PHOENIX SPREE

BUILDING BETTER FUTURES

Interim Report 2020

QSIX

Formerly known as PMM Group

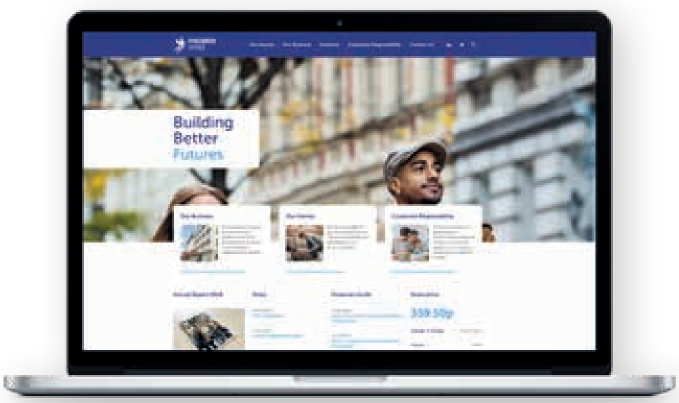
PHOENIX SPREE DEUTSCHLAND LIMITED IS AN INVESTMENT COMPANY FOUNDED IN 2007 AND LISTED ON THE LONDON STOCK EXCHANGE. IT IS A LONG-TERM INVESTOR IN BERLIN RENTAL PROPERTY, COMMITTED TO IMPROVING THE QUALITY OF ACCOMMODATION FOR ITS CUSTOMERS.

Over the past 13 years, the Company has assembled an attractive portfolio of real estate assets which the Directors believe offers investors the potential for both reliable income as well as capital growth.

QSix, formerly known as PMM Group, has acted as the Property Advisor since the Company's inception. It has an experienced team of property professionals with long-standing experience of the German residential property market.

Business Review

Financial Statements



HALF-YEAR FINANCIAL SUMMARY

Portfolio valuation
(Six months to June 2020)

€746.7m

LFL growth 2.6%

HY 2020	746.7
2019	730.2

Gross rental income[1]
(Six months to June 2020)

€12.0m

Growth 11.7%

HY 2020	12.0
HY 2019	10.8

EPRA NAV per share
(Six months to June 2020)

€5.06

Growth 2.8%

HY 2020	5.06
2019	4.92

Portfolio valuation per sqm
(Six months to June 2020)

€3,839

HY 2020	3,839
2019	3,741

Net LTV[2]
(Six months to June 2020)

33.0%

HY 2020	33.0
2019	32.6

EPRA NAV per share total return
(Six months to June 2020)

3.9%

HY 2020	3.9
HY 2019	4.4

Condominium sales notarised
(Six months to June 2020)

€4,392m

14.4% premium to portfolio value

HY 2020	4,392
HY 2019	4,618

Annual like-for-like rent per sqm growth
(Six months to June 2020)

1.8%

HY 2020	1.8
HY 2019	6.3

Dividend
(Six months to June 2020)

2.35c (2.1p)

HY 2020	2.35
HY 2019	2.35

1 Rental income is disclosed under IAS 18, and does not include any rents above what is allowed under the Mietendeckel.
2 Net LTV uses nominal loan balances as per note 17 rather than the loan balances on the Consolidated Statement of Financial Position which consider Capitalised Finance Arrangement Fees in the balance.
3 GBP:EUR FX rate 1:1.1009.

Financial and operational highlights

- EPRA NAV per share up 2.8% in H1 2020 to €5.06, and 10.6% in £ sterling.
- Like-for-like Portfolio value, adjusted for acquisitions and disposals, increased by 2.6% in H1 2020.
- Increased average rental income per sqm of 1.8% reflecting the impact of the Mietendeckel.
- Underlying EPRA vacancy of 4.3%, reflecting delay to new lettings as a result of COVID-19.
- Condominium sales during H1 2020 delayed by COVID-19, with notarisations worth €3.0 million.
  - Average achieved value per sqm of €4,392 for residential units, a 15.7% premium to book value and 14.4% to the portfolio average value per sqm as at 30 June 2020.
  - 66% of Portfolio assets legally split into condominiums, up from 58% as at 30 March 2020. Applications representing a further 19% of the portfolio are underway, over half of which are in the final stages of the process.
- Successful refinancing in May 2020 of €16.4 million of debt assumed in connection with the December 2019 Brandenburg acquisition, on improved and extended terms.
- Unchanged interim dividend and resumption of share buy-back programme.

Update on COVID-19 and new Berlin rent controls ('Mietendeckel')

- Limited impact on rent collection from COVID-19, in excess of 99% in H1.
- Berlin Mietendeckel currently being challenged in the Federal and State courts.
- Bavarian Constitutional Court ruled against six-year rent freeze, stating proposals incompatible with Federal law, lending support to the Berlin Mietendeckel legal challenges.
- PSD has adopted a dual contract rental structure with new tenants pending clarity on the legality of the Mietendeckel.

Outlook

- Long-term Berlin demographic trends expected to remain positive with decreased availability of rental stock.
- Final phase of the Mietendeckel, due to come into force in November 2020, will materially impact collected rents in 2021 unless legal challenge is successful.
- PSD retains strategic optionality in the likely event the Mietendeckel is found to be unconstitutional.
- Acceleration of condominium revenues expected in the second half of 2020:
  - Since the financial half year end, condominiums worth a further €3.3 million notarised, with new reservations for notarisations showing a significant improvement.
  - Additional €4.5 million revenues guaranteed to December 2020 from Accentro AG agreement, with a further €4.5 million of revenues guaranteed in 2021.
- Robust business model, a strong balance sheet and good levels of liquidity mean PSD remains well positioned to withstand any dislocations from COVID-19 and the Mietendeckel.

CHAIRMAN'S STATEMENT

"I am pleased to report that, during the first half of the financial year, PSD has delivered further increases in property values and rental revenues."

Robert Hingley
Chairman

I am pleased to report that, during the first half of the financial year, PSD has delivered further increases in property values and rental revenues. As at 30 June 2020, the Portfolio was valued at €746.7 million by Jones Lang LaSalle GmbH, a like-for-like increase of 2.6% since 31 December 2019, driven by the combined impact of modest yield compression, supported by a decline in interest rates, and the active management of the Portfolio. The Euro EPRA NAV total return per share was 3.9% in the first six months of the year and the sterling return was 11.5%, reflecting the exchange rate movement in the period.

This result has been achieved despite the introduction of the first phase of Berlin rent controls (the 'Mietendeckel'), implemented in February 2020, and the impact of COVID-19, which has caused an unprecedented shrinkage in Germany's post war economy.

COVID-19

PSD's overriding priority has been the health and wellbeing of its tenants, work colleagues and wider stakeholders. Although the unprecedented and rapidly changing circumstances surrounding the COVID-19 pandemic have created a more uncertain economic landscape and increased risk aversion in the financial markets, it is pleasing that the financial impact on PSD has been limited. Germany was one of the first major European nations to begin the process of lifting restrictions imposed on business and public life caused by COVID-19.

We are closely monitoring the recent spike in infection rates in Germany and across Europe, and we are well placed to deal with any 'second wave'. Where necessary, PSD will continue to support its tenants, both residential and commercial, through agreeing, on a case-by-case basis, the payment of monthly rents or deferring rental payments.

The Berlin Mietendeckel

PSD and its legal advisors remain firmly of the view that it is highly likely that the Mietendeckel is unconstitutional and that the legislation will ultimately be overturned. Whilst there remains some uncertainty surrounding the ultimate timing of a legal ruling, recent progress has been positive, with applications lodged in both the Berlin Constitutional and the German Federal courts. In Bavaria, a similar move to introduce a six-year rent freeze was blocked by the Bavarian Constitutional Court in July 2020, lending support to the Berlin Mietendeckel legal challenges.

The financial impact on PSD and its future strategy are largely dependent on the timing and eventual outcome of the legal actions. PSD has adapted its strategy during the period in which rent controls are in force, so as to mitigate any short-term impact on the portfolio, while ensuring it maintains maximum strategic optionality in the event the Mietendeckel is found to be unconstitutional. These measures include new re-letting contracts, condominium splitting and conversion, reduced capital expenditure, acquisitions outside the designated Mietendeckel zone and share buy-backs at a discount to Net Asset Value.

