advising the Board on the Company's overall risk appetite, tolerance, and strategy. The Risk Committee oversees and advises the Board on the current risk assessment processes, ensuring that both qualitative and quantitative metrics are used.

The Risk Committee, in conjunction with the Property Advisor, which also carries out its own service provider evaluation, reviews the adequacy and effectiveness of the Group's (and its service providers') internal financial controls and internal control and risk management systems and reviews and approves the statements to be included in the annual report concerning internal controls and risk management.

[The Committee monitored and reviewed the internal controls of the Company, which included:

- review of reports on the control systems and their operation within the Property Advisor and the Administrator to determine the effectiveness of their internal controls respectively;
- annual assurance confirmations provided by key service providers;
- key service provider reports presented to the Board on a quarterly basis from the Property Advisor, Administrator and Compliance Officer; and
- ISAE 3402 Type II reports on the operations of the key service providers, namely the Property Advisor, the Administrator and its delegated accounting services.]

The Board is reliant on the internal controls of service providers, the most material being QSix, Core, Apex Financial Services (Alternative Funds) Limited (“Apex”) and Baker Tilly. The Board have to be satisfied that the internal control systems of service providers are effective and report accordingly in the Annual Report.

The Board achieves comfort regarding internal controls of service providers in the following ways:

1) Direct experience. The Board has ongoing experience of how well service providers are carrying out their duties and any individual issues that arise by exception. The Board and Risk Committee examines and approves the annual business plan and subsequently monitor the quarterly reporting for large or unusual movements.
2) QSix maintains a comprehensive Financial Position and Prospects Procedures (“FPP”) Manual that documents all of the Company’s key policies and procedures (including the financial reporting process for all undertakings included in the consolidated financial statements). This is subject to annual review and reviewed by all key service providers to make sure that it captures what it needs to and reflects changes in legislation and other obligations.
3) Independent control reports. Apex provides the Board with an annual control report carried out by an independent accountant. Although this is more generic in nature, covering their wider business, it does give comfort about their infrastructure and control environment.
4) Compliance. The Company’s Compliance Monitoring Plan covers the Company’s compliance with key legal and regulatory obligations. Breaches and mitigating action are reported to the Board. The Board meets the Compliance Officer regularly.
5) Individual consideration of specific risks. The Board and Risk Committee regularly review the Company’s risks and consider mitigation. From time-to-time, the Risk Committee conducts ‘deep-dives’ into material or topical areas that will give the Committee and Board more information about specific areas of risk. Where appropriate this includes a briefing from specialist lawyers on technical areas.
6) Engagement with service providers’ key control executives. On an ongoing basis, the QSix Finance Director is asked to meet key compliance, risk, legal and finance executives of service providers to discuss risk and internal controls.
7) Service providers’ standing. Some key service providers are significant businesses that are regulated by statutory financial or professional regulators. Significant regulatory problems would be matters of public record.
8) Contractual and service level agreements. The Board regularly reviews service levels and contractual arrangements with service providers. An annual assessment of performance is conducted where each service provider is asked a comprehensive set of questions relating to their processes, controls, compliance with relevant law and compliance with PSD’s FPP document.

During the year, no significant matters of concern were identified with the internal control environment.

During the year, the Risk Committee reviewed reports from the Company’s service providers in respect of their policies on the prevention of market abuse, cyber-crime, anti-bribery, General Data Protection Regulation (“GDPR”) and whistleblowing/speak up.

The Risk Committee is also responsible for oversight and advice to the Board on the current risk exposures and future risk strategy of the Company. The Company has in place a risk register to manage and track identified risks, uncertainties and potential emerging risks that the Risk Committee believes the Company is exposed to. For each risk, the Risk Committee considers, inter alia, its impact on the Company achieving its investment policy along with the nature and extent of the risk, the mitigants and any driving factors which may increase the risk.
The level of residual risk determined as part of this analysis assists the Board (on the Risk Committee’s recommendation) to determine whether it is within the Company’s risk appetite and any actions needed to be

taken. The risk register is reviewed at least twice a year by the Risk Committee and serves as a useful component in tracking the principal and emerging risks of the Company.

During the year, the Risk Committee carried out a robust assessment of the principal risks, emerging risks and principal uncertainties facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. The result of this review, the potential impact of each type of risk identified and the mitigants put in place are set out in the ‘Principal Risks and Uncertainties’ section of the Annual Report on pages 23 to 28.

The Risk Committee also reviews the appropriateness of risk-related matters in the annual report and financial statements.

Audit Committee

The membership and activities of the Audit Committee are described in this report on pages 62 to 64.

Nomination Committee

The membership and activities of the Nomination Committee are described in this report on pages 59 to 61.

Remuneration Committee

The Remuneration Committee deals with matters of Directors’ remuneration. In particular, the Remuneration Committee reviews and makes recommendations to the Board regarding the ongoing appropriateness and relevance of the remuneration policy, Directors’ fee levels and considers the need to appoint external remuneration consultants.

Further details on remuneration matters are set out in the Directors’ remuneration report and policy on pages 65 to 68.

Market Abuse Regulation Committee

The Market Abuse Regulation Committee comprises any two Directors and its responsibilities are to identify inside information when it arises, understand and ensure compliance with the Company’s disclosure obligations in respect of such inside information, understand and ensure compliance with the record-keeping and notification obligations of the Company in respect of inside information, and take reasonable steps to ensure that individuals on the insider list are aware of their legal obligations in respect of insider dealing, unlawful disclosure and market manipulation.

Board and Committee meetings

The Company holds a minimum of four Board meetings per year to discuss general management, structure, finance, corporate governance, marketing, risk management, compliance, asset allocation and gearing, contracts and performance. The reports provided by the Company’s service providers are the principal source of regular information for the Board enabling it to determine policy and to monitor performance, compliance and controls, which are supplemented by communication and discussions throughout the year. Representatives of the service providers, including the Property Advisor, attend each quarterly Board meeting to present their reports to the Directors.

The table below sets out the number of scheduled meetings of the Board and Committees held during the year ended 31 December 2025 and the attendance of individual Directors.

	Quarterly Board		Audit		Risk	
	Number entitled to attend	Number attended	Number entitled to attend	Number attended	Number entitled to attend	Number attended
R Hingley	4	4	-	-	-	-
I Robins	4	4	5	5	2	1
J Thompson	4	4	5	5	2	2
A Burgess	4	4	-	-	2	2
S Wilderspin	4	4	5	5	2	2

	Property Valuation		Nomination		ESG	
	Number entitled to attend	Number attended	Number entitled to attend	Number attended	Number entitled to attend	Number attended
R Hingley	-	-	1	1	-	-
I Robins	4	4	1	1	2	1
J Thompson	4	4	-	-	-	-
A Burgess	4	4	1	1	2	2
S Wilderspin	-	-	-	-	2	2

	Remuneration		Market Abuse Regulation (any 2 Non-Executive Directors)	
	Number entitled to attend	Number attended	Number entitled to attend	Number attended
R Hingley	-	-	4	1
I Robins	-	-	4	4
J Thompson	1	1	4	1
A Burgess	1	1	4	3
S Wilderspin	1	1	4	4

During the year, ten additional Board meetings were held. These meetings were in respect of:

- the review of the terms and final approval of the refinancing of the Natixis debt;
- the review and final approval of the biannual property valuations;
- the review and approval of documents relating to the Extraordinary General Meeting and Annual General Meetings documents held on 12 March 2025; and
- the approval of the Interim and Annual Report and Financial Statements.

Information and support for Directors

The Board has a continued professional development programme to assist the Directors in complying with mandatory requirements set by the Jersey Financial Services Commission. This programme entails the Company's service providers presenting to the Directors on key topics such as:

- Directors' continuing obligations under the Listing Rules;
- Economic substance;
- The Criminal Finances Act;
- GDPR and cyber security;
- Jersey anti-money laundering, countering of terrorist financing, and countering of proliferation financing legislation;
- ESG and sustainability reporting requirements; and
- German residential law and regulation.

The Directors are also encouraged to attend industry and other seminars covering issues and developments relevant to investment companies, and Board meetings regularly include agenda items on recent developments in governance and industry issues.

All Directors may take independent professional advice at the Group's expense in the furtherance of their duties, if necessary.

Company Secretary

All Directors have direct access to the advice of the Company Secretary. The Company Secretary is responsible for supporting the Board to ensure it has the policies, processes, information, time and resources it needs to function effectively and efficiently and for ensuring that such policies and procedures are followed. Under the guidance of the Chair, the Company Secretary ensures that appropriate and timely information flows between the Board, the Committees and the Directors.

Corporate Governance Statement
Composition, succession and evaluation

Nomination Committee report

The Nomination Committee is responsible for a number of matters pertaining to the structure, size and composition of the Board, succession planning in respect of Board Members and performance evaluation of the Board, its Committees and Board members.

Composition

The Nomination Committee is chaired by Robert Hingley with Antonia Burgess and Isabel Robins as members, all of whom are considered independent. The Board is satisfied that the Chair of the Nomination Committee has relevant experience and understanding of the Company. Robert Hingley does not chair any Nomination Committee meetings when dealing with his succession.

Diversity

Diversity is an important consideration in ensuring that the Board and its Committees have the right balance of skills, experience, independence and knowledge necessary to discharge their responsibilities. The right blend of perspectives is critical to ensuring an effective board and a successful company.

Board diversity, including, but not limited to, gender, ethnicity, professional and industry specific knowledge and expertise, understanding of geographic markets and different cultures, is taken into account when evaluating the skills, knowledge and experience desirable to fill vacancies on the Board as and when they arise. Board appointments are made based on merit and calibre with the most appropriate candidate, who is the best fit for the Company, being nominated for appointment and as a result no measurable targets in relation to Board diversity have been set. At the date of this report, the Board consists of three males and two females. The Committee believes the Directors provide, individually and collectively, the breadth of skill and experience to manage the Company.

The Committee notes the new recommendations of the FTSE Women Leaders Review and the Parker Review on gender and diversity, as well as the FCA rules on diversity and inclusion on company boards. Namely, that from accounting periods starting on or after 1 April 2022:

a) at least 40% of individuals on the Board should be women;
b) at least one senior Board position should be held by a woman; and
c) at least one individual on the Board should be from a minority ethnic background.

The Committee continues to develop its succession plan in line with these recommendations, noting that both (a) and (b) are currently satisfied. There are two female Directors on the Board and one of them, Antonia Burgess, holds the role of Senior Independent Director.

As a Jersey resident Company, the Board must comprise at least two Jersey resident directors and, for tax purposes, each Board meeting should be held with a majority of directors present in Jersey. This affects the Company's ability to source ethnic diverse directors. The 2021 census of the population of Jersey showed that of a population of 103,267, only 4.1% were from a minority ethnic background. Compared to England and Wales which had a population of 59.6 million in 2021 (2021 being the latest ethnic data to be released for England and Wales), of which 18.3% were from a minority ethnic background.

In accordance with Listing Rule 6.6.6R(10), the below tables, in the prescribed format, show the gender and ethnic background of the Directors:

Gender identity	Number of Board	Percentage on	Number of senior positions
members	the Board	on the Board	
Men	3	60%	1
Women	2	40%	1
Not specified /			

prefer not to say	-	-	-

Ethnic background

	Number of Board members	Percentage on the Board	Number of senior positions on the Board
White British or other White (including minority white groups)	5	100%	2
Mixed / Multiple Ethnic Groups	-	-	-
Asian / Asian British	-	-	-
Black / African / Caribbean / Black British	-	-	-
Other ethnic group, including Arab	-	-	-
Not specified / prefer not to say	-	-	-

The data in the above tables was collected through self-reporting by the Directors.

Tenure and Succession Planning

The Board's policy regarding tenure of service, including in respect of the Chair, is that any decisions regarding tenure will balance the need to provide and maintain continuity, knowledge, experience and independence, against the need to periodically refresh the Board composition in order to maintain an appropriate mix of the required skills, experience, age and length of service.

The Board does not consider that lengthy service in itself necessarily undermines a Director's independence nor that each Director, including the Chair, should serve for a finite fixed period. In particular, given the long-term nature of the Company's assets, the Board may regard a longer tenure of service as being necessary and desirable. However, a succession plan is in place to allow, subject to re-election, for a staged rotation of Directors to ensure the continuity and stability of experience remains.

Chair tenure

The Board does not consider that the independence of the Chair should be determined solely by time served and, in order to align with the Company's tenure policy for the maintenance of stability, knowledge and experience, the Board is of the view that the Chair should continue to lead the Company until the next continuation vote at the AGM in 2028.

This decision has been informed and supported by positive feedback on the Chair's performance through the annual Board evaluation and feedback from some of the Company's largest shareholders.

Overboarding

Prior to appointment to the Board, a director must disclose existing significant commitments and confirm that they are able to allocate sufficient time to the business of the Company. In addition, a Director must consult the Chair or Senior Independent Director from time to time prior to taking on any new listed, conflicted, time consuming or otherwise material board appointments and promptly notifythe Company Secretary of any new board appointments which they take on. On an annual basis, through the Board's internal evaluation, as described below, each Director's continuing ability to meet the time requirements of the role is assessed by considering, amongst other things, their attendance at Board, Committee and other ad hoc meetings and events of the Company held during the year as well as the nature and complexity of other, both public and private, roles held.

Directors' attendance at all Board and Committee meetings held during the year is detailed on pages 56 to 57. None of the Directors holds an executive position of a public company or chairs a public operating company.

The Committee believes all the Directors have sufficient time to meet their Board responsibilities.

Board evaluation
Pursuant to the AIC Code, all FTSE 350 companies should conduct an external Board evaluation at least every three years. The Board has historically followed this provision. In the intervening years, internal performance evaluations are carried out by the means of questionnaires. The aim of the evaluation is to recognise the strengths, address any weaknesses and consider improvements to the Board process. The evaluation is designed to ensure that the Board meets its objectives and effectiveness is maximised.

The evaluations focus on the following issues:
- the frequency of meetings and the business transacted;
- the workload of each forum;
- diversity and how effectively members work together to achieve objectives;
- the timing, level of detail and appropriateness of information put before meetings;
- the reporting process from Committees to the Board and the delegation process itself;
- the levels of expertise available within the membership of the Committees and the need for selection of and the use of external consultants; and
- the effectiveness of internal controls following the review and report of the Audit Committee.

The Chair acts on the results of the evaluation by recognising the strengths and addressing any weaknesses of the Board. Each Director engages with the process and takes appropriate action where development needs have been identified.

The last external evaluation was conducted in 2025, the next evaluation is planned for 2028.

The 2025 external performance evaluation of the Board and the Chair was overseen by the Senior Independent Director through an independent board evaluator.

The results of the 2025 Board evaluation were reviewed and discussed by the Nomination Committee and subsequently by the Board. Based on the results, the role of the Board and the Committees, was performed in an efficient, positive and professional manner and that the Nomination Committee had no particular concerns to raise.