PSD has adopted a dual contract rental structure with its tenants pending clarity on the legality of the Mietendeckel. All new contracts include both 'Contracted Rent,' which is the rent agreed with the tenant in the absence of the Mietendeckel, and 'Collected Rent,' which is the rent level the tenant is legally obliged to pay while the Mietendeckel is in existence. In the event that the Mietendeckel is declared unconstitutional, PSD will revert back to the Contracted Rent; and any excess of the Contracted Rent from the beginning of the contract over the Collected Rent will become payable.

Share buy-back and dividend

After fully considering the potential impact of both the Berlin Mietendeckel and COVID-19, the Board is pleased to recommend an unchanged dividend of €2.35 cents per share (GBP 2.1 pence per share). Future dividend payments will be considered in the light of any prevailing market disruptions.

During the past year PSD has secured more flexible and cost-efficient financing to support the medium and long-term strategic objectives of the business, providing liquidity in order to take advantage of opportunities arising from market disruption caused by changes to the rent laws. However, following the onset of the COVID-19, the Board considered it was prudent, at that time, to suspend the PSD's share buy-back programme pending greater clarity on the financial impact that the pandemic may have. Given current high levels of rent collection, and the lifting of the majority of lock-down restrictions in Berlin, I am pleased to announce the resumption of share buy-backs.

Board appointments
Following the half year-end, PSD announced the appointments of Antonia Burgess and Greg Branch as independent, Jersey based, non-executive Directors. Antonia and Greg bring with them a wealth of experience and insight across the real estate, legal and financial services worlds, which will complement and enhance the skill set of the Board. As previously announced, Charlotte Valeur retired as a non-executive Board member in May 2020. I would like to thank Charlotte for her invaluable support, dedicated service and contribution to PSD.

Property Advisor
On 21 September 2020 the Company announced that its Property Advisor, PMM Residential Limited, has changed its name and rebranded as QSix Residential Limited. The new name and brand reflect how the Group has evolved from a small partnership with a single strategy since founding in 2006 to an international real estate asset manager, with a track record of originating and driving attractive returns from differentiated debt and equity real estate opportunities. This name change has no impact on the existing property advisory and investor relations agreement as it relates to PSD and I look forward to continuing our valued partnership in the years to come.

Outlook
Although there still remains uncertainty surrounding the progression of COVID-19 and the timing of the legal ruling on the Mietendeckel, PSD enters the second half of the financial year with a robust business model, a strong balance sheet and good levels of liquidity.

Notwithstanding the fact that our financial results have demonstrated further progress, the Mietendeckel has already created significant disruption in the Berlin rental market. Predictably, the effect of rent controls which seek to limit rent levels to below those set by the market, has been to reduce the supply and quality of rental property rather than grow it. At a time when the need for sustainable, environmentally friendly housing has become ever more apparent, levels of investment in the fabric of existing properties are declining. This will likely result in an overall deterioration of the standard of Berlin housing stock which had benefited significantly from high levels of investment during the past decade.

These effects could be reversed if and when the Mietendeckel is overturned. In the interim period, uncertainty surrounding the legality of the Berlin rent laws has been reflected in PSD's share price, resulting in the shares trading at 34% discount to EPRA Net Asset Value as at 14 September 2020. Prior to the announcement of the Mietendeckel laws, the shares were valued at, or around, Net Asset Value. A positive ruling on the Mietendeckel has the potential to positively impact the current valuation discount. We hope for further clarity on the legality of the Mietendeckel in the months ahead.

Robert Hingley
Chairman of Phoenix Spree Deutschland
15 September 2020

REPORT OF THE PROPERTY ADVISOR

Financial highlights for the six-month period to 30 June 2020

€ million (unless otherwise stated)	**6 months to 30 June 2020**	6 months to 30 June 2019	Year to 31 December 2019
Gross rental income	**12.0**	10.8	22.6
Investment property fair value gain	**17.0**	21.6	41.5
Profit before tax (PBT)	**15.3**	12.0	28.6
EPS (€)	**0.12**	0.11	0.22
Investment property value	**746.7**	665.2	730.2
Net debt[1]	**246.3**	178.0	237.8
Net LTV (%)[1]	**33.0**	26.8	32.6
IFRS NAV per share (€)	**4.29**	4.11	4.23
IFRS NAV per share (£)[2]	**3.90**	3.68	3.58
EPRA NAV per share (€)	**5.06**	4.73	4.92
EPRA NAV per share (£)[2]	**4.60**	4.24	4.16
Dividend per share (€ cents)	**2.35**	2.35	7.5
Dividend per share (£ pence)	**2.1**	2.1	6.3
EPRA NAV per share total return for period (€%)	**3.9**	4.4	9.1
EPRA NAV per share total return for period (£%)	**11.5**	4.3	2.9

1 Net LTV and net debt uses nominal loan balances as per note 17 rather than the loan balances on the Consolidated Statement of Financial Position which consider Capitalised Finance Arrangement Fees in the balance.
2 GBP:EUR FX rate 1:1.1009.

Financial results

Revenue for the six-month period was €12.0 million (six months to 30 June 2019: €10.8 million). Profit before taxation was €15.3 million (six months to 30 June 2019: €12.0 million) which was positively affected by a revaluation gain of €17.0 million (30 June 2019: €21.6 million) and reduction in the cumulative success fee due to the Property Advisor of €1.9 million (30 June 2019: €0.7 million increase). The year-on-year fall in profit before tax reflects a lower revaluation gain than the prior year. Reported earnings per share for the period were 12 cents (six months to 30 June 2019: 11 cents).

Reported EPRA NAV per share rose by 2.8% in the first half of 2020 to €5.06 (£4.60) (31 December 2019: €4.92 (£4.16)). After taking into account the 2019 final dividend of 5.15 cents (4.4 pence), which was paid in June 2020, the EPRA NAV total return in the first half of 2020 was 3.9% (H1 2019: 4.4%).

The Board is pleased to declare an unchanged interim dividend of 2.35 cents per share (2.1 pence per share) for the first half of the year (six months to 30 June 2019: 2.35 cents, 2.1 pence). The dividend is expected to be paid on or around 16 October 2020 to shareholders on the register at close of business on 25 September 2020, with an ex-dividend date of 24 September 2020.

Like-for-like portfolio value increase of 2.6%

The Berlin residential property market has remained stable in the first half of the financial year and, although transaction volume has reduced, investment demand observed by Jones Lang LaSalle GmbH continues to support current pricing. JLL have conducted a full RICS Red Book property-by-property analysis and have provided a portfolio valuation, with no matters of concern or material uncertainty raised. The methodology used by JLL assumes that the Berlin rent cap ('the Mietendeckel') is fully implemented by PSD and is in place for its five-year lifespan. The valuation carried out by JLL at 31 December 2019 did not include the Mietendeckel as part of its discounted cashflow RICS Red Book valuation as it was not in force at that time.

As at 30 June 2020, the Portfolio was valued at €746.7 million (31 December 2019: €730.2 million). This represents a 2.3% increase over the six-month period. On a like-for-like basis, excluding the impact of disposals, the Portfolio value increased by 2.6% in the six-month period. This increase reflects the combined impact of modest yield compression, supported by a decline in interest rates, and the active management of the Portfolio.

The valuation as at 30 June 2020 represents an average value per square metre of €3,839

Portfolio valuation and breakdown

	30 June 2020	30 June 2019	31 December 2019
Total sqm ('000)	**194.5**	179.4	195.2
Valuation (€m)	**746.7**	665.2	730.2
Like-for-like valuation growth (%)	**2.6**	3.9	7.1
Value per sqm (€)	**3,839**	3,716	3,741
Fully occupied gross yield (%)	**2.8**	2.9	2.9
Number of buildings	**98**	96	98
Residential units	**2,571**	2,378	2,537
Commercial units	**141**	143	142
Total units	**2,712**	2,521	2,679

(31 December 2019: €3,741), a gross fully occupied yield of 2.8% (31 December 2019: 2.9%) and a net yield, using EPRA methodology, of 2.4% (31 December 2019: 2.3%). Included within the Portfolio are six properties valued as condominiums, with an aggregate value of €33.0 million (31 December 2019: five properties, aggregate value €26.5 million).

New tenancy agreements

To avoid uncertainty among tenants as to their contractual rental obligations during the period when the legality of Mietendeckel remains unresolved, PSD has amended its tenancy agreements. These new agreements specify both rents currently payable as prescribed by the Mietendeckel whilst in place ('Collected'), and free market rents which would have been permissible under the German Civil Code ('Contracted').

The new tenancy contracts stipulate that if the Mietendeckel or any part thereof is voided, suspended, repealed, or otherwise abolished, any higher Contracted rent permissible under the German Civil Code shall once again be payable. If the voiding or suspension were to be applied on an ex-tunc basis (i.e. from the outset), back-payments could be sought to cover the difference between the Collected rent and Contracted rent for the entire term of the agreement. Tenants have, therefore, been advised by the Berlin government to set aside appropriate reserves to cover this possibility.

Rental income and vacancy rate

	30 June 2020 'Collected'[1]	**30 June 2020 'Contracted'**	30 June 2019	31 December 2019
Total sqm ('000)	**194.5**	**194.5**	179.4	195.2
Gross in place rent per sqm (€)	**8.9**	**9.1**	8.7	9.0
Like-for-like rent per sqm growth (%)	**1.8**	**4.1**	5.2	5.6
Vacancy %	**8.0**	**8.0**	4.2	6.7
EPRA Vacancy %	**4.3**	**4.3**	2.5	2.8

1 New tenant agreements specify both rents currently payable as prescribed by the Mietendeckel whilst in place ('Collected'), and free market rents which would have been permissible under the German Civil Code ('Contracted'). This is discussed further under 'New tenancy agreements' section below.

'Collected' like-for-like rental income increased by 1.8%

Reported rental income includes the impact of the Mietendeckel measures that have been implemented to date. Specifically, the measures introduced on 23 February 2020 were as follows:

- First time letting and reletting: The new rent may not exceed the prescribed upper rent limit. In these instances, PSD has had to lower the rent to a level below the rent paid by the previous tenant.
- Rent freeze on existing leases: For existing leases, a rent freeze initially applies, but with no requirement to lower rents, provided the rent level set at 18 June 2019 has not been increased since that date. If there has been a rent increase, future rental payments must be reduced to the June 2019 level.

After considering the impact of acquisitions and disposals, Collected like-for-like rental income was €8.9 per sqm for the six-months to 30 June 2020, an increase of 1.8% compared with the six-months to 30 June 2019. Collected like-for-like rental income was down 0.5% over the same period, reflecting the increase in vacancy over the year.

REPORT OF THE PROPERTY ADVISOR
CONTINUED

'Contracted' like-for-like rental income increased by 4.1%
Including any higher contractual rents permissible under the German Civil Code, like-for-like Contracted rental income was €9.1 per sqm as at 30 June 2020, an increase of 4.1% compared with 30 June 2019. Like-for-like Collected rental income grew 1.8%, and gross in-place Collected rent, increased by 2.2%.

Rise in Vacancy reflects temporary COVID-19 impact
Reported vacancy at 30 June 2020 was 8.0% (30 June 2019: 4.2%). On an EPRA basis, which adjusts for units undergoing development and made available for sale, the EPRA vacancy rate was 4.3% (30 June 2019: 2.5%). The increase in EPRA vacancy reflects that, for a three-month period, COVID-19 regulations made it difficult to re-let vacant apartments.

Reversionary re-letting premium of 18.6%
During the first six months of 2020, 88 new leases were signed, representing a first-half letting rate of approximately 3.7% of occupied units. The average Contracted rent achieved on new lettings was €10.7 per sqm, a 12% decrease on the same period in 2019, and an average premium of 18.6% to passing rents. This compares to a 39.9% premium in the period to 30 June 2019. The decline in reversionary premium partially reflects the inclusion of the re-lettings from the recent acquisition in Brandenburg, where rents are lower than those achieved in central Berlin. Looking solely at the Berlin portfolio the reversionary premium achieved was 37.0%, down from 39.9% in the prior period.

The decline in the Contracted letting premium was partially as a result of due to the Mietendeckel. We believe this is a temporary factor which, absent a legal ruling that the Mietendeckel is unconstitutional, will cease in November when many existing tenants are entitled to lower rents.

The Collected rent of the 88 new leases was €10.5 per sqm, a 17.7% re-letting premium to passing rents. 78 of the new leases were signed prior to the commencement of the Mietendeckel and were therefore not affected by the new prescribed rental levels. In the event that the Mietendeckel rules continue (i.e. they are not ruled to be unconstitutional), it is anticipated that the average reletting rental level on a Collected basis for the Berlin portfolio will be in the region of €6.9 per sqm in the second half of the year, and therefore that there will be a reversionary discount on a Collected basis from December 2020.

Limited impact from COVID-19 on rent collection
The COVID-19 outbreak has presented PSD with an unexpected new set of challenges. To date, the impact of the COVID-19 pandemic on rent collection levels has been limited, with rent collection in the six months to 30 June 2020 broadly in line with the six months to 30 June 2019. Residential rent collection has remained particularly resilient, with over 99% of rent collected during the first six months of 2020. Germany's Hartz IV welfare programme includes help for rental payments in instances of financial hardship and remains available to tenants impacted by the COVID-19 outbreak. Additionally, the German furlough scheme (Kurzarbeit) has been extended.

Commercial rents represent a small proportion of total rents, accounting for only 11.6% of contracted rental income in the six months to 30 June 2020. The COVID-19 restrictions initially resulted in the temporary closure of many Berlin commercial businesses, including several of our commercial tenants. Most COVID-19 restrictions have now been lifted and businesses have now reopened or are in the process of doing so. During the first six months of the financial year, 96% of commercial rents have been collected, compared with close to 100% during the same period of 2019.

Where necessary, PSD continues to support its tenants, both residential and commercial, through agreeing, on a case-by-case basis, the payment of monthly rents or deferring rental payments. In addition, PSD has a Vulnerable Tenant Policy which it will continue to monitor and apply to applicable tenants.

The Berlin Mietendeckel

Recent legal developments challenging the legality of the Mietendeckel have been positive. In May 2020, the opposition in the Berlin House of Representatives and a quorum of Federal Parliament MPs lodged cases in Berlin's Regional Constitutional Court and the Federal Constitutional Court. Additionally, in June 2020, twelve constitutional complaints from private owners were filed with the Federal Supreme Court.

On 16 July 2020, a similar move to introduce a six-year rent freeze in Bavaria was blocked by the Bavarian Constitutional Court. The ruling stated that a federal state may not issue its own regulations that contradict federal rental laws. Whilst this ruling does not directly impact the legality of the Mietendeckel, we believe this ruling has potential implications for the Berlin Mietendeckel, as the basic legal arguments against the imposition of a rent cap are the same.

Although PSD and its legal advisors remain strongly of the view that the Mietendeckel will ultimately prove to be unconstitutional; as part of its annual report released in April 2020, it rigorously stress-tested and disclosed potential scenarios in the event that is not successfully challenged, including any potential impact on rental income growth and loan covenants. PSD has a strong balance sheet and ample liquidity and is well positioned to withstand any financial impact from the Mietendeckel if it is not overturned.

The uncertainty created by the Mietendeckel has already significantly disrupted the market. This has been reflected in a slowdown in market transactions, a significant reduction in the availability of rental accommodation for tenants who require it most and a sharp decline in investment in the stock of Berlin housing. Equity markets have also placed a discount on the valuations of listed Berlin rental participants, reflecting market uncertainty pending clarification of the legality of the Mietendeckel.

Whilst the volume of transactions for rental properties has declined, Jones Lang LaSalle GmbH, PSD's independent property valuers, have confirmed that, as of 30 June 2020, there had been no material adverse effect on sale prices.

PSD set out in its interim results in September 2019 how it intends to adapt its strategy during the period in which the Mietendeckel is in force, so as to mitigate any short-term impact on the Portfolio, while ensuring it maintains maximum strategic optionality in the event the Mietendeckel law is found to be unconstitutional. Good progress has been made, including condominium splitting and sales, new reletting contracts, as well as selective acquisitions in areas within Greater Berlin that are not affected by the Mietendeckel. PSD continues to maintain the Portfolio in accordance with all applicable laws and regulations.

Portfolio investment

During the first half of 2020, a total of €2.3 million was invested across the Portfolio (H1 2019: €3.0 million). These items are recorded as capital expenditure in the Financial Statements. A further €0.8 million was spent on maintaining the assets and is expensed through the profit and loss account. The year-on-year decline in investment reflects ongoing uncertainty in the Berlin rental market. A number of capex projects which would previously have been justified at free market rents have been postponed or cancelled pending a final ruling on the legality of the Mietendeckel.

> "The Board remains confident in the long-term outlook for PSD, particularly given the strength of demand for housing in Berlin, and the strategic flexibility available to PSD."