Re-election
All newly appointed Directors stand for election by the shareholders at the next Annual General Meeting ("AGM") following their appointment. There are provisions in the Company's Articles of Association which require Directors to seek re-election at the AGM held in the third calendar year following the year in which they were elected or last re-elected. Beyond these requirements, the Board has agreed a policy whereby all Directors will seek annual re-election at the Company's AGM, in accordance with the AIC Code. The AGM circular issued to shareholders will set out sufficient biographical details and specific reasons why each Director's contribution is, and continues to be, important to the Company's long-term sustainable success in order to enable shareholders to make an informed decision.

All Directors were re-elected at the 2025 AGM.

Audit, risk and internal control
The Company's approach to compliance with the AIC Code in respect of audit is set out in the Audit Committee report on page 62.

The Company's approach to compliance with the AIC Code in respect of risk and internal control is described under 'Division of Responsibilities, Risk Committee' on page 62.

Remuneration
The Company's approach to compliance with the AIC Code in respect of remuneration is set out in the Directors' remuneration report on page 66.

Audit Committee Report
Audit, Risk and Internal Control

This report provides details of the role of the Audit Committee and the duties it has undertaken during the year under review.

Composition of the Audit Committee
The Audit Committee is chaired by Jonathan Thompson with Isabel Robins and Steven Wilderspin as members. The qualifications and experience of the members of the Audit Committee during the financial year are set out in their biographical details on pages 41 to 42. The Board considers that the Committee Chair, a chartered accountant, has recent and relevant experience as required by the provisions of the AIC Code.

Meetings
The Audit Committee is scheduled to meet no less than twice a year and, if required, meetings can also be attended by the Property Advisor, the Company Secretary, and the external auditor. The external auditor is not present when their performance and/or remuneration is discussed. The number of Committee meetings held, and attendance of the members is detailed on page 56.

Summary of the role of the Audit Committee
The Audit Committee is responsible for reviewing the half-year and annual report and financial statements and recommends them to the Board for approval. The role of the Audit Committee includes:

Monitoring the integrity of the Annual Report and Financial Statements of the Group, covering:

- formal announcements relating to the Group's financial performance;
- significant financial reporting issues and judgements;
- review of the Company's going concern and viability statements;
- matters raised by the external auditors; and
- the appropriateness of accounting policies and practices.
- Reviewing and considering the AIC Code and FRC Guidance with respect to the financial statements.
- Monitoring the quality and effectiveness of the independent external auditors, which includes:
- meeting regularly to discuss the audit plan and the subsequent audit report;
- developing a policy on the engagement of the external auditor to supply non-audit services and considering the level of fees for both audit and non-audit services;
- reviewing independence, objectivity, expertise, resources and qualification; and
- conducting the tender process and making recommendations to the Board on the appointment, reappointment, replacement and remuneration of the external auditors.
- Reviewing the Group's procedures for prevention, detection and reporting of fraud, bribery and corruption.
- Monitoring and reviewing, in conjunction with the Risk Committee, the internal control and risk management systems of the service providers.
- The ESG Committee has responsibility for deciding upon which environmental guidelines to follow and report against, and the Audit Committee oversees how this is reported upon in the annual report and financial statements.

The Audit Committee's full terms of reference can be obtained from the Company's website www.phoenixspree.com.

Financial reporting
The Audit Committee reviewed the Company's Annual Report and Financial Statements to conclude whether it is fair, balanced, understandable, comprehensive, consistent with prior years and how the Board assess the performance of the Company's business during the financial year, as required by the AIC Code.

As part of this review, the Committee considered if the Annual Report and Financial Statements provided the information necessary to shareholders to assess the Company's position and performance, strategy and business model, and reviewed the description of the Company's key performance indicators as well as updating the governance section of the Annual Report.

The Committee presented its recommendations to the Board, and the Board concluded that it considered the Annual Report and Financial Statements, taken as a whole, to be fair, balanced and understandable and to provide the information necessary for shareholders.

Monitoring the significant issues related to the financial statements, Viability and Going Concern
After discussions with the Property Advisor and the external auditor, the Committee determined that the key risk of material misstatement of the Company's financial statements was in relation to the valuation of investment property.

Valuation of investment property	Mitigation
A significant focus for the Audit Committee is the valuation of the Group's property Portfolio carried out at half year in June and at the financial year end in December each year, as this is a key determinant of the Group's IFRS NAV, EPRA NTA, its profit or loss and the Property Advisor's remuneration.	The Group has appointed Jones Lang LaSalle SE ("JLL") to act as the Independent Property Valuer (the "Valuer"). The Audit Committee is satisfied that the Valuer is independent and that it conducts its work in accordance with the Royal Institution of Chartered Surveyors ("RICS") Valuation Standards. The Property Valuation Committee reviews the Valuer's report, the methodology adopted and the assumptions incorporated to assess the adequacy of the valuation. They also meet the independent Valuers, JLL, as part of the valuation review.

External audit
Assessing the effectiveness of the external audit process
The Audit Committee reviews the effectiveness of the external audit carried out by the Auditor on an annual basis, considering performance, objectivity, independence, relevant experience and materiality. To assess the effectiveness of the external auditor, the Committee considered:

the external auditor's fulfilment of the agreed audit plan and variations from it, if any;
the external auditor's report to the Committee highlighting any issues that arose during the audit; and
feedback from the Property Adviser, accountants and Administrator evaluating the performance of the audit team.

In accordance with rotational requirements applicable to companies listed on the London Stock Exchange to ensure audit independence, the Company last conducted an audit tender during 2024. It was concluded that RSM UK Audit LLP ("RSM") continued to meet the required levels of independence, objectivity, and performance, and was subsequently recommended by the Board, and reappointed by shareholders, as the Company's auditor at the 2025 AGM. The current audit partner, Mr David Hough, was appointed in 2024 and will be replaced following the conclusion of the 2028 audit.

The Chair of the Committee maintained regular contact with the Company's audit partner throughout the year and met him prior to the finalisation of the audit of the 2025 annual financial statements, without the Property Advisor present, to discuss how the external audit was carried out, the findings from the audit, and whether any issues had arisen from the Auditor's interaction with the Company's various service providers.
In addition, the Auditor attended Audit Committee meetings throughout the year, which allowed the Auditor the opportunity to challenge management's judgement and discuss any matters it wished to raise. During these meetings, the Auditor demonstrated its understanding of the Company's business risks and the consequential impact on the risks included in the financial statements.

As part of the audit planning process, the audit partner met with the Audit Committee chair and the Property Advisor to discuss the risk profile of the business. The audit plan was presented to and approved by the Audit Committee in December 2025. The audit partner met again with the chair of the Audit Committee in April 2026 to discuss the Auditor's draft audit report and opinion prior to the release of the accounts.
Audit and non-audit fees

The following table summarises the remuneration paid to RSM UK Audit LLP for audit and non-audit related services for the year ended 31 December 2025:

	2025 £	2024 £
Audit	236,000	225,000
Agreed upon procedures – interim report	33,000	31,500
Total	269,000	256,500

Independence and objectivity

The Audit Committee has considered the independence and objectivity of the Auditor and has conducted a review of non-audit services which the Auditor has provided during the year under review. The Audit Committee receives an annual assurance from the Auditor that its independence is not compromised by the provision of such non-audit services.

The Audit Committee is satisfied that the Auditor's objectivity and independence is not impaired by the performance of these non-audit services and that the Auditor has fulfilled its obligations to the Company and its shareholders.

Group policy on the provision of non-audit services by the auditor

The Committee has an established policy for the commission of non-audit work from the Group's auditor.

The external auditor is excluded from providing non-audit services to the Group where the objectives of such assignments are inconsistent with the objectives of the audit. No work is awarded to the Auditor which would result in an element of self-review, either during the work or via the audit itself. Additionally, the external auditor is excluded from providing any services to the Property Advisor.

The Committee will continue to approve all non-audit fees prior to the work commencing and review the non-audit fees in aggregate for the year.

Risk management and internal control

Details of how the Risk Committee oversees and advises the Board on the current risk assessment processes is set out on page 23 and of its assessment of the principal and emerging risks is set out on pages 23 to 28.

Jonathan Thompson
Chair of the Audit Committee
22 April 2026

Directors’ Remuneration Report
Remuneration

Statement from the Chair of the Remuneration Committee
As set out on page 56 of the Corporate Governance Statement, the Remuneration Committee comprised Antonia Burgess (Chair), Jonathan Thompson, and Steven Wilderspin. The Committee is responsible for setting the Directors’ remuneration levels, including in respect of the Chair, with consideration of the following:

- levels of Directors’ remuneration should reflect the time commitment and responsibilities of the role;
- non-executive Directors’ remuneration should not include share options or other performance-related elements;
- careful consideration should be given to what compensation commitments entail in the event of early termination of a Director’s appointment;
- notice of contract periods should be set at one year or less;
- no Director should be involved in deciding his or her own remuneration;
- consideration of remuneration in other companies of comparable scale and complexity; and
- independent judgement and discretion should be exercised when authorising remuneration outcomes, taking account of company and individual performance and wider circumstances.

The Committee reviews Directors’ fees on an annual basis. In the year under review, no changes were proposed by the Committee.

As detailed in its Terms of Reference, a copy of which is available on the Company’s website, the Committee has full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary at the expense of the Company. The Committee is also responsible for reviewing the ongoing appropriateness and relevance of the Director’s remuneration policy.

Remuneration Report

The Directors’ Remuneration Report provides details on remuneration in the year. Although it is not a requirement under Companies (Jersey) Law 1991 (as amended) to have the Directors’ Remuneration Report or the Directors’ Remuneration Policy approved by shareholders, the Board believes that as a company whose shares are listed on the London Stock Exchange, it is good practice for it to do so.

The Directors’ Remuneration Report is put to shareholder vote every year and as such, a resolution will also be put to shareholders at the Company’s 2026 AGM to receive and approve the Directors’ Remuneration Report.

This report is not subject to audit.

Approval of the Directors’ Remuneration Report for the year ended 31 December 2025
The Directors’ remuneration report for the year ended 31 December 2024 was approved by shareholders at the AGM held on 18 June 2025. The votes cast by proxy were as follows:

	Directors’ remuneration report	
	Number of votes cast	% of votes cast
For	51,611,102	99.44%
Against	288,309	0.56%
At Chair’s discretion	-	0%
Total votes cast	51,899,411	100%
Number of votes withheld	9,041	-

Directors’ remuneration for the year ended 31 December 2025

The fees paid to the Directors for the year ended 31 December 2025 (and prior year) are set out below:

Audited	2025			2024		
	Directors' Fee	Expenses	Total	Directors' Fee	Expenses	Total
	£	£	£	£	£	£
R Hingley	50,000	1,549.17	51,549.17	50,000	430	50,430
I Robins	45,000	580.07	45,580.07	45,000	212	45,212
J Thompson	45,000	1,780.31	46,780.31	45,000	984	45,984
A Burgess	45,000	427.16	45,427.16	45,000	314	45,314
S Wilderspin	45,000	1668.39	46,668.39	45,000	375	45,375
Total	230,000	6,005.1	236,005.1	230,000	2,315	232,315

Directors' interests

There is no requirement under the Company's Articles of Association for the Directors to hold shares in the Company. At 31 December 2025, the interest of the Directors in the ordinary shares of the Company are set out below:

	31 December 2025	**31 December 2024**
Robert Hingley	5,150	5,150
Jonathan Thompson	7,337	7,337
Steven Wilderspin	6,500	-

There have been no changes to the interests of the Directors between 31 December 2025 and the date of this report.

Remuneration Policy

The Directors' Remuneration Policy is put to shareholder vote at least once every three years, and in any year, if there is to be a change in the Directors' Remuneration Policy. The current Remuneration Policy was put to, and approved, by shareholders at the AGM held on 28 June 2023 and, as there was no change in the way in which the policy was be implemented during the course of the next last financial year, there is was no requirement for the policy to be put to shareholders for approval at the 2025 AGM.

The remuneration policy provisions set out below will apply until they are next put to shareholders for renewal of that approval which, as explained above, will take place in any year where there is to be a change to the policy and, in any event, at least once every three years. A resolution to approve the Directors' Remuneration Policy was last approved by the shareholders on 28 June 2023 and will be proposed at the Company's AGM to be held on or around 23 June 2026.

In accordance with the AIC Code, no Director is involved in deciding his/her own remuneration.

The Group's policy, designed to support strategy and promote long-term sustainable success of the Company, is that the remuneration of the Directors should reflect the experience of the Board as a whole, the time commitment required, and be fair and comparable with that of other similar companies. Furthermore, the level of remuneration should be sufficient to attract and retain the Directors needed to oversee the Group properly and to reflect its specific circumstances. There were no Director fee increases during the year under review.

The aggregate of all the Directors' remuneration is subject to an annual cap of £400,000 or such higher amount as may from time to time be determined by ordinary resolution of the Company in accordance with the Company's Articles of Association and shall be reviewed annually.

Any Director or any subsidiary of the Company (including for this purpose the office of Chair or deputy Chair whether or not such office is held in an executive capacity), or who serves on any committee of the Directors, or who is involved in ad hoc duties beyond those normally expected as part of their appointment, may be paid such extra remuneration by way of salary, commission or otherwise or may receive such other benefits as the

Directors may determine. Any additional remuneration will not be ‘variable’ in that it will not be linked to the performance of the Company.

The Company may pay on behalf of, or repay to, any Director all such reasonable expenses as he/she may incur in attending and returning from meetings of the Directors or of any Committee of the Directors or Shareholders’ meetings or otherwise in connection with the business of the Company.

Directors’ fee levels
The Board has set two levels of fees: one for the Chair and one for the Directors. Additional fees are paid to the director who chairs the Audit Committee and those directors who are resident in Jersey, reflecting local commitments, including acting as directors of Jersey based subsidiaries. Fees are reviewed annually in accordance with the above policy. The fee for any new Director appointed will be determined on the same basis. The basic and additional fees payable to Directors in respect of the year ended 31 December 2025 and the expected fees payable in respect of the year ending 31 December 2026 are set out in the table below:

	Expected annual fees for the year to 31 December 2026	Annual fees for the year ended 31 December 2025
	£	£
Chair	55,000	50,000
Chair of the Audit Committee	49,500	45,000
Non-executive Directors	44,000	40,000
Additional Jersey resident director's fee	5,500	5,000
Total remuneration paid to Directors	253,000	230,000

Approval
The Directors' remuneration report was approved by the Board and signed on its behalf by:

Antonia Burgess
Chair of the Remuneration Committee
22 April 2026

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Strategic Report, the Directors' Report, the Directors' Remuneration Report and the financial statements in accordance with applicable law and regulations.
Jersey company law requires the directors to prepare Group financial statements for a period of not more than 18 months in accordance with generally accepted accounting principles. The directors have elected under Jersey company law to prepare the Group financial statements in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union and are required under the Listing Rules of the Financial Conduct Authority to prepare the Group financial statements in accordance with UK-adopted International Accounting Standards.
The financial statements of the Group are required by law to give a true and fair view of the state of the Group's affairs at the end of the financial period and of the profit or loss of the Group for that period and are required by international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union and UK-adopted International Accounting Standards to present fairly the financial position and performance of the Group.