REPORT OF THE PROPERTY ADVISOR
CONTINUED

Proceeds of 10 condominiums units notarised for sale

€3.0m

Average achieved notarised value per sqm for the residential units

€4,392

Condominium sales at a premium to book value

PSD's condominium strategy involves the division and resale of selected apartment blocks as private units. This is subject to full regulatory approval and involves the legal splitting of the freeholds in properties that have been identified as being suitable for condominium conversion.

During the first half of 2020, 10 condominiums units were notarised for sale totalling proceeds of €3.0 million (H1 2019: €2.5 million). The average achieved notarised value per sqm for the residential units was €4,392, representing a 15.7% premium to book value and a 14.4% premium to the average residential portfolio value as at 30 June 2020.

As at 14 September 2020, 66% of the Portfolio had been registered as condominiums, providing opportunities for the implementation of further projects where appropriate. A further 19% are in application, over half of which are in the final stages of the process.

As previously announced, PSD concluded an agreement in August 2019 with Accentro Real Estate AG, one of Germany's leading condominium sales platforms, to facilitate the acceleration of the sales process of the remaining Boxhagener Strasse units. Under the terms of this agreement, Accentro will market the remaining Boxhagener Strasse units through their extensive network on behalf of PSD. Accentro is contracted to purchase any unsold units from the fund for a cash consideration, guaranteeing revenues of €4.5 million in the second half of this financial year.

Following the relaxation of Berlin COVID-19 lockdown restrictions, and conditional on these restrictions not being re-imposed, it is anticipated that additional condominium sales will accelerate in the second half of the financial year. As at 14 September 2020 condominiums worth a further €3.3 million have been notarised for sale, with new reservations also showing a significant improvement. The Property Advisor is confident that condominium notarisations for the full year will show a material improvement on the 2019 level of €8.8 million.

Debt and gearing[1]

As at 30 June 2020, PSD had gross borrowings of €283.6 million (31 December 2019: €280.2 million) and cash balances of €37.3 million (31 December 2019: €42.4 million), resulting in net debt of €246.3 million (31 December 2019: €237.8 million) and a net loan to value on the Portfolio of 33.0% (31 December 2019: 32.6%).

The increase in gross debt in the period results from the successful refinancing of the €16.4 million debt acquired on acquisition of the apartment complex in Brandenburg in December 2019, with a new €20.3 million facility; offset slightly by amortisation repayments in the period. The €20.3 million was refinanced using part of the €50 million acquisition facility negotiated with Natixis in September 2019 and was signed with an extended duration and lower interest rate. The decrease in cash balances arises mainly from payment of dividends in the period alongside investment in the Portfolio and purchase of treasury shares.

The remainder of the €50 million facility is available for drawdown over the next year and carries a commitment fee of 57.5bp. On utilisation, the drawn amounts will be subject to the same terms as the Refinancing Facility signed in 2019.

Nearly all PSD's debt has interest rates which have been fixed through hedging and, as at 30 June 2020, the blended interest rate of PSD's loan book was 2.0% (31 December 2019: 2.0%). The average remaining duration of the loan book at 30 June 2020 had decreased to 6.5 years (31 December 2019: 6.6 years).

In early July 2020, the put option for the minority in Phoenix Spree Property Fund GmbH was settled net in cash for €5.9 million.

Property Advisor name change

On 21 September 2020, the Property Advisor changed its name from PMM Residential Limited to QSIX Residential Limited, the Property Advisor's internal structure and staffing remained unchanged.

Outlook

The Board of PSD and its legal advisors remain of the view that it is highly likely that the Mietendeckel will be successfully challenged. Recent progress on legal challenges in both the Federal and Constitutional courts has been positive, and it is anticipated there will be more clarity on the timing of a full legal hearing in the second half of the financial year.

Although it is unlikely that there will be a decline in reported rental income in 2020, like-for-like revenue is likely to decline from the second half of the year until such a time that the Mietendeckel is overturned.

PSD has taken proactive steps as part of its strategic response to these changes so as to alleviate the short-term impact of the new rental laws whilst maintaining strategic optionality within the Portfolio in the likely event they are repealed.

PSD remains well placed to respond to any further potential impact from COVID-19 and, although the number of cases is beginning to increase again in Germany, Berlin is faring better than the majority of other German states in terms of cases.

PSD will continue to monitor the situation carefully and will work sensitively, and on a case-by-case basis, with its tenants in arrears to agree appropriate and workable repayment schedules.

The Board remains confident in the long-term outlook for PSD, particularly given the strength of demand for housing in Berlin, and the strategic flexibility available to PSD. The Board believes that PSD's liquidity and strong balance sheet leave it well placed to withstand any negative impact from the current short-term challenges.

Collected rents

Residential

99.6%

Commercial

96.2%

1 Section uses nominal loan balances as per note 17 rather than the loan balances on the Consolidated Statement of Financial Position which consider Capitalised Finance Arrangement Fees in the balance.

KEY PERFORMANCE INDICATORS

PSD has chosen a number of Key Performance Indicators (KPIs), which the Board believes may help investors understand the performance of PSD and the underlying property portfolio.

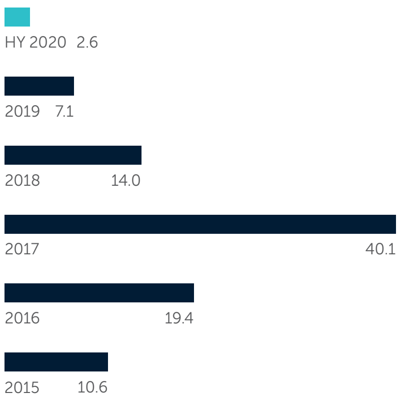
- The value of the property Portfolio grew by 2.6% on a like-for-like for basis for the first half of the year. This increase was driven by modest yield compression and an increase in like-for-like average rent per let sqm of 1.8% (H1 2019: 6.3%).

- The EPRA vacancy of the Portfolio stood at 4.3% (31 December 2019: 2.8%).
- The Group continued with its targeted condominium programme, notarising sales of €3.0 million in the half year to 30 June 2020 (H1 2019: €2.5 million).

- EPRA NAV per share increased by 2.8% to €5.06 as at 30 June 2020 (31 December 2019: €4.92).
- The declared dividend for the half year 2020 was €2.35 cents (£2.1 pence) per share.

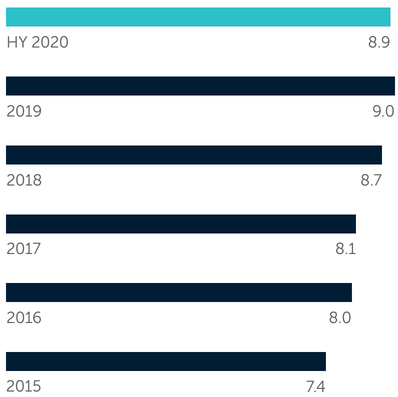
Like-for-like property Portfolio value growth 2015-HY2020

2.6%



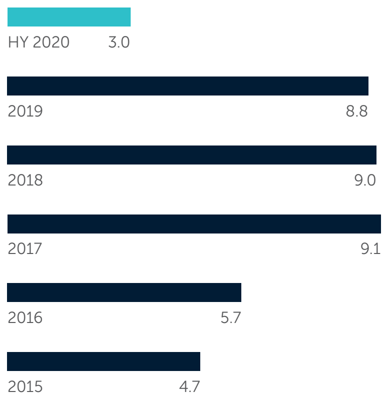
Like-for-like Portfolio rent per sqm 2015-HY2020

€8.9



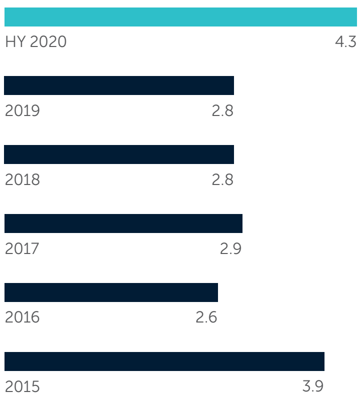
Condominium sales notarised 2015-HY2020

€3.0m



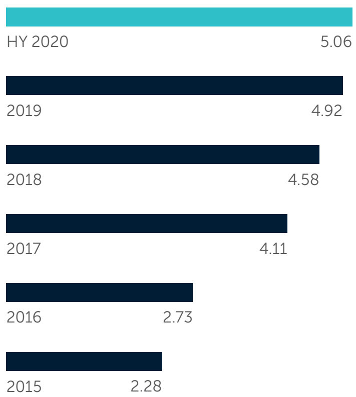
EPRA vacancy 2015-HY2020

4.3%



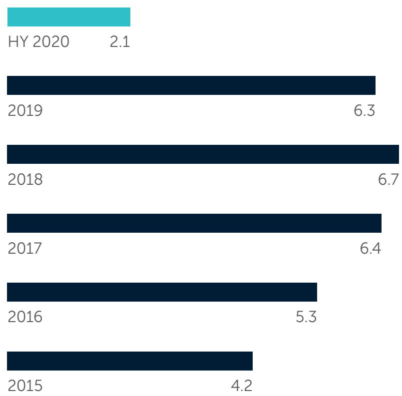
EPRA NAV per share 2015-HY2020

€5.06



Dividend per share 2015-HY2020

2.1p



STATEMENT OF DIRECTORS' RESPONSIBILITIES

Forward looking statements

The important events that have occurred during the period under review, the key factors influencing the condensed consolidated financial statements and the principal factors that could impact the remaining six months of the financial year are set out in the Chairman's statement and the Property Advisor Report on pages 4 to 11.

With the exception of broader uncertainties around coronavirus (Covid-19) and the Mietendeckel as set out in the outlook section of the Chairman's statement on page 5, the Directors consider that the principal risks and uncertainties facing PSD are substantially unchanged since the date of the interim report for the half-year ended to 30 June 2020 and continue to be as set out in the annual report on pages 30 and 31.

Risks

Risks faced by the Group include, but are not limited to:

- Decline in property valuation.
- Compliance with new laws and regulations.
- Loss of data and or functionality from cyber-attacks.
- Condominium sale potential.
- Berlin residential market conditions.
- Changes to Berlin property and tenant law.
- The wider German and global Macro-economic environment.
- Inability to pay dividend.
- Breach of loan covenants.

By order of the Board of Directors

Robert Hingley
Non-executive Director and Chairman
15 September 2020

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2020

Continuing operations	Notes	**Six months ended 30 June 2020 (unaudited) €'000**	Six months ended 30 June 2019 (unaudited) €'000	Year ended 31 December 2019 (audited) €'000
Revenue		**12,024**	10,767	22,600
Property expenses	5	**(8,053)**	(7,476)	(14,196)
Gross profit		**3,971**	**3,291**	**8,404**
Administrative expenses	6	**(1,915)**	(1,483)	(3,103)
Gain on disposal of investment property (including investment property held for sale)	8	**693**	202	858
Investment property fair value gain	11	**16,959**	21,648	41,491
Performance fee due to property advisor	21	**1,923**	(719)	(2,798)
Separately disclosed items	7	**–**	(278)	(278)
Operating profit		**21,631**	**22,661**	**44,574**
Net finance charge	9	**(6,361)**	(10,620)	(16,013)
Profit before taxation		**15,270**	**12,041**	**28,561**
Income tax expense	10	**(2,949)**	(979)	(5,817)
Profit after taxation		**12,321**	**11,062**	**22,744**
Other comprehensive income		**–**	–	–
Total comprehensive income for the year		**12,321**	**11,062**	**22,744**
Total comprehensive income attributable to:				
Owners of the parent		**12,134**	10,923	22,293
Non-controlling interests		**187**	139	451
		12,321	11,062	22,744
Earnings per share attributable to the owners of the parent:				
From continuing operations				
Basic (€)	23	**0.12**	0.11	0.22
Diluted (€)	23	**0.12**	0.11	0.22

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2020

	Notes	**As at 30 June 2020 (unaudited) €'000**	As at 30 June 2019 (unaudited) €'000	As at 31 December 2019 (audited) €'000
ASSETS				
Non-current assets				
Investment properties	13	**736,745**	654,229	719,521
Property, plant and equipment		**51**	66	54
Other financial assets at amortised cost	15	**888**	865	876
Deferred tax asset	10	**2,891**	2,206	2,529
		740,575	657,366	722,980
Current assets				
Investment properties – held for sale	14	**9,975**	10,981	10,639
Other financial assets at amortised cost	15	**1,622**	1,563	1,590
Trade and other receivables	16	**10,878**	12,079	7,937
Cash and cash equivalents		**37,259**	12,416	42,414
		59,734	37,039	62,580
Total assets		**800,309**	**694,405**	**785,560**
EQUITY AND LIABILITIES				
Current liabilities				
Borrowings	17	**1,386**	3,325	17,752
Trade and other payables	18	**9,984**	9,092	7,236
Other financial liabilities	20	**7,520**	7,490	6,951
Current tax	10	**8**	1,406	1,413
		18,898	21,313	33,352
Non-current liabilities				
Borrowings	17	**278,298**	187,103	258,502
Derivative financial instruments	19	**18,269**	13,935	15,979
Deferred tax liability	10	**64,177**	55,666	60,825
		360,744	256,704	335,306
Total liabilities		**379,642**	**278,017**	**368,658**
Equity				
Stated capital	22	**196,578**	196,578	196,578
Treasury shares		**(13,087)**	–	(11,354)
Share based payment reserve	21	**4,885**	4,729	6,808
Retained earnings		**229,093**	212,953	221,859
Equity attributable to owners of the parent		**417,469**	414,260	413,891
Non-controlling interest		**3,198**	2,128	3,011
Total equity		**420,667**	**416,388**	**416,902**
Total equity and liabilities		**800,309**	**694,405**	**785,560**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2020

Attributable to the owners of the parent	Stated capital €'000	Treasury Shares €'000	Share based payment reserve €'000	Retained earnings €'000	Total €'000	Non-controlling interest €'000	Total equity €'000
Balance at 1 January 2019	196,578	–	4,010	207,270	407,858	1,989	409,847
Comprehensive income:							
Profit for the period	–	–	–	10,923	10,923	139	11,062
Other comprehensive income	–	–	–	–	–	–	–
Total comprehensive income for the period	**–**	**–**	**–**	**10,923**	**10,923**	**139**	**11,062**
Transactions with owners – recognised directly in equity:							
Issue of shares	–	–	–	–	–	–	–
Dividends paid	–	–	–	(5,240)	(5,240)	–	(5,240)
Performance fee	–	–	719	–	719	–	719
Adjustment to performance fee	–	–	–	–	–	–	–
Balance at 30 June 2019 (unaudited)	**196,578**	**–**	**4,729**	**212,953**	**414,260**	**2,128**	**416,388**
Comprehensive income:							
Profit for the period	–	–	–	11,370	11,370	312	11,682
Other comprehensive income	–	–	–	–	–	–	–
Total comprehensive income for the period	**–**	**–**	**–**	**11,370**	**11,370**	**312**	**11,682**
Transactions with owners – recognised directly in equity:							
Dividends paid	–	–	–	(2,464)	(2,464)	–	(2,464)
Performance fee	–	–	2,079	–	2,079	–	2,079
Non-controlling interests on acquisition of subsidiaries	–	–	–	–	–	571	571
Acquisition of treasury shares	–	(11,354)	–	–	(11,354)	–	(11,354)
Balance at 31 December 2019 (audited)	**196,578**	**(11,354)**	**6,808**	**221,859**	**413,891**	**3,011**	**416,902**
Comprehensive income:							
Profit for the period	–	–	–	12,134	12,134	187	12,321
Other comprehensive income	–	–	–	–	–	–	–
Total comprehensive income for the period	**–**	**–**	**–**	**12,134**	**12,134**	**187**	**12,321**
Transactions with owners recognised directly in equity:							
Dividends paid	–	–	–	(4,900)	(4,900)	–	(4,900)
Performance fee	–	–	(1,923)	–	(1,923)	–	(1,923)
Acquisition of treasury shares	–	(1,733)	–	–	(1,733)	–	(1,733)
Balance at 30 June 2020 (unaudited)	**196,578**	**(13,087)**	**4,885**	**229,093**	**417,469**	**3,198**	**420,667**

The share-based payment reserve had been established in relation to the issue of shares for the payment of the performance fee of the property advisor.