In preparing the Group financial statements, the Directors should:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union and UK-adopted International Accounting Standards.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.
- The Directors are responsible for keeping accounting records which are sufficient to show and explain the Group's transactions and are such as to disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the Group financial statements comply with the requirements of the Companies (Jersey) Law 1991 (as amended), international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union and UK-adopted International Accounting Standards. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.
- Directors' statement pursuant to the Disclosure and Transparency Rules
- Each of the Directors, whose names and functions are listed on pages 41 to 42 confirm that, to the best of each person's knowledge:
- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Group; and
- the strategic report contained in the Annual Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Phoenix Spree Deutschland Limited website.

Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approval
The Statement of Directors' Responsibilities was approved by the Board and signed on its behalf by:

Antonia Burgess
Director
22 April 2026

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PHOENIX SPREE DEUTSCHLAND LIMITED

Opinion

We have audited the financial statements of Phoenix Spree Deutschland Limited and its subsidiaries (the "group") for the year ended 31 December 2025 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

In our opinion:

- the financial statements give a true and fair view of the state of the group's affairs as at 31 December 2025 and of the group's loss for the year then ended;
- have been properly prepared in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union; and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

Separate opinion in relation to UK-adopted International Accounting Standards

As explained in note 2.1 to the financial statements, the Group in addition to complying with its legal obligation to apply international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union, has also applied UK-adopted International Accounting Standards.

In our opinion the financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with UK-adopted International Accounting Standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Summary of our audit approach

Key audit matters	Valuation of investment properties held by the group
Materiality	Overall materiality: €5,400,000 (2024: €5,520,000) Performance materiality: €4,050,000 (2024: €4,140,000)
Scope	Our audit procedures covered 100% of revenue, total assets and profit before taxation.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the group financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the group's financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties held by the group

Key audit matter description	The group owns a portfolio of residential and commercial investment properties. The total value of the portfolio reported in the financial statements at 31 December 2025 was €540.1 million (2024: €552.8 million), including properties designated as held for sale. These properties are all in Germany and predominately in Berlin. The accounting policy in respect of investment properties is to hold them at fair value in the financial statements, and to recognise the movement in the value in the accounting period in the Consolidated Statement of Comprehensive Income. The group has appointed an independent valuation expert ("the valuer") in determining the fair value of the investment properties at 31 December 2025. The valuation of investment properties involves the use of assumptions and judgements and the group's approach to the risks associated with valuation of investment properties is detailed in the Audit Committee report on page 63; the significant accounting judgements and estimates on pages 87 to 88 ; significant accounting policies on page 84 and notes 16 and 17 to the Financial Statements on pages 92 to 95. The audit risk relating to the valuation of investment properties at the year-end date is considered to be one of most significance in the audit and was therefore determined to be a key audit matter due to the magnitude of the total amount, the potential impact of the movement in value on the reported results, and the subjectivity of the valuation process.
How the matter was addressed in the audit	Our audit work included: • Assessing the valuer's qualifications, expertise and terms of engagement and assessing their independence and objectivity. • Auditing on a sample basis the inputs provided by the Property Advisor to the valuer and checking that these were consistent with the underlying accounting records. • Assessing the challenge provided by the Valuation Committee of the Board to the valuation. • Obtaining a confirmation from the Group's solicitors to confirm the existence and ownership of all properties. • Identifying the largest properties by value, and the properties where there were unusual movements in value compared to the average or the previous year and discussing and challenging the valuation of these properties with the Property Advisor and Valuer, as well as obtaining evidence to support the explanations received. • Challenging the valuer on the appropriateness of key assumptions in their valuation. • Considering the valuations in light of profits/losses on disposal made in the year and post year end.

	• Visiting a sample of properties to confirm existence and consider evidence of inconsistencies with the valuation report or explanations received. • Engaging an independent auditor's expert to assist us in challenging assumptions made by the valuer in respect of the Berlin property market, including commenting on a sample of individual properties and in assessing the appropriateness of the methodology and assumptions used in the valuation.
Key observations	Disclosure of the impact of the key judgements and estimates applied in respect of the valuation of investment properties is given in notes 4 and 16 to the financial statements. Based on the results of the audit procedures outlined above, we have no observations to report.

Our application of materiality

When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. Based on our professional judgement, we determined materiality as follows:

Overall materiality	€5,400,000 (2024: €5,520,000)
Basis for determining overall materiality	1% of property valuation (2024: 1% of property valuation)
Rationale for benchmark applied	We determined that key users of the Group's financial statements are primarily focused on the valuation of the Group's investment properties.
Performance materiality	€4,050,000 (2024: €4,140,000)
Basis for determining performance materiality	75% of overall materiality (2024: 75% of overall materiality)
Reporting materiality levels for transactions where materiality levels are lower than overall materiality	Certain items within the income statement were audited to a lower specific materiality figure of €393,000 (2024: €503,000) based on 5% of losses before tax (excluding fair value adjustments). These included revenue, expenses, finance costs and taxation.
Reporting of misstatements to the Audit Committee	Misstatements in excess of €135,000 (2024: €138,000) and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

The group consists of one component. Our audit scope covered 100% of group revenue, group profit and total group assets and was performed to the materiality levels set out above.

All audit work was completed by the group audit team and no component auditors were used in our audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's ability to continue to adopt the going concern basis of accounting included:

- obtaining an understanding of management's going concern evaluation;
- assessing the information used in the going concern assessment for consistency with management's plans and information obtained through our other audit work;
- checking the integrity and mathematical accuracy of the forecasts;
- confirming covenant compliance;
- evaluating management's sensitivity analysis;
- reviewing the appropriateness of disclosures in respect of the going concern basis, including in the viability statement.

We concluded that the directors' assessment was appropriate in the circumstances.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to entity reporting on how they have applied the AIC Code of Corporate Governance, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the company, or proper returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have failed to receive all the information and explanations which, to the best of our knowledge and belief, was necessary for our audit

Corporate governance statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the company's compliance with the provisions of the AIC Code of Corporate Governance specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on pages 45 and 46;
- Directors' explanation as to their assessment of the group's prospects, the period this assessment covers and why this period is appropriate set out on page 46;
- Directors' statement on whether it has a reasonable expectation that the group will be able to continue in operation and meets its liabilities set out on page 46.
- Directors' statement on fair, balanced and understandable set out on page 48;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 56;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 55 to 56; and,
- The section describing the work of the audit committee set out on page 62.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 69, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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 financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the group operates in and how the group is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud having obtained an understand of the overall control environment.

The most significant laws and regulations were determined as follows:

Legislation / Regulation	**Additional audit procedures performed by the Group audit engagement team included:**
IFRS and Companies (Jersey) Law 1991; **AIC Code of Corporate Governance;** **Listing and Transparency Rules**	• Review of the financial statement disclosures and testing to supporting documentation. • Completion of disclosure checklists to identify areas of non-compliance. • Review of the financial statement disclosures by a specialist in Jersey company law.
Tax compliance regulations	• Inspection of advice received by the group from its tax advisors. • Inspection of correspondence with tax authorities in the jurisdictions in which the group operates.
The Codes of Practice for Certified Funds in Jersey	Review by a specialist in Jersey regulatory compliance of the Company's compliance with local regulatory requirements in its country of incorporation, Jersey, specifically The Codes of Practice for Certified Funds. The review covered correspondence with the Jersey Financial Services Commission (JFSC), the breaches errors and complaints registers, compliance with CPD

	requirements, and the quarterly reports made by the compliance officer to the Board.

The areas that we identified as being susceptible to material misstatement due to fraud were:

Risk	Audit procedures performed by the audit engagement team:
Management override of controls	• Testing the appropriateness of a risk-based sample of journal entries and other adjustments; • Assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and • Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
Valuation of investment properties	• Audit procedures performed on valuation of investment properties are outlined in the Key Audit Matters section of this audit report.

A further description of our responsibilities for the audit of the financial statements is included in appendix 1 of this auditor's report. This description, which is located on page 78 forms part of our auditor's report.

Other matters which we are required to address

Following the recommendation of the audit committee, we were appointed by the Directors on 16 December 2014 to audit the financial statements for the year ending 31 December 2014 and subsequent financial periods.

The period of total uninterrupted consecutive appointment is 12 years, covering the years ending 31 December 2014 to 31 December 2025. The Audit Committee carried out an audit tender process in 2023 after which we were reappointed to conduct the audit.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group and we remain independent of the group in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee in accordance with ISAs (UK).

Use of our report

This report is made solely to the company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rules, these financial statements will form part of the Annual Financial Report prepared in Extensible Hypertext Markup Language (XHTML) format and filed on the National Storage Mechanism of the UK FCA. This auditor's report provides no assurance over whether the annual financial report has been prepared in XHTML format.

David Hough

David Hough

For and on behalf of RSM UK Audit LLP, Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

22 April 2026

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Appendix 1: Auditor’s responsibilities for the audit of the financial Statements

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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. We include an explanation in the auditor’s report of the extent to which the audit was capable of detecting irregularities, including fraud.

- 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 directors.

- Conclude on the appropriateness of the directors’ 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 auditor’s report to the related disclosures in the 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 auditor’s report. 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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, including the FRC’s Ethical Standard as applied to listed public interest entities, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

We are required to include in the auditor’s report an explanation of how we evaluated management's assessment of the group’s ability to continue as a going concern and, where relevant, key observations arising with respect to that evaluation.

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2025

	Notes	Year ended 31 December 2025 €'000	Year ended 31 December 2024 €'000
Continuing operations			
Revenue	6	22,689	28,126
Property expenses	7	(15,348)	(15,755)
Gross profit		7,341	12,371
Administrative expenses	8	(3,318)	(3,811)
Loss on disposal of investment properties (including investment property held for sale)	10	(2,882)	(3,194)
Investment property revaluation loss	11	(2,256)	(5,416)
Operating loss		(1,115)	(50)
Finance income	12	4,508	9,091
Finance costs	12	(14,862)	(18,156)
Loss on derivatives	12	(2,116)	(4,775)
Loss on disposal of subsidiary	15	-	(25,601)
Loss before taxation		(13,585)	(39,491)
Income tax credit / (expense)	13	7,131	(607)
Loss after taxation		(6,454)	(40,098)
Other comprehensive income		-	-
Total comprehensive income		**(6,454)**	**(40,098)**
Total comprehensive income attributable to:			
Owners of the parent		(6,416)	(38,895)
Non-controlling interests		(38)	(1,203)
		(6,454)	(40,098)
Earnings per share attributable to the owners of the parent:			
From continuing operations			
Basic (€)	27	(0.07)	(0.42)
Diluted (€)	27	(0.07)	(0.42)

Consolidated Statement of Financial Position
At 31 December 2025

	Notes	As at 31 December 2025 €'000	As at 31 December 2024 €'000
ASSETS			
Non-current assets			
Investment properties	16	485,090	516,902
Property, plant and equipment	18	101	9
Other financial assets at amortised cost	19	828	828
Derivative financial instruments	24	3,931	4,021
		489,950	521,760
Current assets			
Trade and other receivables	20	7,598	8,309
Cash and cash equivalents	21	33,959	46,520
		41,557	54,829
Investment properties - held for sale	17	55,000	35,918
Total assets		**586,507**	**612,507**
EQUITY AND LIABILITIES			
Current liabilities			
Borrowings	22	302	407
Trade and other payables	23	16,322	11,656
Current tax	13	120	1,589
		16,744	13,652
Non-current liabilities			
Borrowings	22	252,298	267,453
Deferred tax liability	13	46,383	53,866
		298,681	321,319
Total liabilities		**315,425**	**334,971**
Equity			
Stated capital	25	196,578	196,578
Treasury shares	25	(37,448)	(37,448)
Retained earnings		110,626	117,042
Equity attributable to owners of the parent		269,756	276,172
Non-controlling interest	26	1,326	1,364
Total equity		**271,082**	**277,536**
Total equity and liabilities		**586,507**	**612,507**

The consolidated financial statements on pages 79 to 104 were approved and authorised for issue by the Board of Directors and were signed on its behalf by:

Robert Hingley
Director
Date: 22 April 2026

Jonathan Thompson
Director
Date: 22 April 2026

Consolidated Statement of Changes in Equity
For the year ended 31 December 2025

	Attributable to the owners of the parent					
	Stated capital	Treasury shares	Retained earnings	Total	Non-controlling interest	Total equity
	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 1 January 2024	**196,578**	**(37,448)**	**155,937**	**315,067**	**2,567**	**317,634**
Comprehensive income:						
Loss for the year	-	-	(38,895)	(38,895)	(1,203)	**(40,098)**
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**(38,895)**	**(38,895)**	**(1,203)**	**(40,098)**
Balance at 31 December 2024	**196,578**	**(37,448)**	**117,042**	**276,172**	**1,364**	**277,536**
Comprehensive income:						
Loss for the year	-	-	(6,416)	(6,416)	(38)	**(6,454)**
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**(6,416)**	**(6,416)**	**(38)**	**(6,454)**
Balance at 31 December 2025	**196,578**	**(37,448)**	**110,626**	**269,756**	**1,326**	**271,082**

Consolidated Statement of Cash Flows
For the year ended 31 December 2025

	Notes	Year ended 31 December 2025 €'000	Year ended 31 December 2024 €'000
Loss before taxation		**(13,585)**	**(39,491)**
Adjustments for:			
Finance income		(4,508)	(9,091)
Finance costs		14,862	18,156
Loss on interest derivatives		2,116	4,775
Loss on disposal of investment property		2,882	3,194
Loss on disposal of subsidiary		-	25,601
Investment property revaluation loss		2,256	5,416
Depreciation		30	55
Operating cash flows before movements in working capital		**4,053**	**8,615**
(Increase) / decrease in receivables		(118)	712
Increase in payables		1,263	967
Cash generated from operating activities		**5,198**	**10,294**
Income tax paid		(1,821)	(44)
Net cash generated from operating activities		**3,377**	**10,250**
Cash flow from investing activities			
Proceeds on disposal of investment property (net of disposal costs)		20,575	19,909
Proceeds on disposal of investment property received in advance		3,467	64
Interest received		180	48
Capital expenditure on investment property		(12,218)	(5,160)
Additions to property, plant and equipment		(122)	(53)
Subsidiary disposal in year:			
Net proceeds received on disposal of subsidiary	15	-	31,884
Subsidiary disposal costs	15	-	(1,562)
Net cash generated from investing activities		**11,882**	**45,130**
Cash flow from financing activities			
Interest paid on bank loans		(10,375)	(14,676)
Interest received on interest rate swaps		4,328	9,043
Termination payments received on swaps		1,497	-
Interest paid on interest rate swaps		(2,222)	(2,775)
Premium paid on interest rate cap		(3,523)	-
Loan arrangement fees paid		(1,415)	-
Repayment of bank loans		(35,649)	(54,085)
Drawdown on bank loan facilities		19,539	42,635
Net cash used in financing activities		**(27,820)**	**(19,858)**
Net (decrease) / increase in cash and cash		**(12,561)**	**35,522**
Cash and cash equivalents at beginning of year		**46,520**	**10,998**
Cash and cash equivalents at end of year		**33,959**	**46,520**

Reconciliation of Net Cash Flow to Movement in Debt
For the year ended 31 December 2025

	Notes	Year ended 31 December 2025 €'000	Year ended 31 December 2024 €'000
Cashflow from decrease in debt financing		(16,110)	(11,450)
Loan arrangement fees paid		(1,415)	-
Change in net debt resulting from cash flows		(17,525)	(11,450)
Non-cash changes from increase in debt financing		2,265	1,085
Loans relinquished on disposal of subsidiary undertaking	15	-	(43,018)
Movement in debt in the year		**(15,260)**	**(53,383)**
Debt at the start of the year		267,860	321,243
Debt at the end of the year	22	252,600	267,860

1 - General information
The Group consists of a Parent Company, Phoenix Spree Deutschland Limited ('the Company'), incorporated in Jersey, Channel Islands and all its subsidiaries ('the Group') which are incorporated and domiciled in and operate out of Jersey and Germany. Phoenix Spree Deutschland Limited is listed under the Closed-ended investment funds category of the London Stock Exchange.