Treasury shares comprise the accumulated cost of shares acquired on-market.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2020

	Six months ended 30 June 2020 (unaudited) €'000	Six months ended 30 June 2019 (unaudited) €'000	Year ended 31 December 2019 (audited) €'000
Profit before taxation	**15,270**	**12,041**	**28,561**
Adjustments for:			
Net finance charge	**6,391**	10,620	16,013
Gain on disposal of investment property	**(693)**	(202)	(858)
Investment property revaluation gain	**(16,959)**	(21,648)	(41,491)
Depreciation	**8**	8	16
Performance fee charge	**(1,923)**	719	2,798
Operating cash flows before movements in working capital	**2,094**	**1,538**	**5,039**
Increase in receivables	**(1,476)**	(4,548)	(393)
Increase/(decrease) in payables	**2,748**	(1,337)	(3,193)
Cash generated from/(used in) operating activities	**3,366**	**(4,347)**	**1,453**
Income tax paid	**(1,364)**	(10)	(5)
Net cash generated from/(used in) operating activities	**2,002**	**(4,357)**	**1,448**
Cash flow from investing activities			
Proceeds on disposal of investment property (net of disposal costs)	**1,894**	7,574	13,526
Interest received	**40**	38	62
Capital expenditure on investment property	**(2,279)**	(3,029)	(6,459)
Property additions	**–**	(2,225)	(32,208)
Disposals of property, plant and equipment	**–**	14	18
Net cash (used in)/generated from investing activities	**(345)**	**2,372**	**(25,061)**
Cash flow from financing activities			
Interest paid on bank loans	**(3,574)**	(2,381)	(6,160)
Repayment of bank loans	**(16,900)**	(5,772)	(124,032)
Drawdown on bank loan facilities	**20,300**	926	188,594
Dividends paid	**(4,900)**	(5,240)	(7,704)
Acquisition of treasury shares	**(1,733)**	–	(11,536)
Net cash (used in)/generated from financing activities	**(6,807)**	**(12,467)**	**39,162**
Net (decrease)/increase in cash and cash equivalents	**(5,150)**	**(14,452)**	**15,549**
Cash and cash equivalents at beginning of period/year	**42,414**	**26,868**	**26,868**
Exchange losses on cash and cash equivalents	**(5)**	–	(3)
Cash and cash equivalents at end of period/year	**37,259**	**12,416**	**42,414**

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN DEBT

FOR THE PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2020

	Six months ended 30 June 2020 €'000	Six months ended 30 June 2019 €'000	Year ended 31 December 2019 €'000
Cashflow from/increase/(decrease) in debt financing	**3,430**	(4,846)	64,562
Non-cash changes	**–**	–	16,418
Movement in debt in the period/year	**3,430**	**(4,846)**	**80,980**
Debt at the start of the period/year	**276,254**	195,274	195,274
Debt at the end of the period/year	**279,684**	190,428	276,254

Dividends paid during the six months to 30 June 2020 represent the final year dividend relating to the year-end 2019.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2020

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, Guernsey and Germany. Phoenix Spree Deutschland Limited is listed on the premium segment of the Main Market of the London Stock Exchange.

The Group invests in residential and commercial property in Germany.

The registered office is at 12 Castle Street, St. Helier, Jersey, JE2 3RT, Channel Islands.

2. Basis of preparation

The interim set of condensed consolidated financial statements has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and with IAS 34 Interim Financial Reporting as adopted by the European Union.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2019.

As required by the Disclosure and Transparency Rules of the Financial Conduct Authority, the financial statements have been prepared applying the accounting policies and presentation that were applied in the preparation of the PSD's published consolidated financial statements for the year ended 31 December 2019.

The comparative figures for the financial year ended 31 December 2019 are extracted from but do not comprise, the Group's annual financial statements for that financial year.

The interim condensed consolidated financial statements were authorised and approved for issue on 15 September 2020.

The interim condensed consolidated financial statements are neither reviewed nor audited, and do not constitute statutory accounts within the meaning of Section 105 of the Companies (Jersey) Law 1991.

2.1 Going concern

The interim condensed consolidated financial statements have been prepared on a going concern basis which assumes the Group will be able to meet its liabilities as they fall due for the foreseeable future. The Directors carried out a thorough review of the viability of PSD in April 2020 in the light of the COVID-19 outbreak across Europe, the conclusion of which was that there were no concerns regarding the viability of PSD. Since this exercise, the effects of the outbreak, while still significant, are less pronounced than earlier in the year; PSD also expects to comply with all bank covenants during the forecast period. These consolidated financial statements have therefore been prepared on a going concern basis.

2.2 New standards and interpretations

The following new standards, amendments or interpretations effective for annual periods beginning on or after 1 January 2020 have been adopted and had no impact on the Group;

Amendments to References to the Conceptual Framework in IFRS Standards
Definition of a Business (Amendments to IFRS 3)
Definition of Material (Amendments to IAS 1 and IAS 8)
Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

3. Critical accounting estimates and judgements

The preparation of condensed 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 period;

i) Estimate of fair value of investment properties

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 judgement, 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.

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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2020

3. Critical accounting estimates and judgements continued

i) Estimate of fair value of investment properties continued

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.

For further information with regard to the movement in the fair value of the Group's investment properties, refer to the management report on page 6.

ii) Judgment in relation to the recognition of assets held for sale

In accordance with the requirement of IFRS 5, Management has made an assumption in respect of the likelihood of investment properties – held for sale, being sold within the following 12 months. Management considers that based on historical and current experience of market since June 30 2020, the properties can be reasonably expected to sell within this timeframe.

4. Segmental information

Information reported to the Board of Directors, the chief operating decision maker, relates to the Group as a whole. Therefore, the Group has not included any further segmental analysis within these condensed consolidated unaudited interim financial statements.

5. Property expenses

	30 June 2020 (unaudited) €'000	30 June 2019 (unaudited) €'000	31 December 2019 (audited) €'000
Property management expenses	568	551	1,066
Repairs and maintenance	781	831	1,665
Impairment charge – trade receivables	125	44	61
Other property expenses	3,412	3,096	5,306
Property advisors' fees and expenses	3,167	2,954	6,098
	8,053	**7,476**	**14,196**

6. Administrative expenses

	30 June 2020 (unaudited) €'000	30 June 2019 (unaudited) €'000	31 December 2019 (audited) €'000
Secretarial & administration fees	434	369	896
Legal & professional fees	880	612	1,329
Costs associated with refinancing	104	250	–
Directors' fees	145	123	246
Audit and accountancy fees	329	208	761
Bank charges	11	9	19
Loss/(profit) on foreign exchange	40	(16)	49
Depreciation	8	8	16
Other income	(36)	(80)	(213)
	1,915	**1,483**	**3,103**

7. Separately disclosed items

Non-recurring costs relate to legal and professional fees incurred during a significant transaction which was considered by the Board but not pursued totalling €nil (December 2019: €278,000, June 2019: €278,000).

8. Gain on disposal of investment property (including investment property held for sale)

	30 June 2020 (unaudited) €'000	30 June 2019 (unaudited) €'000	31 December 2019 (audited) €'000
Proceeds	3,392	7,687	13,616
Book value of disposals	(2,636)	(7,372)	(12,668)
Disposal costs	(63)	(113)	(90)
	693	**202**	**858**

Where there has been a partial disposal of a property, the net book value of the asset sold is calculated on a per square metre rate, based on the prior period or interim valuation.

9. Net finance charge

	30 June 2020 (unaudited) €'000	30 June 2019 (unaudited) €'000	31 December 2019 (audited) €'000
Interest income	(40)	(38)	(62)
Interest from partners' loans	(32)	(22)	(54)
Fair value loss on interest rate swap	2,290	7,944	9,988
Finance expense on bank borrowings*	3,574	2,381	6,325
Fair value change on redemption liability	569	355	(184)
	6,361	**10,620**	**16,013**

* Contained within finance expense on bank borrowings at 30 June 2020 is an amount of €204k which relates to the early repayment charge on the borrowings with Mittelbrandenburgische Sparkasse.

10. Income tax expense

	30 June 2020 (unaudited) €'000	30 June 2019 (unaudited) €'000	31 December 2019 (audited) €'000
The tax charge for the period is as follows:	(41)	29	31
Current tax (credit)/charge	2,990	950	5,786
Deferred tax charge – origination and reversal of temporary differences	**2,949**	**979**	**5,817**

The tax charge for the year can be reconciled to the theoretical tax charge on the profit in the income statement as follows:

	30 June 2020 €'000	30 June 2019 €'000	31 December 2019 €'000
Profit before tax on continuing operations	15,270	12,041	28,561
Tax at German income tax rate of 15.8% (2019: 15.8%)	2,413	1,903	4,513
Income not taxable	–	(32)	(136)
Tax effect of losses brought forward	(362)	(1,258)	–
Losses carried forward not recognised	898	366	1,440
Total tax charge for the period/year	**2,949**	**979**	**5,817**

Reconciliation of current tax liabilities

	30 June 2020 €'000	30 June 2019 €'000	31 December 2019 €'000
Balance at beginning of period/year	1,413	1,387	1,387
Tax paid during the period/year	(1,364)	(10)	(5)
Current tax (credit)/charge	(41)	29	31
Balance at end of period/year	**8**	**1,406**	**1,413**

Reconciliation of deferred tax

	Capital gains on properties €'000 Liability	Interest rate swaps €'000 Asset	Total €'000 Net
Balance at 1 January 2019	(53,458)	948	(52,510)
Charged to the statement of comprehensive income	(2,208)	1,258	(950)
Deferred tax (liability)/asset at 30 June 2019	**(55,666)**	**2,206**	**(53,460)**
Charged to the statement of comprehensive income	(5,159)	323	(4,836)
Deferred tax (liability)/asset at 31 December 2019	**(60,825)**	**2,529**	**(58,296)**
Charged to the statement of comprehensive income			
Deferred tax (liability)/asset at 30 June 2020	(3,352)	362	(2,990)
	(64,177)	**2,891**	**(61,286)**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2020

11. Investment property fair value gain

	30 June 2020 (unaudited) €'000	30 June 2019 (unaudited) €'000	31 December 2019 (audited) €'000
Investment property fair value gain	**16,959**	**21,648**	**41,491**

Further information on investment properties is shown in note 13.

12. Dividends

	30 June 2020 (unaudited) €'000	30 June 2019 (unaudited) €'000	31 December 2019 (audited) €'000
Dividends on participating shares proposed for approval (not recognised as a liability at 30 June 2020)			
Proposed interim dividend for the year ended 31 December 2020 of 2.35 cents (€) (2.10 pence) (2019: €2.35c (2.10 pence)) per share	2,368	2,368	–
Proposed final dividend for the year ended 31 December 2019 of 5.15 cents (€) (4.40 pence) per share	–	–	5,034
Amounts recognised as distributions to equity holders in the period:			
Interim dividend for the year ended 31 December 2019 of 2.35 cents (€) (2.10 pence) (2018: 2.35 cents (€) (2.10 pence)) per share	–	–	2,464
Final dividend for the year ended 31 December 2019 of 5.15 cents (€) (4.40 pence) (2018: 5.15 cents (€) (4.62 pence)) per share	4,900	5,240	5,240

The Board is pleased to declare an unchanged interim dividend of 2.35 cents per share (2.10 pence per share) for the first half of the year (six months to 30 June 2019: 2.35 cents, 2.10 pence). The dividend is expected to be paid on or around 16 October 2020 to shareholders on the register at close of business on 25 September 2020, with an ex-dividend date of 24 September 2020.

The proposed dividend has not been included as a liability in these condensed consolidated financial statements. The payment of this dividend will not have any tax consequences for the Group.

13. Investment properties

	30 June 2020 (unaudited) €'000	30 June 2019 (unaudited) €'000	31 December 2019 (audited) €'000
Fair value			
Balance at beginning of period/year	730,160	645,680	645,680
Capital expenditure	2,237	3,029	6,459
Property additions	–	2,225	49,198
Disposals	(2,636)	(7,372)	(12,668)
Fair value gain	16,959	21,648	41,491
Investment properties at fair value – as set out in the report by JLL	746,720	665,210	730,160
Assets considered as 'Held for Sale' (note 14)	(9,975)	(10,981)	(10,639)
Balance at end of period/year	**736,745**	**654,229**	**719,521**

The property portfolio was valued at 30 June 2020 by the Group's independent valuers, 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 and the source information on the properties including current rent levels, void rates and non-recoverable costs was provided to JLL by the Property Advisors PMM Residential Limited. Assumptions with respect to rental growth, adjustments to non-recoverable costs and the future valuation of these are those of JLL. Such estimates are inherently subjective and actual values can only be determined in a sales transaction.

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 condensed 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 'highest and best use' value is taken into account where that use is physically possible, legally permissible and financially feasible for the property concerned, and irrespective of the current or intended use.

All properties are valued as Level 3 measurements under the fair value hierarchy (see note 25) as the inputs to the discounted cash flow methodology which have a significant effect on the recorded fair value are not observable.

The unrealised fair value gain in respect of investment property is disclosed in the condensed consolidated statement of comprehensive income as 'Investment property fair value gain'.

Valuations are undertaken using the discounted cash flow valuation technique as described below and with the inputs set out as follows:

Discounted cash flow methodology (DCF)

The fair value of investment properties is determined using discounted cash flows.

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. As an accepted method within the income approach to valuation the DCF method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, an appropriate, market-derived discount rate is applied to establish the present value of the income stream associated with the real property.

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. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real property.

Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating incomes, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted. For the current period valuation, the Mietendeckel is assumed to be in place for the first five years of the discounted cashflow model.

The Group categorises all investment properties in the following three ways;

Rental scenario

Where properties have been valued under the 'Discounted Cashflow Methodology' and are intended to be held by the Group for the foreseeable future, they are considered valued under the 'Rental Scenario' This will equal the 'Investment Properties' line in the Non-Current Assets section of the condensed consolidated statement of financial position.

Condominium scenario

Where properties have the potential or the benefit of all relevant permissions required to sell apartments individually (condominiums) then we refer to this as a 'condominium scenario'. Expected sales in the coming year from these assets are considered held for sale under IFRS 5 and can be seen in note 14. The additional value is reflected by using a lower discount rate under the DCF Methodology. Properties which do not have the benefit of all relevant permissions are described as valued using a standard 'rental scenario'. Included in properties valued under the condominium scenario are properties not yet released to held for sale as only a portion of the properties are forecast to be sold in the coming 12 months.

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 as set out in note 14.

The table below sets out the assets valued using these 3 scenarios:

	30 June 2020 €'000	30 June 2019 €'000	31 December 2019 €'000
Rental scenario	713,720	646,210	703,650
Condominium scenario	31,379	19,000	23,956
Disposal scenario	1,621	–	2,554
Total	**746,720**	**665,210**	**730,160**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2020

14. Investment properties – held for sale

	30 June 2020 (unaudited) €'000	30 June 2019 (unaudited) €'000	31 December 2019 (audited) €'000
Fair value – held for sale investment properties			
At beginning of period/year	10,639	12,747	12,747
Transferred from investment properties	1,503	5,048	10,064
Capital expenditure	42	267	434
Properties sold	(2,636)	(7,372)	(12,668)
Valuation gain/(loss) on apartments held for sale	427	291	62
At end of period/year	**9,975**	**10,981**	**10,639**

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 notarised for sale by the reporting date are valued at their disposal price (disposal scenario), and other properties are valued using the condominium or rental scenarios (see note 13) as appropriate. The table below sets out the respective categories:

	30 June 2020 €'000	30 June 2019 €'000	31 December 2019 €'000
Rental scenario	–	1,930	–
Condominium scenario	8,354	9,051	8,085
Disposal scenario	1,621	–	2,554
Total	**9,975**	**10,981**	**10,639**

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.

15. Other financial assets at amortised cost

	30 June 2020 (unaudited) €'000	30 June 2019 (unaudited) €'000	31 December 2019 (audited) €'000
Current			
Balance at beginning of period/year	1,590	–	–
Transfer from non-current other financial assets at amortised cost	–	1,563	1,554
Accrued interest	32	–	54
Interest adjustment related to prior period	–	–	(18)
Balance at end of period/year	**1,622**	**1,563**	**1,590**

In April 2015 the Group entered into loan agreements with Mike Hilton and Paul Ruddle, then Directors of PMM Partners (UK) Limited, now PMM Residential Limited, in connection with the acquisition of PSPF. The loans bear interest at 4% per annum and have a maturity of less than one year at 30 June 2020. Mike Hilton remains a Director of PMM Residential Limited. This loan was subsequently repaid to PSD on settlement of the minority interest in PSPF which occurred in July 2020. For further information regarding the settlement of the minority in PSPF see note 20.

	30 June 2020 (unaudited) €'000	30 June 2019 (unaudited) €'000	31 December 2019 (audited) €'000
Non-current			
Balance at beginning of period/year	876	2,406	2,406
Transfer to current other financial assets at amortised cost	–	(1,563)	(1,554)
Accrued interest	12	22	24
Balance at end of period/year	**888**	**865**	**876**

The Group 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 financial assets are considered to have low credit risk and any loss allowance would be immaterial.

None of these financial assets were either past due or impaired.