The Group invests in residential and commercial property in Berlin, Germany.

The registered office is at IFC 5, St Helier, Jersey, JE1 1ST, Channel Islands.

2 - Summary of material accounting policies
The principal accounting policies adopted are set out below.

2.1 Basis of preparation
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and applicable law.

The consolidated financial statements are presented to the nearest €1,000.

The Group has adopted all of the new and revised standards and interpretations issued by the International Accounting Standards Board ('IASB') and the International Financial Reporting Interpretations Committee ('IFRIC') of the IASB, as they have been adopted by the European Union, that are relevant to its operations and effective for accounting periods beginning on 1 January 2025. There are no differences between the adopted standards and International Accounting Standards as adopted by the United Kingdom.

The consolidated financial statements have been prepared on a going concern basis under the historical cost convention as modified by the revaluation of investment property and financial assets and liabilities at fair value through profit or loss.

The preparation of the consolidated financial statements requires management to exercise its judgement in the process of applying accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the consolidated financial statements are disclosed in note 4.

2.2 Going concern
The Directors have reviewed projections for the period up to 30 June 2028, using assumptions which the Directors consider to be appropriate to the current financial position of the Group with regard to revenues, its cost base, the Group's investments, borrowing and debt repayment plans. These projections show that the Group should be able to operate within the level of its current resources and expects to manage all debt covenants for a period of at least 12 months from the date of approval of the financial statements. The Group's business activities together with the factors likely to affect its future development and the Group's objectives, policies and processes from managing its capital and its risks are set out in the Strategic Report.

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and, therefore, continue to adopt the going concern basis in the preparation of these financial statements.

2.3 Basis of consolidation
The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). The Company controls an entity when the Group is exposed to, or has rights to, variable returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Profit or loss and each component of other comprehensive income are attributable to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributable to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Accounting policies of subsidiaries which differ from Group accounting policies are adjusted on consolidation. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that represent ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group ceases to have control of a subsidiary, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in the carrying amount recognised in the Consolidated Statement of Comprehensive Income. All assets and liabilities of the subsidiary are derecognised from the Consolidated Statement of Financial Position at their fair value at the date when control is lost. Any gain or loss associated with the loss of control is recognised in the Consolidated Statement of Comprehensive Income. The aggregate amount of cash and cash equivalents received as consideration for losing control of subsidiaries is reported in the Consolidated Statement of Cash Flows net of cash and cash equivalents acquired or disposed as part of such transaction or event.

2.4 Revenue recognition
Revenue includes rental income, service charges and other amounts directly recoverable from tenants. Rental income and service charges from operating leases are recognised as income on a straight-line basis over the lease term. When the Group provides incentives to its tenants, the cost of incentives are recognised over the lease term, on a straight-line basis, as a reduction of rental income.

2.5 Foreign currencies
(a) Functional and presentation currency
The currency of the primary economic environment in which the Group operates ('the functional currency') is the Euro (€). The presentational currency of the consolidated financial statements is also the Euro (€).

(b) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Foreign exchange gains and losses resulting from such transactions are recognised in the Consolidated Statement of Comprehensive Income.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2 - Summary of material accounting policies (continued)

2.6 Segment reporting
The Group has identified two operating segments based on the nature of activities and the information reviewed by the Chief Operating Decision Maker. These comprise investment property held for rental income and property disposal activity undertaken as part of the Group's capital recycling strategy.

2.7 Operating profit / (loss)
Operating profit / (loss) is stated before the Group's net finance charges, gains/losses on derivative financial instruments and gains/losses on disposal of subsidiaries, and after the revaluation gains or losses for the year in respect of investment properties and after gains or losses on the disposal of investment properties.

2.8 Administrative and property expenses
All expenses are accounted for on an accruals basis and are charged to the Consolidated Statement of Comprehensive Income in the period in which they are incurred. Service charge costs are accounted for on an accruals basis and included in property expenses.

2.9 Separately disclosed items
Certain items are disclosed separately in the consolidated financial statements where this provides further understanding of the financial performance of the Group, due to their significance in terms of nature or amount.

2.10 Property Advisor fees
The element of Property Advisor fees for management services provided are accounted for on an accruals basis and are charged to the Consolidated Statement of Comprehensive Income. These fees are detailed in note 7 and classified under 'Property advisors' fees and expenses'.

2.11 Investment property
Property that is held for long-term rental yields or for capital appreciation, or both, which is not occupied by the Group, is classified as investment property.

Investment property is measured initially at cost, including related transaction costs. After initial recognition, investment property is carried at fair value, based on market value.

The change in fair values is recognised in the Consolidated Statement of Comprehensive Income for the year.

A valuation exercise is undertaken by the Group's independent valuer, Jones Lang LaSalle GmbH ('JLL'), at each reporting date in accordance with the methodology described in note 16 on a building-by-building basis. Such estimates are inherently subjective and actual values can only be determined in a sales transaction. The valuations have been prepared by JLL on a consistent basis at each reporting date.

Subsequent expenditure is added to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are charged to the Consolidated Statement of Comprehensive Income during the financial period in which they are incurred. Changes in fair values are recorded in the consolidated statement of comprehensive income for the year.

Purchases and sales of investment properties are recognised on legal completion.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Consolidated Statement of Comprehensive Income in the period in which the property is derecognised.

2.12 Current assets held for sale - investment property
Current assets (and disposal groups) classified as held for sale are measured at the most recent valuation.

Current assets (and disposal groups) are classified as held for sale when their carrying amount is expected to be recovered principally through a sale transaction rather than through continuing use. This classification is applied only when the asset is available for immediate sale in its present condition, subject only to terms that are usual and customary for such sales, and the sale is considered highly probable.

A sale is regarded as highly probable when management is committed to a plan to sell the asset, an active programme to locate a buyer has been initiated, and completion of the sale is expected to occur within one year from the date of classification.

The Group recognises an asset in this category once the Board has committed to the sale of an asset and marketing has commenced and the Board reasonably expects to sell the asset within the next twelve months.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

If an asset held for sale is unsold within one year of being classified as such, it will continue to be classified as held for sale if:

(a) at the date the Company commits itself to a plan to sell a non-current asset (or disposal group) it reasonably expects that others (not a buyer) will impose conditions on the transfer of the asset that will extend the period required to complete the sale, and actions necessary to respond to those conditions cannot be initiated until after a firm purchase commitment is obtained, and a firm purchase commitment is highly probable within one year;

(b) the Company obtains a firm purchase commitment and, as a result, a buyer or others unexpectedly impose conditions on the transfer of a non-current asset (or disposal group) previously classified as held for sale that will extend the period required to complete the sale, and timely actions necessary to respond to the conditions have been taken, and a favourable resolution of the delaying factors is expected;

(c) during the initial one-year period, circumstances arise that were previously considered unlikely and, as a result, a non-current asset previously classified as held for sale is not sold by the end of that period, and during the initial one-year period the Company took action necessary to respond to the change in circumstances, and the non-current asset is being actively marketed at a price that is reasonable, given the change in circumstances, and the criteria above are met;

(d) otherwise it will be transferred back to investment property.

2 - Summary of Material accounting policies (continued)

2.13 Property, plant and equipment
Property, plant and equipment is stated at cost less accumulated depreciation.

Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is charged so as to write off the costs of assets to their residual values over their estimated useful lives, on the following basis:

Equipment – 4.50% to 25% per annum, straight line.

The gain or loss arising on the disposal of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Consolidated Statement of Comprehensive Income.

2.14 Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the period in which they are incurred.

2.15 Tenants deposits
Tenants deposits are held off the Consolidated Statement of Financial Position in a separate bank account in accordance with German legal requirements, and the funds are not accessible to the Group. Accordingly, neither an asset nor a liability is recognised.

2.16 Financial instruments
Financial assets and financial liabilities are recognised in the Group’s statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Trade and other receivables
Trade receivables are amounts due from tenants for rents and service charges and are initially recognised at the amount of the consideration that is unconditional and subsequently carried at amortised cost as the Group's business model is to collect the contractual cash flows due from tenants. The Group applies the simplified approach which requires expected lifetime losses to be recognised from initial recognition of the receivable.

Cash and cash equivalents
Cash and cash equivalents are defined as cash and short term deposits, including any bank overdrafts, with an original maturity of three months or less, measured at amortised cost.

Trade and other payables
Trade payables are recognised and carried at their invoiced value inclusive of any VAT that may be applicable, and subsequently at amortised cost using the effective interest method.

Borrowings
All loans and borrowings are initially measured at fair value less directly attributable transaction costs. After initial recognition, all interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest method.

Treasury shares
When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity at the weighted average cost of treasury shares up to the date of repurchase. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within retained earnings.

Interest-rate swaps
The Group uses interest-rate swaps to manage its market risk. The Group does not hold or issue derivatives for trading purposes.

The interest-rate swaps are recognised in the Consolidated Statement of Financial Position at fair value, based on counterparty quotes. The gain or loss on the swaps is recognised in the Consolidated Statement of Comprehensive Income and detailed in note 12.

The interest-rate swaps are valued by an independent third party specialist. The market value calculation is based on the present value of the counterparty payments, the fixed interest, the present value of the payments to be received, and the floating interest.

The fair value of the interest-rate swaps is presented on the Consolidated Statement of Financial Position as non-current when the time to maturity is greater than one year from the reporting date.

Interest-rate caps
The Group uses interest-rate caps to manage its market risk. The Group does not hold or issue derivatives for trading purposes.

The interest-rate caps are recognised as Derivative financial instruments in the Consolidated Statement of Financial Position at fair value, based on counterparty quotes. The gain or loss on the caps is recognised in the Consolidated Statement of Comprehensive Income and detailed in note 12.

The interest-rate caps are valued by an independent third party specialist using generally accepted valuation techniques. The market value calculation is based on the present value of expected future payments. The valuation is based on forward interest rate curves, the contractual strike rate, implied interest rate volatility, the notional amounts and remaining term of the instruments, and appropriate discount factors.

The fair value of the interest-rate caps is presented on the Consolidated Statement of Financial Position as non-current when the time to maturity is greater than one year from the reporting date.

2.17 Current and deferred income tax
The tax expense for the period comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In that case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2 - Summary of Material accounting policies (continued)

2.17 Current and deferred income tax (continued)

(a) Current tax
The current tax charge is based on taxable profit / (loss) for the year. Taxable profit / (loss) differs from net profit / (loss) reported in the Consolidated Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the accounting date.

(b) Deferred tax
Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit / (loss). Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

Deferred tax is charged or credited in the Consolidated Statement of Comprehensive Income except when it relates to items credited or charged directly in equity, in which case the deferred tax is also dealt with in equity.

Deferred tax is calculated at the tax rates and laws that are expected to apply to the period when the asset is realised or the liability is settled based upon tax rates that have been enacted or substantively enacted by the accounting date.

The carrying amount of deferred tax assets is reviewed at each accounting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

2.18 New standards and interpretations
The following relevant new standards, amendments to standards and interpretations have been issued, and are effective for the financial year beginning on 1 January 2025, as adopted by the European Union and United Kingdom:

Title	**As issued by the IASB, mandatory for accounting periods starting on or after**
Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates	Accounting periods beginning on or after 1 January 2025

The new standard and amendment listed above did not have a material impact on either the current or prior financial periods.

New and revised IFRS Standards in issue but not yet effective and not early adopted
The following standards have been issued by the IASB and adopted by the EU:

Title	**As issued by the IASB, mandatory for accounting periods starting on or after**
Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	Accounting periods beginning on or after 1 January 2026
Annual Improvements to IFRS Accounting Standards – Amendments to:	
IFRS 1 First-time Adoption of International Financial Reporting Standards;	Accounting periods beginning on or after 1 January 2026
IFRS 7 Financial Instruments: Disclosures and it's accompanying Guidance on implementing IFRS 7;	Accounting periods beginning on or after 1 January 2026
IFRS 9 Financial Instruments;	Accounting periods beginning on or after 1 January 2026
IFRS 10 Consolidated Financial Statements; and	Accounting periods beginning on or after 1 January 2026
IAS 7 Statement of Cash flows	Accounting periods beginning on or after 1 January 2026
IFRS 9 and IFRS 7 Contracts Referencing Nature-dependent Electricity	Accounting periods beginning on or after 1 January 2026

There are no anticipated material impacts to the Group from the above new and revised IFRS Standards.

IFRS 18 Presentation and Disclosure in Financial Statements	Accounting periods beginning on or after 1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures (Not yet UKEB endorsed)	Accounting periods beginning on or after 1 January 2027
IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency (Amendments) (Not yet UK endorsed)	Accounting periods beginning on or after 1 January 2027

The focus of IFRS 18 is directed around financial performance and primarily the presentation of the profit and loss. The changes are likely to have an effect on the presentation of the financial statements and the impact of such changes will be considered and relevant amendments to the financial statements will be made prior to the IFRS coming into effect. There are no anticipated material impacts to the Group in respect of IFRS 19 and IAS 21.

3. Financial risk management

3.1 Financial risk factors
The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the Risk Committee under policies approved by the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk and investment of excess liquidity.

3.2 Market risk
Market risk is the risk of loss that may arise from changes in market factors such as foreign exchange rates, interest rates and general property market risk. The risks posed by potential changes to rental legislation in Berlin, as well as general market uncertainty due to the continued conflict in Ukraine have been identified as material market risk and as such have been disclosed below.

(a) Foreign exchange risk
The Group operates in Germany and is exposed to foreign exchange risk arising from currency exposures, primarily with respect to Sterling against the Euro arising from the costs which are incurred in Sterling. Foreign exchange risk arises from future commercial transactions, and recognised monetary assets and liabilities denominated in currencies other than the Euro.

3. Financial risk management (continued)

3.2 Market risk (continued)
The Group's policy is not to enter into any currency hedging transactions, as the majority of transactions are in Euros, which is the primary currency of the environment in which the Group operates. Therefore any currency fluctuations are minimal.

(b) Interest rate risk
The Group has exposure to interest rate risk. It has external borrowings at a number of different variable interest rates. The Group is also exposed to interest rate risk on some of its financial assets, being its cash at bank balances. Details of actual interest rates paid or accrued during each period can be found in note 22 to the consolidated financial statements.

The Group's policy is to manage its interest rate risk by entering into a suitable hedging arrangement, either caps or swaps, in order to limit exposure to borrowings at variable rates.

(c) General property market risk
Through its investment in property, the Group is subject to other risks which can affect the value of property. The Group seeks to minimise the impact of these risks by review of economic trends and property markets in order to anticipate major changes affecting property values.

(d) Market risk - Rent legislation
Through its policy of investing in Berlin, the Group is subject to the risk of changing rental legislation which could affect both the rental income, and the value of property. The Group seeks to mitigate any effect of the changing legislations using strategies set out in the principal risks and uncertainties on page 20.

(e) Market risk - Geopolitical
The Board remains mindful of external uncertainties, including geopolitical instability, ongoing conflict in the Middle East and the Ukraine war, macroeconomic conditions and the evolving regulatory environment for residential property in Germany. These factors may influence sentiment or transaction timings in the short term. However, the structural supply constraints in Berlin residential markets, combined with a long dated, fully financed capital structure, a declining capital expenditure profile and flexibility over sales pacing, provide resilience against volatility and allow execution to be appropriately calibrated in response to market conditions. Potential impacts are being closely monitored by the Board and the Property Advisor.

This flexibility is reinforced by on the ground execution capability and continuous market feedback through the sales platform, enabling the Board to adjust execution pragmatically while maintaining oversight and control.

3.3 Credit risk
The risk of financial loss due to a counterparty's failure to honour their obligations arises principally in connection with property leases and the investment of surplus cash.

The Group has policies in place to ensure that rental contracts are made with customers with an appropriate credit history. Tenant rent payments are monitored regularly and appropriate action taken to recover monies owed, or if necessary, to terminate the lease.

Cash transactions are limited to financial institutions with a high credit rating.

3.4 Liquidity risk
The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans secured on the Group's properties. The terms of the borrowings entitle the lender to require early repayment should the Group be in default with significant payments for more than one month.

3.5 Capital management
The prime objective of the Group's capital management is to ensure that it maintains the financial flexibility needed to allow for value-creating investments as well as healthy balance sheet ratios.

The capital structure of the Group consists of net debt (nominal borrowings after deducting cash and cash equivalents) and equity of the Group (comprising stated capital (excluding treasury shares), reserves and retained earnings).

In order to manage the capital structure, the Group can adjust the amount of dividend paid to shareholders, issue or repurchase shares or sell assets to reduce debt.

When reviewing the capital structure the Group considers the cost of capital and the risks associated with each class of capital. The Group reviews the gearing ratio which is determined as the proportion of net debt to equity. In comparison with comparable companies operating within the property sector the Board considers the gearing ratios to be reasonable.

The gearing ratios for the reporting periods are as follows:

	As at 31 December 2025	**As at 31 December 2024**
	€'000	**€'000**
Borrowings	(252,600)	(267,860)
Cash and cash equivalents	33,959	46,520
Net debt	(218,641)	(221,340)
Equity	271,082	277,536
Net debt to equity ratio	81%	80%

4. Critical accounting estimates and judgements
The preparation of consolidated financial statements in conformity with IFRS requires the Group to make certain critical accounting estimates and judgements. In the process of applying the Group's accounting policies, management has decided the following estimates and assumptions have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial year:

i) Estimate of fair value of investment properties (€540,090,000)
The valuation of the Group's property portfolio is inherently subjective due to, among other factors, the individual nature of each property, its location and condition, and expected future rentals. The valuation as at 31 December 2025 is based on the rules, regulations and market as at that date. The fair value estimates of investments properties are detailed in note 16.

The best evidence of fair value is current prices in an active market of investment properties with similar leases and other contracts. In the absence of such information, the Group determines the amount within a range of reasonable fair value estimates. In making its estimate, the Group considers information from a variety of sources, including:

a) Discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of any existing lease and other contracts, and (where possible) from external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

4. Critical accounting estimates and judgements (continued)

b) Current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences.

c) Recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices.

The Directors remain ultimately responsible for ensuring that the valuers are adequately qualified, competent and base their results on reasonable and realistic assumptions. The Directors have appointed JLL as the real estate valuation experts who determine the fair value of investment properties using recognised valuation techniques and the principles of IFRS 13. Further information on the valuation process can be found in note 16.

ii) Estimate of fair value of derivative financial instruments (€3,931,000)
The valuation of the Group's derivative financial instruments are inherently linked to changes in EURIBOR rates. The estimation of fair value of such instruments is complex and requires significant assumptions to be made.

Valuations are based upon commercially reasonable industry and market practices for valuing similar financial instruments. Certain inputs to the credit valuation models may be based on assumptions and best estimates that are not readily observable in the marketplace.

In the calculation of the fair value of the derivative financial instruments, certain valuations may be provided by third parties. The information provided is based on prevailing market data and derived from models based on well recognized financial principles and reasonable estimates about relevant future market conditions at the time of the report being developed.

The fair value estimates of derivative financials instruments are detailed in note 24.

iii) Judgment in relation to the recognition of assets held for sale
Management has made an assumption in respect of the likelihood of investment properties - held for sale, being sold within 12 months, in accordance with the requirement of IFRS 5. Management considers that based on historical and current experience that it is highly probable that the properties will be sold within 12 months.

Investment properties held for sale are all expected to be sold within 12 months of the reporting date based on management knowledge of current and historic market conditions. While whole properties have been valued under a condominium scenario in note 16, only units expected to be sold have been transferred to assets held for sale.

iv) Judgement in relation to disposal activity
Investment property included within disposal activity are presented in accordance with IAS 40. The Group applies judgement in determining whether investment properties undergoing development prior to disposal should continue to be classified as investment property or be reclassified as inventory. In making this judgement, management considered:

the Group’s primary business model of long-term rental ownership;
the absence of an intention to acquire properties for development and resale;
the extended holding periods prior to disposal;
the selective nature of disposals as part of a capital recycling strategy to release value and return capital to investors; and
the limited, non-substantive nature of refurbishment works undertaken prior to sale

Management concluded that these activities do not constitute development for sale in the ordinary course of business, and that the properties continue to meet the definition of investment property under IAS 40. Where investment property included within the disposal activity meet the definition as held for sale they are presented in accordance with IFRS 5.

v) Estimate of deferred tax liability on revaluation of properties
The deferred tax liability arising on the revaluation of investment properties represents a significant accounting estimate, as it depends on assumptions regarding both future tax rates and the timing of property disposals.

Deferred tax is measured by applying the German corporation tax rates expected to be in effect at the time the related temporary differences are anticipated to reverse, including the solidarity surcharge. Under legislation enacted in Germany, the corporation tax base rate is scheduled to reduce from 15% to 10% between 2028 and 2032, in decrements of 1% per annum. Including the solidarity surcharge, the effective corporation tax rate applicable to expected disposal gains consequently ranges from approximately 15.8% for disposals anticipated in 2026 and 2027 to approximately 12.7% for disposals expected from 2030 onwards.

At 31 December 2025, the deferred tax liability reflects these enacted rates applied to the Group’s expected disposal timetable under its current realisation strategy. This results in a blended effective tax rate of approximately 15.7% being applied to the revaluation surplus.

The deferred tax liability is inherently sensitive to assumptions regarding the timing of disposals. Properties sold earlier in the realisation programme will crystallise tax at higher rates, whereas properties disposed of later will benefit from the scheduled reductions in corporation tax rates. Accordingly, the deferred tax liability represents the Group’s current best estimate based on the expected sequencing and timing of disposals, rather than a fixed or certain obligation. The estimate is reviewed at each reporting date and revised where necessary to reflect changes in tax legislation, market conditions or the Group’s realisation strategy.

5. Operating segments
The Group has identified two operating segments based on the nature of activities and the information reviewed by the Chief Operating Decision Maker ("CODM"). These comprise investment property held for rental income and property disposal activity undertaken as part of the Group’s capital recycling strategy.

During the year, a strategy was implemented to maximise value through a managed, multi-year realisation process, but with full flexibility as to whether assets are ultimately sold as individual units, disposed of in bulk, or retained for rental over the medium term. Noting there is no requirement or commitment to sell specific assets within a defined timeframe. This activity is monitored separately by management given its differing risk and return profile, and as this activity has become material to the Group’s financial performance it is therefore reported as a separate operating segment classified as Investment property - Disposals.

In prior periods, property disposals were not managed as a distinct business activity and discrete financial information in respect of such activities was not regularly reviewed by the Group’s chief operating decision maker. Accordingly, comparative segment information has not been restated.

The Group does not operate a property development business. Development work is carried out to ensure assets are maintained in a condition where they can be retained and continue to generate rental income, or sold, if and when market conditions are attractive. There is no substantial transformation of the assets, no structural redevelopment, and no change in the underlying use of the properties. The assets continue to be operated as income-generating private rented sector units throughout.

The Group expects capital recycling activity to increase in future periods. The classification of such properties will continue to be assessed based on the Group’s business model and intended use of the assets.

5. Operating segments (continued)

The Group's principal reportable segments under IFRS 8 were as follows:

Reportable segment	**Operations**
Investment property - Rental	The Investment property – Rental segment comprises properties held and operated for medium-term rental purposes. These assets generate recurring rental income and are held for capital appreciation. Individual disposal of units within these properties is not legally or technically possible, and the portfolio within this segment is managed exclusively as medium-term rental.
Investment property - Disposals	The Investment property – Disposals segment comprises properties that are also held for long-term rental income and capital appreciation, but where individual unit disposal is legally and technically possible. These properties are managed under a flexible, multi-year value realisation strategy, which allows the Group to optimise returns over time.

Central administrative costs and financing activities are managed on a group-wide basis and are not allocated to operating segments. These costs are reported as Unallocated costs.

	Rental €'000	**Disposals €'000**	**Unallocated €'000**	**Total €'000**
Revenue	12,825	9,864	-	22,689
Property expenses	(9,563)	(5,785)	-	(15,348)
Administrative expenses	-	-	(3,318)	(3,318)
Loss on disposal of investment properties (including investment property held for sale)	-	(2,882)	-	(2,882)
Investment property revaluation loss	(3,416)	1,160	-	(2,256)
Finance income (before (loss) / gain on derivatives)	-	-	4,508	4,508
Finance costs (before (loss) / gain on derivatives)	-	-	(14,862)	(14,862)
Loss on derivatives	-	-	(2,116)	(2,116)
Income tax expense	-	-	7,131	7,131
	(154)	2,357	(8,657)	(6,454)

In accordance with IFRS 8, the Group discloses segment assets and liabilities only where such information is regularly provided to the CODM. The CODM does not receive separate balance sheet information for each segment; only the allocation of properties between the Rental and Disposal segments is reported. As a result, segment assets and segment liabilities are not disclosed.

Segment assets are measured consistently with the financial statements. Condominiums in privatisation are reported within the Disposal segment. All other investment properties are reported within the Rental segment.

	Rental €'000	**Disposals €'000**	**Unallocated €'000**	**Total €'000**
Investment properties	269,120	215,970	-	485,090
Property, plant and equipment	-	-	101	101
Other financial assets at amortised cost	-	-	828	828
Derivative financial instruments	-	-	3,931	3,931
Trade and other receivables	-	-	7,598	7,598
Cash and cash equivalents	-	-	33,959	33,959
Investment properties - held for sale	-	55,000	-	55,000
	269,120	270,970	46,417	586,507

6. Revenue

	31 December 2025 €'000	**31 December 2024 €'000**
Rental income	16,811	21,373
Service charge income	5,878	6,753
	22,689	28,126

The total future annual minimum rentals receivable under non-cancellable operating leases are as follows:

	31 December 2025 €'000	**31 December 2024 €'000**
Within 1 year	1,516	1,436
1 - 2 years	952	972
2 - 3 years	727	659
3 - 4 years	564	472
4 - 5 years	441	328
Later than 5 years	329	263
	4,529	4,130

Revenue comprises rental income earned from residential and commercial property in Germany. There are no individual tenants that account for greater than 10% of revenue during any of the reporting periods.

The leasing arrangements for residential property are with individual tenants, with three months notice from tenants to cancel the lease in most cases.

The commercial leases are non-cancellable, with an average lease period of 3 years.

7. Property expenses

	31 December 2025	31 December 2024
	€'000	€'000
Property management expenses	1,043	1,306
Repairs and maintenance	1,411	1,957
Impairment charge – trade receivables	121	1,178
Direct property expenses	7,496	6,199
Property advisors' fees and expenses	4,276	4,315
Other property operating expenses	1,001	800
	15,348	15,755

During the period, the vast majority of the Group’s investment properties generated rental income. Property expenses are incurred across the portfolio irrespective of short term vacancy or unit level disposal activity, and the Group’s accounting records do not differentiate such costs based on rental status.

Accordingly, property expenses have not been separately analysed between rent producing and non rent producing properties, as management considers that such a distinction would not be meaningful in the context of the Group’s operations.

8. Administrative expenses

	31 December 2025	31 December 2024
	€'000	€'000
Secretarial and administration fees	760	689
Legal and professional fees	1,926	2,044
Directors' fees	256	272
Bank charges	33	26
Profit / (loss) on foreign exchange	(9)	22
Depreciation	30	55
Other administrative expenses	413	797
Other income	(91)	(94)
	3,318	3,811

Further details of the Directors' fees are set out in the Directors' Remuneration Report on page 65 to 66.

9. Auditor's remuneration

An analysis of the fees charged by the auditor and its associates is as follows:

	31 December 2025	31 December 2024
	€'000	€'000
Fees payable to the Group's auditor and its associates for the audit of the consolidated financial statements	268	272
Fees payable to the Group's auditor and its associates for other services		
- Agreed upon procedures - half year report	38	38
	306	310

10. Loss on disposal of investment property (including investment property held for sale)

	31 December 2025	31 December 2024
	€'000	€'000
Disposal proceeds	22,656	18,768
Book value of disposals	(22,692)	(20,971)
Disposal costs	(2,846)	(991)
	(2,882)	(3,194)

Disposal proceeds recognised in the calculation of the loss on disposal represent the consideration attributable to properties disposed of during the year. Amounts presented in the statement of cash flows reflect cash receipts in the period and therefore differ due to timing differences, as certain disposal proceeds are received after the reporting date and, conversely, certain proceeds were received in advance of completion.

11. Investment property fair value loss

	31 December 2025	31 December 2024
	€'000	€'000
Investment property fair value loss	(2,256)	(5,416)

Further information on investment properties is shown in note 16.

12. Net finance charge

	31 December 2025 €'000	31 December 2024 €'000
Interest income	180	48
Swap cancellation income	-	388
Interest income on swaps	4,328	8,655
Finance income	4,508	9,091
Interest expense on swaps	(2,222)	(2,775)
Interest expense on bank borrowings	(12,640)	(15,381)
Finance cost	(14,862)	(18,156)
Loss on interest rate swaps	(2,524)	(4,775)
Gain on interest rate caps	408	-
Net finance cost	(12,470)	(13,840)

Interest expense on bank borrowings includes €1.8m in respect of the amortised loan arrangement fees, this includes an amount of €0.7m which was recognised early due to the restructuring of the Natixis debt and would otherwise have been recognised in the following year (2024: €1.0m).

13. Income tax charge

The tax credit for the period is as follows:	31 December 2025 €'000	31 December 2024 €'000
Current tax charge	352	777
Deferred tax credit - origination and reversal of temporary differences	(7,483)	(170)
	(7,131)	607

The tax charge for the year can be reconciled to the theoretical tax charge on the loss in the Consolidated Statement of Comprehensive Income as follows:

	31 December 2025 €'000	31 December 2024 €'000
Loss before tax	**(13,585)**	**(39,491)**
Tax at German income tax rate of 15.8% (2024: 15.8%)	(2,146)	(6,240)
Losses not subject to tax: Loss on property disposal	455	505
Effect of changes in tax rates applied to deferred tax balances	(6,834)	-
Losses carried forward not recognised	1,394	6,342
Total tax (credit) / charge for the year	(7,131)	607

Reconciliation of current tax liabilities

	31 December 2025 €'000	31 December 2024 €'000
Balance at beginning of year	1,589	856
Tax paid during the year	(1,821)	(44)
Current tax charge	352	777
Balance at end of year	120	1,589

Reconciliation of deferred tax

	Revaluation of properties €'000 (Liabilities)	Reversal on disposal of investment properties (movement) €'000	Derivatives €'000 (Liabilities)	Tax loss carry-forward Asset	Total €'000 (Net liabilities)
Balance at 1 January 2024	(65,842)		(1,392)	9,923	(57,311)
Credited / (charged) to the statement of comprehensive income:					
Fair value movements – investment properties (held)	4,106				4,106
Reversal on disposal of investment properties		3,275			3,275
Fair value movements – derivatives			756		756
Recognition/(utilisation) of tax losses				(4,692)	(4,692)
Balance at 31 December 2024	(58,461)		(636)	5,231	(53,866)
Credited / (charged) to the statement of comprehensive income:					
Fair value movements – investment properties	4,732				4,732
Reversal on disposal of investment properties		2,284			2,284
Fair value movements – derivatives			14		14
Recognition/(utilisation) of tax losses				453	453
Balance at 31 December 2025	(51,445)		(622)	5,684	(46,383)

13. Income tax charge (continued)

Jersey income tax
The Group is liable to Jersey income tax at 0%.

German tax
As a result of the Group's operations in Germany, the Group is subject to German Corporate Income Tax ('CIT') - the effective rate for Phoenix Spree Deutschland Limited for 2025 was 15.8% (2024: 15.8%).

Factors affecting future tax charges
The Group has accumulated tax losses of approximately €77 million (2024: €59 million) in Germany, which will be available to set against suitable future profits should they arise, subject to the criteria for relief. Accumulated tax losses are carried forward without time limit for German Corporate Tax.

A deferred tax asset is recognised in respect of these tax losses to the extent that it is probable that future taxable profits will be available against which the losses can be utilised. For statement of financial position presentation purposes, deferred tax assets arising from tax loss carry-forwards are offset against deferred tax liabilities relating to the same tax authority where the conditions for offset under IAS 12 are met.

Deferred tax liabilities relating to investment properties are measured based on the expected manner of recovery of the underlying assets, in accordance with IAS 12 Income Taxes. The Group expects to recover the carrying value of its investment properties predominantly through disposal as part of its portfolio realisation strategy.

In determining the deferred tax liability, the Group has applied tax rates that are expected to apply in the periods in which the temporary differences are forecast to reverse. This assessment reflects enacted and substantively enacted changes to German corporate income tax rates. Management has therefore adjusted the deferred tax calculation to incorporate lower tax rates expected to apply in future periods.

The timing of the reversal of temporary differences has been estimated using a disposal profile derived from the Group's portfolio realisation strategy, which assumes disposals of approximately €55 million per annum over the next four years, with the remainder of the portfolio disposed of in the fifth year. These forecast disposals represent management's best estimate based on the Group's strategic plans and do not constitute committed or contractual disposal arrangements.

Deferred tax has been calculated based on current fair values of the investment properties as at the reporting date. No allowance has been made for future changes in property values, and no projected revaluations have been assumed in the calculation of deferred tax.

Actual disposal timings and realised gains may differ from the assumptions applied, which could result in differences between the deferred tax recognised and the tax ultimately payable on disposal.

14. Dividends

	31 December 2025	**31 December 2024**
	€'000	**€'000**
Amounts recognised as distributions to equity holders in the period:		
No interim dividend was paid for the year ended 31 December 2025 (2024: €Nil per share).	-	-
No final dividend was paid for the year ended 31 December 2024 (2024: €Nil per share for the year ended 31 December 2023).	-	-

15. Subsidiaries

The Group consists of a Parent Company, Phoenix Spree Deutschland Limited, incorporated in Jersey, Channel Islands and a number of subsidiaries held directly by Phoenix Spree Deutschland Limited, which are incorporated in and operated out of Jersey and Germany.

Further details are given below:

	Country of incorporation	**% holding**	**Nature of business**
Phoenix Spree Deutschland I Limited	Jersey	100	Investment property
Phoenix Spree Deutschland VII Limited	Jersey	100	Investment property
Phoenix Spree Deutschland X Limited	Jersey	100	Finance vehicle
Phoenix Spree Deutschland XII Limited	Jersey	100	Investment property
Phoenix Property Holding GmbH & Co.KG	Germany	100	Holding Company
Phoenix Spree Mueller GmbH	Germany	94.9	Investment property
Phoenix Spree Gottlieb GmbH	Germany	94.9	Investment property
PSPF Holdings GmbH	Germany	100	Holding Company
Jühnsdorfer Weg Immobilien GmbH	Germany	94.9	Investment property
Phoenix Spree Property Fund Ltd & Co. KG (PSPF)	Germany	100	Investment property
PSPF General Partner (Jersey) Limited	Jersey	100	Management of PSPF

16. Investment properties

	31 December 2025	**31 December 2024**
Fair value	**€'000**	**€'000**
At 1 January	552,820	675,567
Capital expenditure	12,218	5,160
Disposals	(22,692)	(122,491)
Fair value loss	(2,256)	(5,416)
Investment properties at fair value	540,090	552,820
Assets classified as "Held for Sale" (Note 17)	(55,000)	(35,918)
At 31 December	**485,090**	**516,902**

16. Investment properties (continued)

The property portfolio was valued at 31 December 2025 by Jones Lang LaSalle GmbH ("JLL"), in accordance with the methodology described below. The valuations were performed in accordance with the current Appraisal and Valuation Standards, 8th edition (the ‘Red Book’) published by the Royal Institution of Chartered Surveyors (RICS).

The valuation is performed on a building-by-building basis from source information on the properties including current rent levels, void rates, capital expenditure, maintenance costs and non-recoverable costs provided to JLL by the Property Advisors QSix Residential Limited. JLL use their own assumptions with respect to rental growth (taking account of the complexity of German rent laws, capital investment levels and churn), and adjustments to non-recoverable costs. JLL also uses data from comparable market transactions where these are available alongside their own assumptions.

The valuation by JLL uses the discounted cash flow methodology. Such valuation estimates using this methodology, however, are inherently subjective and values that would have been achieved in an actual sales transaction involving the individual property at the reporting date are likely to differ from the estimated valuation.

All properties are valued as Level 3 measurements under the fair value hierarchy (see note 29) as the inputs to the discounted cash flow methodology which have a significant effect on the recorded fair value are not observable. Additionally, JLL perform reference checks back to comparable market transactions to confirm the valuation model.

The unrealised fair value loss in respect of investment property is disclosed in the Consolidated Statement of Comprehensive Income as ‘Investment property revaluation loss’.

Valuations are undertaken using the discounted cash flow valuation technique as described below and with the inputs set out below.

Discounted cash flow methodology ("DCF")
The fair value of investment properties is determined using the DCF methodology.

Under the DCF method, a property’s fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the asset’s life including an exit or terminal value. The DCF valuation by JLL used ten-year projections of a series of cash flows of each property interest. The cash flows used in the valuation reflect the known conditions existing at the reporting date.

To this projected cash flow series, an appropriate, market derived discount rate is applied to establish the present value of the cash flows associated with each property. The discount rate of the individual properties is adjusted to provide an individual property value that is consistent with comparable market transactions. For properties without a comparable market transaction JLL use the data from market transactions to adjust the discount rate to reflect differences in the location of the property, its condition, its tenants and rent.

The duration of the cash flow and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related lease up periods, re-letting, redevelopment, or refurbishment.

Periodic cash flow includes cash flows relating to gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance costs, agent and commission costs and other operating and management expenses. The series of periodic net operating cash flows, along with an estimate of the terminal value anticipated at the end of the ten-year projection period, is then discounted.

Where individual properties have already been legally subdivided into individual apartments (condominiums), or where legally binding permissions for such subdivision were obtained prior to the introduction of statutory conversion restrictions, the additional value attributable to the sale of individual condominium units is reflected in the valuation, principally through the application of a lower discount rate.

Following the introduction of statutory restrictions on the conversion of rented residential properties into individual condominium units under German federal and local law, new conversions are, in most cases, no longer permitted in the relevant markets. Accordingly, the valuation does not assume additional value from future condominium conversion where the necessary legal permissions are not already in place.

Information presenting portfolio composition and discount rates used in the valuation methodology are presented below:

	PRS	**Privatisation**	**Total portfolio**
Portfolio composition			
Number of properties	33	40	73
Market Value (€'000)	269,120	270,970	540,090
% of total portfolio MV	49.80%	50.20%	100.00%
Valuation methodology	**Ten-year DCF with terminal value**	**Ten-year DCF with unit-level condo sale proceeds**	**Portfolio-blended DCF**
Discount rate			
Weighted average (MV-weighted)	4.51%	4.28%	4.39%
Range — low	3.85%	3.40%	3.40%
Range — high	5.95%	5.15%	5.95%
Exit / Cap rate (rental capitalisation)			
Weighted average (MV-weighted)	2.95%	0.00%	2.95%
Range — low	2.55%		2.55%
Range — high	4.35%		4.35%
Rent indexation (residential)			
Weighted average	2.17%	2.26%	2.21%
Range — low	1.90%	2.10%	1.90%
Range — high	2.40%	2.40%	2.40%

16. Investment properties (continued)

The principal inputs to the valuation are as follows:

	Year ended 31 December 2025 Range	Year ended 31 December 2024 Range
Residential Properties		
Market Rent		
Rental Value (€ per sq. p.m.)	9.8 - 16.5	9.8 - 16.5
Stabilised residency vacancy (% per year)	0 - 59.2	0 - 31.9
Tenancy vacancy fluctuation (% per year)	0 - 7.5	0 - 7.5
Commercial Properties		
Market Rent		
Rental Value (€ per sq. p.m.)	4.6 - 38.7	4.6 - 37.7
Stabilised commercial vacancy (% per year)	0 - 100.0	0 - 100
Estimated Rental Value (ERV)		
ERV per year per property (€'000)	44 - 2,813	62 - 2,749
ERV (€ per sq. p.m.)	9.85 - 16.94	9.9 - 16.86
Financial Rates - blended average		
Discount rate (%)	4.4	4.4
Portfolio Gross yield (%)	3.1	3.3

Having reviewed the JLL report, the Directors are of the opinion that this represents a fair and reasonable valuation of the properties and have consequently adopted this valuation in the preparation of the consolidated financial statements.

The valuations have been prepared by JLL on a consistent basis at each reporting date and the methodology is consistent and in accordance with IFRS which requires that the

Sensitivity
Changes in the key assumptions and inputs to the valuation models used would impact the valuations as follows:

Vacancy: A change in vacancy by 1% would not materially affect the investment property fair value assessment.

Discount rate: An increase of 0.25% in the discount rate would reduce the investment property fair value by €21.47 million, and a decrease in the discount rate of 0.25% would increase the investment property fair value by €22.05 million.

There are, however, inter-relationships between unobservable inputs as they are determined by market conditions. The existence of an increase of more than one unobservable input could amplify the impact on the valuation. Conversely, changes on unobservable inputs moving in opposite directions could cancel each other out, or lessen the overall effect.

The Group values all investment properties in one of three ways;

Rental Scenario
'Rental Scenario' properties have been valued under the Discounted Cashflow Methodology and are included in the Investment properties line in the Non-current assets section of the Consolidated Statement of Financial Position. In general, the market participants are willing to pay higher prices for properties where physical and legal requirements are fulfilled and it is financially feasible to sell units individually. In these cases, the market values are still calculated on a rental basis but are adjusted to reflect the described potential increase in value. JLL calculates the market value of these assets in what is referred to as a 'Privatisation potential', which includes a deduction to the rental scenario discount rate for each completed step met when transitioning from the Rental Scenario to the Condominium Scenario. Properties expected to be sold in the coming year from these assets are considered held for sale under IFRS 5 and can be seen in note 17.

Condominium Scenario
Where properties have the potential or the benefit of all relevant permissions required to sell apartments individually (condominiums), and have been approved for sale by the Board, then we refer to this as a 'condominium scenario'. Properties expected to be sold in the coming year from these assets are considered held for sale under IFRS 5 and can be seen in note 17. The market value of the Privatisation potential of these assets is reported under the Condominium Scenario.

Disposal Scenario
Where properties have been notarised for sale prior to the reporting date, but have not completed; they are held at their notarised disposal value. These assets are considered held for sale under IFRS 5 and can be seen in note 17.

The table below sets out the assets valued using these 3 scenarios:

	31 December 2025 €'000	31 December 2024 €'000
Rental scenario	269,120	274,790
Condominium scenario	256,075	276,497
Disposal scenario	14,895	1,533
Total	540,090	552,820

The movement in the fair value of investment properties is included in the Consolidated Statement of Comprehensive Income as 'investment property revaluation loss' and comprises:

	31 December 2025 €'000	31 December 2024 €'000
Investment properties	(3,416)	(8,480)
Investment properties held for sale (see note 17)	1,160	3,064
	(2,256)	(5,416)

17. Investment properties - held for sale

	31 December 2025	31 December 2024
	€'000	€'000
Fair value - held for sale investment properties		
At 1 January	35,918	60,594
Transferred from investment properties	49,942	32,667
Transferred (to) investment properties	(9,723)	(39,675)
Capital expenditure	395	239
Properties sold	(22,692)	(20,971)
Valuation gain on properties held for sale	1,160	3,064
At 31 December	55,000	35,918

Investment properties are re-classified as current assets and described as 'held for sale' in three different situations: Properties notarised for sale at the reporting date, Properties where at the reporting date the group has obtained and implemented all relevant permissions required to sell individual apartment units, and efforts are being made to dispose of the assets (condominium); and Properties which are being marketed for sale but have currently not been notarised.

Properties which no longer satisfy the criteria for recognition as held for sale are transferred back to investment properties at fair value.

Properties notarised for sale by the reporting date are valued at their disposal price (disposal scenario), and other properties are valued using the rental and condominium scenarios (see note 16) as appropriate.

The investment properties held for sale have debt of €26.2m (2024: €18.6m) that is repayable upon sale of those investment properties. The properties have not been sold at the year end, therefore the trigger to repay the debt has not been met. Therefore the debt balance is held as long term.

18. Property, plant and equipment

	Equipment
	€'000
Cost or valuation	
As at 1 January 2024	163
Additions	53
As at 31 December 2024	216
Additions	122
As at 31 December 2025	**338**
Accumulated depreciation and impairment	
As at 1 January 2024	152
Charge for the year	55
As at 31 December 2024	207
Charge for the year	30
As at 31 December 2025	237
Carrying amount	
As at 31 December 2024	9
As at 31 December 2025	101

19. Other financial assets at amortised cost

	31 December 2025	31 December 2024
Non-current	€'000	€'000
At 1 January	828	828
Repayments	(24)	(24)
Accrued interest	24	24
At 31 December	**828**	**828**

The Company entered into a loan agreement with the minority interest of Accentro Real Estate AG in relation to the acquisition of the assets as share deals. This loan bears interest at 3% per annum.

These assets are considered to have low credit risk and any loss allowance would be immaterial.

20. Trade and other receivables

	31 December 2025	31 December 2024
	€'000	€'000
Current		
Trade receivables	642	749
Service charges receivable	5,342	5,779
Less: impairment provision	(265)	(696)
Net receivables	5,719	5,832
Prepayments and accrued income	309	283
Other receivables	1,570	2,194
	7,598	**8,309**

Other receivables include €185,000 due in respect of investment properties sold (2024: €1m).

Ageing analysis of trade receivables

	31 December 2025	31 December 2024
	€'000	€'000
Up to 12 months	377	53
Between 1 year and 2 years	-	-
	377	53

Impairment of trade and service charge receivables

The Group calculates lifetime expected credit losses for trade and service charge receivables using a portfolio approach. Receivables are grouped based on the credit terms offered and the type of lease. The probability of default is determined at the year-end based on the aging of the receivables, and historical data about default rates. That data is adjusted if the Group determines that historical data is not reflective of expected future conditions due to changes in the nature of its tenants and how they are affected by external factors such as economic and market conditions.

A loss allowance of 50% (2024: 50%) has been recognised for trade receivables that are more than 60 days past due. Any receivables where the tenant is no longer resident in the property are provided for in full.

Movements in the impairment provision against trade receivables are as follows:

	31 December 2025	31 December 2024
	€'000	€'000
Balance at the beginning of the year	696	297
Impairment losses recognised	121	1,178
Amounts written off as uncollectable	(552)	(779)
Balance at the end of the year	265	696

All impairment losses relate to the receivables arising from tenants.

21. Cash and cash equivalents

	31 December 2025	31 December 2024
	€'000	€'000
Cash at banks	32,235	45,042
Cash at agents	1,724	1,478
Cash and cash equivalents	**33,959**	**46,520**

22. Borrowings

	31 December 2025		31 December 2024	
	Nominal value	Book value	Nominal value	Book value
	€'000	€'000	€'000	€'000
Current liabilities				
Accrued interest - NATIXIS Pfandbriefbank AG	992	302	1,109	106
Bank loans - Berliner Sparkasse	-	-	301	301
	992	302	1,410	407
Non-current liabilities				
Bank loans - NATIXIS Pfandbriefbank AG	255,000	252,298	249,333	248,635
Bank loans - Berliner Sparkasse	-	-	18,818	18,818
	255,000	252,298	268,151	267,453
	255,992	**252,600**	**269,561**	**267,860**

The fair value of borrowings approximated their book value at the date of the Consolidated Statement of Financial Position.

The difference between book values and nominal values in the table above relates to unamortised transaction cost.

Financial covenants and related obligations as required by the Natixis Pfandbriefbank AG facility agreement dated 26 November 2025 are stated below:

Interest Cover Ratio (ICR) of at least 1.20 times at all times. Breach if less than 1.20 times (subject to cure within 5 business days).

Loan to value (LTV) trigger if LTV exceeds 65% in year one, 60% in year two, or 55% thereafter. Surplus cash is trapped (blocked) until LTV is cured)

Debt yield trigger if debt yield falls below 5% (first 3 years), 6.5% (year 3-4), or 7% (year 4 onwards). Surplus cash is trapped until cured.

The Group has complied with the financial covenants of its borrowing facilities during the 2025 reporting period. The latest confirmation of compliance with the required financial

	Interest Cover Ratio	Loan to value	Debt yield
Required as reporting date	1.20x	65.0%	5.0%
Reported value as at 26 November 2025	1.29x	49.3%	5.6%
Reported value as at 26 November 2025	1.23x	49.1%	5.5%

22. Borrowings (continued)

The Natixis Pfandbriefbank AG loan facility matures on 28 November 2030. All outstanding loan principal is due in full 5 years from utilisation (Termination date). Interest is payable quarterly.

Voluntary prepayment rights. The Group have the right to prepay the loan at their discretion, subject to notice and minimum amounts. They may prepay in whole or in part, by giving at least 10 Business Days' notice to the agent. Partial prepayments must be at least €1m in size. Prepayments are allowed only after the drawdown period has ended.

Mandatory prepayment on asset disposals. The facility tightly governs disposals of secured assets. If the Group sell any properties or equity interests in a property holding borrower, mandatory prepayment of part of the loan is required using the sale proceeds.

Minimum prepayment amount. The loan agreement specifies that upon a permitted sale, the Group must prepay an amount such that the remaining loan-to-value is preserved at 52%. In practice, 115% of the sold asset's allocated loan amount or 52% of net sale proceeds, whichever is higher, must be applied to prepay the loans. This ensures the loan is paid down in proportion to assets disposed.

The net disposal proceeds (after reasonable costs) from any sale must either be prepaid immediately or paid into a restricted deposit account awaiting application to prepayment.

All borrowings are secured against the investment properties of the Group. As at 31 December 2025, the Group had no undrawn debt facilities (2024: €Nil).

Hedging requirement. The Group are required to maintain interest rate hedging on at least 80% of the loan principal for the full term – specifically via interest rate cap(s) with a strike ≤2.00%.

Interest rate risk concentration

Interest rate basis	**Fixed Interest %**	**Fixed Interest %**	**Floating Interest %**	**Total loans**	**Hedged against floating rate loans**
Interest rate range	**1-2%**	**2-3%**	**Euribor**		
	€'000	**€'000**	**€'000**	**€'000**	**€'000**
NATIXIS Pfandbriefbank AG	-	-	255,000	255,000	204,000
Total	-	-	255,000	255,000	204,000

23. Trade and other payables

	31 December 2025	**31 December 2024**
	€'000	**€'000**
Trade payables	4,800	3,985
Accrued liabilities	2,635	2,129
Service charges payable	5,420	5,478
Advanced payment received on account	3,467	64
	16,322	11,656

Accrued liabilities include an amount of €656k relating to tenant claims arising from ("Mietrüge") in respect of prior rental periods. The liability is recognised under IAS 37 and measured using an expected-value methodology based on historic claim settlement experience applied to open cases at the reporting date.

Advanced payment received on account relates to disposal proceeds received prior to the statement of financial position date for units that proceeded to change ownership in the first quarter of the following financial year.

24. Derivative financial instruments

	31 December 2025	**31 December 2024**
	€'000	**€'000**
Interest rate swaps - carried at fair value through profit or loss		
Balance at 1 January	4,021	8,796
Fair value movement through profit or loss	(2,524)	(4,775)
Termination payments received	(1,497)	-
Balance at 31 December	-	4,021

	31 December 2025	**31 December 2024**
	€'000	**€'000**
Interest rate caps - carried at fair value through profit or loss		
Balance at 1 January	-	-
Premium paid	3,523	
Fair value movement through profit or loss	408	-
Balance at 31 December	3,931	-

The notional principal amount of the outstanding interest rate cap contract at 31 December 2025 was €204,000,000 (2024: €Nil). The base rate of the contract is based on 3 Months EURIBOR and interest is capped at 2%. The interest rate cap matures on 28 November 2030.

Interest rate caps do not give rise to future contractual cash outflows and are therefore excluded from the liquidity risk maturity analysis.

25. Stated capital

	31 December 2025	31 December 2024
	€'000	€'000
Issued and fully paid:		
At 1 January	196,578	196,578
At 31 December	**196,578**	**196,578**

The number of redeemable ordinary shares in issue at 31 December 2025 was 100,751,410 (31 December 2024: Nil). The number of non-redeemable ordinary shares in issue at 31 December 2025 was 1 (31 December 2024: Nil).

On 18 June 2025 the Company issued one ordinary share at a subscription price of £1. The share was immediately converted into and redesignated as a non-redeemable ordinary share of no par value. The Company's remaining 100,751,410 issued ordinary shares of no par value were converted and redesignated as redeemable ordinary shares of no par value.

At general meetings of the Company, redeemable ordinary shareholders are entitled to one vote on a show of hands or on a poll, to one vote for every redeemable ordinary share held.

Treasury shares
The reserve for the Company's treasury shares comprises the cost of the Company's shares held by the Group. At 31 December 2025, the Group held 8,924,047 of the Company's shares (2024: 8,924,047). During the year no further shares were purchased in the market.

On 21 April 2026 the Board of the Company announces that it has resolved with immediate effect to cancel all of its 8,924,047 ordinary shares held in treasury.

26. Non-controlling interests

	Non-controlling interest %	31 December 2025	31 December 2024
		€'000	€'000
Phoenix Spree Mueller GmbH	5.1%	787	771
Phoenix Spree Gottlieb GmbH	5.1%	1,134	1,108
Jühnsdorfer Weg Immobilien GmbH	5.1%	(595)	(515)
		1,326	**1,364**

The following is summarised financial information for the subsidiaries which have material NCI, prepared in accordance with IFRS. The information is before inter-company eliminations with other companies in the Group.

	Phoenix Spree Mueller GmbH	Phoenix Spree Gottlieb GmbH	Jühnsdorfer Weg Immobilien GmbH	31 December 2025
	€'000	€'000	€'000	€'000
Revenue	1,372	1,284	2,092	4,748
Loss	298	504	(1,559)	(757)
Gain / (Loss) attributable to NCI	**15**	**26**	**(79)**	**(38)**
Non-current assets	29,900	27,800	37,800	95,500
Current assets	8,206	8,202	2,146	18,554
Non-current liabilities	(22,077)	(13,199)	(50,457)	(85,733)
Current liabilities	(604)	(562)	(1,148)	(2,314)
Net assets	15,425	22,241	(11,659)	**26,007**
Net assets / (liabilities) attributable to NCI	**787**	**1,134**	**(595)**	**1,326**
Cashflows from operating activities	199	29	(200)	28
Cashflows from investing activities	(1)	(3)	-	(4)
Cashflows from financing activities	(321)	7	347	33
Net increase / (decrease) in cash and cash equivalents	**(123)**	**33**	**147**	**57**

	Phoenix Spree Mueller GmbH	Phoenix Spree Gottlieb GmbH	Jühnsdorfer Weg Immobilien GmbH	31 December 2024
	€'000	€'000	€'000	€'000
Revenue	1,368	1,232	2,534	5,134
Loss	(11,531)	(691)	(11,873)	(24,095)
Loss attributable to NCI	**(588)**	**(35)**	**(580)**	**(1,203)**
Non-current assets	29,500	27,500	37,700	94,700
Current assets	5,289	7,812	1,709	14,810
Non-current liabilities	(19,107)	(13,066)	(48,072)	(80,245)
Current liabilities	(554)	(509)	(1,438)	(2,501)
Net assets	15,128	21,737	(10,101)	**26,764**
Net assets attributable to NCI	**771**	**1,108**	**(515)**	**1,364**
Cashflows from operating activities	46	118	880	1,044
Cashflows from investing activities	(2)	(4)	310	304
Cashflows from financing activities	(12)	(132)	(1,371)	(1,515)
Net increase / (decrease) in cash and cash equivalents	**32**	**(18)**	**(181)**	**(167)**

27. Earnings per share and EPRA earnings per share

	31 December 2025	31 December 2024
Earnings per share		
Earnings for the purposes of basic earnings per share being net profit attributable to owners of the parent (€'000)	(6,416)	(38,895)
Weighted average number of ordinary shares for the purposes of basic earnings per share (Number)	91,827,363	91,827,363
Effect of dilutive potential ordinary shares (Number)	-	-
Weighted average number of ordinary shares for the purposes of diluted earnings per share (Number)	91,827,363	91,827,363
Earnings per share (€)	(0.07)	(0.42)
Diluted earnings per share (€)	(0.07)	(0.42)

	31 December 2025	31 December
EPRA earnings per share		
Earnings for the purposes of basic earnings per share being net profit attributable to owners of the parent (€'000)	(6,416)	(38,895)
Changes in value of investment properties	2,256	5,416
Loss on disposal on investment properties	2,882	3,194
Changes in fair value of financial instruments	2,524	4,775
Loss on disposal of subsidiary	-	25,601
Deferred tax adjustments	(7,483)	(170)
Change in Non-controlling interest	34	(537)
EPRA Earnings	(6,203)	(616)
Weighted average number of ordinary shares for the purposes of basic earnings per share (Number)	91,827,363	91,827,363
EPRA Earnings per Share (€)	(0.07)	(0.01)
Diluted EPRA Earnings per Share (€)	(0.07)	(0.01)

28. Net asset value per share and EPRA net asset value

	31 December 2025	31 December 2024
Net assets (€'000)	269,756	276,172
Number of participating ordinary shares	91,827,363	91,827,363
Net asset value per share (€)	2.94	3.01

The Group presents EPRA Net Asset Value (NRV), EPRA Net Tangible Assets (NTA) and EPRA Net Disposal Value (NDV) as alternative performance measures to supplement IFRS equity.

These measures are prepared in accordance with the European Public Real Estate Association (EPRA) Best Practices Recommendations and are widely used by investors and analysts to assess the performance and value of listed real estate companies on a consistent basis.

The Directors consider these measures provide additional insight into the Group's underlying net asset position under different assumptions, including long-term asset ownership, active portfolio management and orderly disposal scenarios, which are not directly provided for under IFRS.

The EPRA measures should not be considered as a substitute for IFRS measures and are presented alongside, and reconciled to, the Group's IFRS equity.

EPRA NRV (Net Reinstatement Value) - this includes transfer duties of the property assets.
EPRA NTA (Net Tangible Assets) - the Company buys and sells assets leading to taking account of certain liabilities.
EPRA NDV (Net Disposal Value) - the value for the shareholder in the event of a liquidation.

The net asset value calculation is based on the Group's shareholders' equity which includes the fair value of investment properties, properties held for sale as well as financial instruments.

The number of diluted shares does not include treasury shares.

	EPRA NRV €'000	EPRA NTA €'000	EPRA NDV €'000
At 31 December 2025			
IFRS Equity attributable to shareholders	269,756	269,756	269,756
Diluted NAV	**269,756**	**269,756**	**269,756**
Diluted NAV at Fair Value	**269,756**	**269,756**	**269,756**
Exclude:*			
Deferred tax in relation to revaluation gains / losses of Investment Property and derivatives	46,383	46,383	
Fair value of financial instruments	(3,931)	(3,931)	
Include:*			
Fair value of fixed interest rate debt			-
Real estate transfer tax	23,004	-	
NAV	**335,212**	**312,208**	**269,756**
Fully diluted number of shares	91,827,363	91,827,363	91,827,363
NAV per share (€)	**3.65**	**3.40**	**2.94**

28. Net asset value per share and EPRA net asset value (continued)

	EPRA NRV €'000	EPRA NTA €'000	EPRA NDV €'000
At 31 December 2024			
IFRS Equity attributable to shareholders	276,172	276,172	276,172
Diluted NAV	**276,172**	**276,172**	**276,172**
Diluted NAV at Fair Value	**276,172**	**276,172**	**276,172**
Exclude:			
Deferred tax in relation to revaluation gains / losses of Investment Property and derivatives	53,866	53,866	
Fair value of financial instruments	(4,021)	(4,021)	
Include:			
Fair value of fixed interest rate debt			587
Real estate transfer tax	23,471	-	
NAV	**349,488**	**326,017**	**276,759**
Fully diluted number of shares	91,827,363	91,827,363	91,827,363
NAV per share (€)	**3.81**	**3.55**	**3.01**

29. Financial instruments

The Group is exposed to the risks that arise from its use of financial instruments. This note describes the objectives, policies and processes of the Group for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout the consolidated financial statements.

Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Cash and cash equivalents
- Trade and other receivables
- Other financial assets
- Trade and other payables
- Borrowings
- Derivative financial instruments

The Group held the following financial assets at each reporting date:

	31 December 2025 €'000	31 December 2024 €'000
Amortised cost		
Trade and other receivables - current	7,289	8,026
Cash and cash equivalents	33,959	46,520
Other financial assets at amortised cost	828	828
	42,076	**55,374**
Fair value through profit or loss		
Derivative financial assets	3,931	4,021
	3,931	**4,021**
	46,007	**59,395**

The Group held the following financial liabilities at each reporting date:

	31 December 2025 €'000	31 December 2024 €'000
At amortised cost		
Borrowings payable: current	302	407
Borrowings payable: non-current	252,298	267,453
Trade and other payables	16,322	11,656
	268,922	**279,516**
	268,922	**279,516**

Fair value of financial instruments

The fair values of the financial assets and liabilities are not materially different to their carrying values due to the short term nature of the current assets and liabilities. Due to the commercial variable rates applied to the long term liabilities, and the relatively short term nature, the fair value of these positions are not considered to be materially different from their carrying value.

The interest rate cap became effective on 28 November 2025. Given the short period between inception and the reporting date, and in the absence of evidence of significant changes in interest rate curves or volatility, management has concluded that the premium paid of EUR 3.5m represents a reasonable approximation of the instrument's fair value at 31 December 2025.

The interest rate cap is expected to mature on 28 November 2030.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

During each of the reporting periods, there were no transfers between valuation levels.

29. Financial instruments (continued)

Group Fair Values

Financial assets/ (liabilities)	**31 December 2025** **€'000**	**31 December 2024** **€'000**
Interest rate caps - Level 2 - current	-	-
Interest rate caps - Level 2 - non-current	3,931	-
	3,931	-

Financial risk management
The Group is exposed through its operations to the following financial risks:

• Interest rate risk
• Foreign exchange risk
• Credit risk
• Liquidity risk

The Group's policies for financial risk management are outlined below.

Interest rate risk
The Group's interest rate risk arises primarily from external borrowing. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group is also exposed to interest rate risk on cash and cash equivalents.

The Group manages its exposure to interest rate risk through the use of interest rate caps. At the reporting date, 80% of variable-rate borrowings were subject to an interest rate cap, which limits the Group's exposure to adverse movements in interest rates. The remaining unhedged exposure amounted to approximately EUR 51 million.

A sensitivity analysis has been performed showing the impact on profit or loss of a reasonably possible change in benchmark interest rates of 0.25%, based on the interest rates prevailing at the reporting date and assuming the year end debt position remains constant. A 0.25% increase (decrease) in benchmark interest rates would result in an increase (decrease) in annual interest expense of approximately EUR 0.13 million.

Given the level of protection provided by these arrangements, management considers that a reasonably possible change in interest rates would not have a material impact on profit.

The Group gives careful consideration to interest rates when considering its borrowing requirements and where to hold its excess cash. The Directors believe that the interest rate risk is at an acceptable level.

Foreign exchange risk
The Group is exposed to foreign exchange risk on sales, purchases, and translation of assets and liabilities that are in a currency other than the functional currency (Euros).

The Group does not enter into any currency hedging transactions and the Directors believe that the foreign exchange rate risk is at an acceptable level.

The carrying amount of the Group's foreign currency (non Euro) denominated monetary assets and liabilities are shown below, all the amounts are for Sterling balances only:

	31 December 2025 **€'000**	**31 December 2024** **€'000**
Financial assets		
Cash and cash equivalents	119	60
Financial liabilities		
Trade and other payables	(90)	(457)
Net position	29	(397)

At each reporting date, if the Euro had strengthened or weakened by 10% against GBP with all other variables held constant, post-tax profit / loss for the year would have increased/(decreased) by:

	Weakened by 10% **Increase/(decrease) in post-tax profit / loss and impact on equity** **€'000**	**Strengthened by 10%** **Increase/(decrease) in post-tax profit / loss and impact on equity** **€'000**
31 December 2025	3	(3)
31 December 2024	(40)	40

29. Financial instruments (continued)

Credit risk management
Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises principally from the Group's trade and other receivables and its cash balances. The Group gives careful consideration to which organisations it uses for its banking services in order to minimise credit risk. The Group has an established credit policy under which each new tenant is analysed for creditworthiness and each tenant is required to pay a two month deposit.

At each reporting date the Group had no tenants with outstanding balances over 10% of the total trade receivables balance.

The Group holds cash at the following banks: Barclays Private Clients International Jersey Ltd, Deutsche Bank AG, Berliner Sparkasse and Butterfield Bank (Guernsey) Limited. The split of cash held at each of the banks respectively at 31 December 2025 was 8% / 92% (31 December 2024: Barclays Private Clients International Jersey Ltd, Deutsche Bank AG, Berliner Sparkasse and Hausbank the split was 80% / 18% / 1% / 1%). Barclays has a credit rating of A+, Deutsche Bank has a credit rating of A-.

The Group holds no collateral as security against any financial asset. The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Group's maximum exposure to credit risk.

Details of receivables from tenants in arrears at each reporting date can be found in note 20 as can details of the receivables that were impaired during each period.

An allowance for impairment is made using an expected credit loss model based on previous experience. Management considers the above measures to be sufficient to control the credit risk exposure.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk as no collateral or other credit enhancements are held.

Liquidity risk management
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity risk is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or damage to the Group's reputation.

The Directors manage liquidity risk by regularly reviewing cash requirements by reference to short term cash flow forecasts and medium term working capital projections prepared by management.

The Group maintains good relationships with its banks, which have high credit ratings.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed maturity periods. The table has been drawn up based on the undiscounted cash flows of the financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both current interest payable and principal cash flows.

Maturity analysis for financial liabilities

	Less than 1 year €'000	Between 1 - 2 years €'000	Between 2 - 5 years €'000	More than 5 years €'000	Total €'000
At 31 December 2025					
Borrowings payable: current	11,816	-	-	-	11,816
Borrowings payable: non-current	-	10,824	286,582	-	297,406
Trade and other payables	16,322	-	-	-	16,322
	28,138	**10,824**	**286,582**	**-**	**325,544**

	Less than 1 year €'000	Between 1 - 2 years €'000	Between 2 - 5 years €'000	More than 5 years €'000	Total €'000
At 31 December 2024					
Borrowings payable: current	8,967	-	-	-	8,967
Borrowings payable: non-current	-	275,085	-	-	275,085
Trade and other payables	11,656	-	-	-	11,656
	20,623	**275,085**	**-**	**-**	**295,708**

Loans are due to mature in November 2030 for the Natixis loan facility.

30. Capital commitments

	31 December 2025 €'000	31 December 2024 €'000
Contracted capital commitments at the end of the year	**1,505**	**-**

Capital commitments include contracted obligations in respect of the acquisition, enhancement, construction, development and repair of the Group's properties.

31. Related party transactions

Related party transactions not disclosed elsewhere are as follows:

QSix Residential Limited is the Group's property advisor and also holds an equity interest in the Company. As the property advisor provides services that are considered to constitute key management personnel services, and given its shareholding, QSix Residential Limited is regarded as a related party in accordance with IAS 24. Fees paid to QSix Residential Limited during the period are disclosed as related party transactions.

Property Advisor Fees
Under the Property Advisory Agreement for providing property advisory services, the Property Advisor is entitled to a Portfolio and Asset Management Fee as follows:

(i) 1.2% of the EPRA NTA of the Group where EPRA NTA of the Group is equal to or less than €500 million; and
(ii) 1% of the EPRA NTA of the Group greater than €500 million.

The Property Advisor is entitled to receive a finance fee equal to:

(i) 0.1% of the value of any borrowing arrangement which the Property Advisor has negotiated and/or supervised; and
(ii) a fixed fee of £1,000 in respect of any borrowing arrangement which the Property Advisor has renegotiated or varied.

The management fee will be reduced by the aggregate amount of any transaction fees and finance fees payable to the Property Advisor in respect of that calendar year.

The Property Advisor is entitled to a capex monitoring fee equal to 7% of any capital expenditure incurred by any Subsidiary which the Property Advisor is responsible for managing.

The Property Advisor is entitled to receive a transaction fee fixed at £1,000 in respect of any acquisition or disposal of property by any Subsidiary.

The Property Advisor shall be entitled to a fee for Investor Relations Services at the annual rate of £75,000 payable quarterly in arrears.

Effective from 1 July 2023 for a period of 12 months, the Property Advisor fee was amended as follows:

(i) For a period of 12 months from the 1 July 2023, the amount payable to the Property Advisor in respect of the Portfolio and Asset Management Fee, the Capex Fee, the Finance Fees, the Transaction Fees, the Letting Fees and the Investor Relations Fees, in each case, inclusive of VAT shall be subject to a cap of €5.0 million.

(ii) The Property Advisor shall be entitled to a disposal fee equal to 1% of the Gross Value of Assets Sold over the period of 12 months commencing on 1 July 2023

Effective 1 July 2024, the 12 month Property Advisor fee changes which were effective from 1 July 2023 were revised as follows:

1. The amount payable to the Property Advisor in respect of the Portfolio and Asset Management Fee, the Capex Fee, the Finance Fees, the Transaction Fees, the Letting Fees and the Investor Relations Fees, in each case, exclusive of VAT shall be subject to a cap of €4.3 million.

2. The Property Advisor shall be entitled to a disposal fee equal to 1% of the Gross Value of Assets sold.

QSix Residential Limited is the Group's appointed Property Advisor. The Property Advisor has committed to use post-tax proceeds arising from the disposal fee to acquire shares in PSD. The Property Advisor acquired 299,917 shares in 2024 and a further 142,384 shares in February 2025. The shareholders of the Property Advisor also retain shares in the Group. During the year ended 31 December 2025, an amount of €4,275,890 (€4,275,890 Management Fees) (2024: €4,296,112 (€4,293,070 Management Fees and €3,042 Other expenses and fees)) was payable to QSix Residential Limited. At 31 December 2025 €1,513,753 (2024: €1,113,429) was outstanding. Fees payable to the Property Advisor in relation to overseeing capital expenditure during the year of €768,404 (2024: €180,774) have been capitalised.

Apex Financial Services (Alternative Funds) Limited, the Company's administrator provided administration and company secretarial services. During the period, fees of €759,832 were charged (2024: €688,502) with €Nil (2024: €Nil) outstanding.

Fees payable to Directors during the year amounted to €256,000 (2024: €272,000).

Dividends paid to directors in their capacity as a shareholder amounted to €Nil (2024: €Nil).

32. Events after the reporting date

Since the reporting date, the Company has notarised 56 condominium units for aggregate proceeds of €16.5m, at an average of €4,431 per sqm. Of these, 24 units were vacant, generating €8.3m at an average of €4,594 per sqm, and 32 were occupied, generating €8.3m at an average of €4,278 per sqm. 37 units that were notarised prior to the balance sheet date completed after the year end, realising €11.7m at an average of €4,336 per sqm.

On 21 April 2026, the Board resolved to cancel all 8,924,047 treasury shares held by the Company. Following cancellation, the Company's total issued share capital comprises 91,827,363 redeemable ordinary shares and 1 non-redeemable ordinary share.

Professional Advisors

Property Advisor	QSix Residential Limited 54-56 Jermyn Street London SW1Y 6LX
Administrator, Company Secretary and Registered Office	Apex Financial Services (Alternative Funds) Limited IFC 5 St Helier Jersey JE1 1ST
Registrar	MUFG Corporate Markets (Jersey) Limited IFC 5 St Helier Jersey JE1 1ST
Principal Banker	Barclays Bank Plc, Jersey Branch 13 Library Place St. Helier Jersey JE4 8NE
UK Legal Advisor	Stephenson Harwood LLP 1 Finsbury Circus London EC2M 7SH
Jersey Legal Advisor	Mourant 22 Grenville St. St. Helier Jersey JE4 8PX
German Legal Advisor as to property law	Mittelstein Rechtsanwälte Alsterarkaden 20 20354 Hamburg Germany
German Legal Advisor as to German partnership law	Taylor Wessing Partnerschaftsgesellschaft mbB Thurn-und-Taxis-Platz 6 60313 Frankfurt a.M. Germany
Sponsor and Broker	Numis Securities Limited 21 Moorfields London EC2Y 9DB
Independent Property Valuer	Jones Lang LaSalle GmbH Rahel-Hirsch-Strasse 10 10557 Berlin Germany
Auditor	RSM UK Audit LLP 25 Farringdon Street London EC4A 4AB