16. Trade and other receivables

	30 June 2020 (unaudited) €'000	30 June 2019 (unaudited) €'000	31 December 2019 (audited) €'000
Current			
Trade receivables	656	651	1,219
Less: impairment provision	(215)	(357)	(223)
Net receivables	441	294	996
Prepayments and accrued income	811	3,923	508
Investment property disposal proceeds receivable	1,477	490	375
Service charges receivable	7,531	6,372	5,271
Prepaid treasury shares	–	–	182
Other receivables	618	1,000	605
	10,878	**12,079**	**7,937**

Prepaid treasury shares consist of a transaction for PSD's own shares which had yet to settle at 31 December 2019.

17. Borrowings

	30 June 2020 (unaudited) €'000	30 June 2019 (unaudited) €'000	31 December 2019 (audited) €'000
Current liabilities			
Bank loans – Deutsche Genossenschafts–Hypothekenbank AG	–	2,150	–
Bank loans – NATIXIS Pfandbriefbank AG*	283	–	192
Bank loans – Mittelbrandenburgische Sparkasse	–	–	16,418
Bank loans – Berliner Sparkasse	1,103	1,175	1,142
	1,386	3,325	17,752
Non-current liabilities			
Bank loans – Deutsche Genossenschafts–Hypothekenbank AG	–	117,283	–
Bank loans – NATIXIS Pfandbriefbank AG**	207,009	–	186,636
Bank loans – Berliner Sparkasse	71,289	69,820	71,866
	278,298	187,103	258,502
	279,684	**190,428**	**276,254**

* Nominal value of the borrowings as at 30 June 2020 was €917,000 (31 December 2019: €784,000, 30 June 2019: €Nil).
** Nominal value of the borrowings as at 30 June 2020 was €210,300,000 (31 December 2019: €190,000,000, 30 June 2019: €Nil).

For further information on borrowings, refer to the management report on page 11.

18. Trade and other payables

	30 June 2020 (unaudited) €'000	30 June 2019 (unaudited) €'000	31 December 2019 (audited) €'000
Trade payables	443	247	1,597
Accrued liabilities	1,944	2,517	1,319
Service charges payable	7,597	6,328	4,320
	9,984	**9,092**	**7,236**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2020

19. Derivative financial instruments

	30 June 2020 (unaudited) €'000	30 June 2019 (unaudited) €'000	31 December 2019 (audited) €'000
Interest rate swaps – carried at fair value through profit or loss			
At beginning of period/year	15,979	5,991	5,991
Loss in movement in fair value through profit or loss	2,290	7,944	9,988
At end of period/year	**18,269**	**13,935**	**15,979**

The notional principal amounts of the outstanding interest rate swap contracts at 30 June 2020 were €202,932,000 (December 2019: €202,932,000, June 2019: €200,165,000). At 30 June 2020 the fixed interest rates vary from 0.24% to 1.07% (December 2019: 0.24% to 1.07%, June 2019: 0.625% to 1.01%) above the main factoring Euribor rate.

Maturity analysis of interest rate swaps

	30 June 2020 €'000	30 June 2019 €'000	31 December 2019 €'000
Less than 1 year	–	–	–
Between 1 and 2 years	–	–	–
Between 2 and 5 years	–	–	–
More than 5 years	18,269	13,935	15,979
	18,269	**13,935**	**15,979**

20. Other financial liabilities

	30 June 2020 (unaudited) €'000	30 June 2019 (unaudited) €'000	31 December 2019 (audited) €'000
Current			
Balance at beginning of period/year	6,951	–	–
Transferred from non-current liabilities	–	7,490	6,951
Profit share attributable to NCI in PSPF	569	–	–
Balance at end of period/year	**7,520**	**7,490**	**6,951**
Non-current			
Balance at beginning of period/year	–	7,135	7,135
Profit share attributable to NCI in PSPF	–	355	(184)
Transferred to current liabilities	–	(7,490)	(6,951)
Balance at end of period/year	**–**	**–**	**–**

Other financial liabilities relate to the put option held by the minority shareholders of PSPF for the purchase of the minority interest in PSPF. The option period started on 6 June 2020 and the option was settled in July 2020 at its value set out in these financial statements. The settlement price was based on the proportion of the last published EPRA NAV of PSD from the 31 December 2019 attributable to PSPF, as well as the proportion of EPRA NAV attributable to the non-controlling interest in PSPF.

A portion of the liability (€1,577k, December 2019: (€1,070k), June 2019: (€1,175k)) is recognised to cover the tax charge of the minority in PSPF on the proceeds of put option when exercised.

21. Share based payment reserve

	Performance fee €'000
Balance at 1 January 2019	4,010
Fee charge for the period	719
Balance at 30 June 2019	4,729
Fee charge for the period	2,079
Balance at 31 December 2019	6,808
Fee charge for the period	(1,923)
Balance at 30 June 2020	**4,885**

Performance fee

The Property Advisor is entitled to an asset and estate management performance fee, measured over consecutive three year periods, equal to 15% of the excess (or in the case of the initial performance period ending prior to 31 December 2020, 16%) by which the annual EPRA NAV total return of the Group exceeds 8% per annum, compounding (the 'Performance Fee'). The Performance Fee is subject to a high watermark, being the higher of:

(i) EPRA NAV per share at 1 July 2018; and
(ii) the EPRA NAV per share at the end of a Performance Period in relation to which a performance fee was earned in accordance of the provisions continued with the Property Advisor and Investor Relations Agreement.

Other Property Advisor fees

Under the Property Advisory Agreement for providing property advisory services, the Property Advisor will be entitled to a Portfolio and Asset Management Fee as follows:

(i) 1.20% of the EPRA NAV of the Group where the EPRA NAV of the Group is equal to or less than €500 million; and
(ii) 1% of the EPRA NAV of the Group greater than €500 million.

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 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 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.

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.

Details of the fees paid to the Property Advisor are set out in note 26.

22. Stated capital

	30 June 2020 (unaudited) €'000	30 June 2019 (unaudited) €'000	31 December 2019 (audited) €'000
Issued and fully paid:			
At 1 January	196,578	196,578	196,578
	196,578	**196,578**	**196,578**

The number of shares in issue at 30 June 2020 was 100,751,410 (including 3,475,000 as Treasury Shares) (31 December 2019: 100,751,410 (including 3,000,000 as Treasury Shares), 30 June 2019: 100,751,410 (including nil as Treasury Shares)).

23. Earnings per share

	30 June 2020 (unaudited) €'000	30 June 2019 (unaudited) €'000	31 December 2019 (audited) €'000
Earnings for the purposes of basic earnings per share being net profit attributable to owners of the parent (€'000)	12,134	10,923	22,293
Weighted average number of ordinary shares for the purposes of basic earnings per share (Number)	97,354,761	100,751,409	100,389,943
Effect of dilutive potential ordinary shares (Number)	1,197,847	1,159,594	1,721,657
Weighted average number of ordinary shares for the purposes of diluted earnings per share (Number)	98,552,608	101,911,003	102,111,600
Earnings per share (€)	0.12	0.11	0.22
Diluted earnings per share (€)	0.12	0.11	0.22

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

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24. Net asset value per share and EPRA net asset value

	30 June 2020 (unaudited)	30 June 2019 (unaudited)	31 December 2019 (audited)
Net assets (€'000)	417,469	414,260	413,891
Number of participating ordinary shares	97,276,410	100,751,409	97,751,410
Net asset value per share (€)	**4.29**	**4.11**	**4.23**

EPRA net asset value

	30 June 2020 (unaudited)	30 June 2019 (unaudited)	31 December 2019 (audited)
Net assets (€'000)	417,469	414,260	413,891
Add back deferred tax assets and liabilities, derivative financial instruments and share based payment reserves (€'000)	74,670	62,666	67,467
EPRA net asset value (€'000)	492,139	476,926	481,358
EPRA net asset value per share (€)	**5.06**	**4.73**	**4.92**

25. 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 condensed consolidated financial statements.

Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- financial assets;
- cash and cash equivalents;
- trade and other receivables;
- trade and other payables;
- borrowings; and
- derivative financial instruments.

The Group held the following financial assets at each reporting date:

	30 June 2020 (unaudited) €'000	30 June 2019 (unaudited) €'000	31 December 2019 (audited) €'000
Loans and receivables			
Trade and other receivables – current	10,067	8,156	7,247
Cash and cash equivalents	37,259	12,416	42,414
Loans and receivables	2,510	2,428	2,466
	49,836	**23,000**	**52,127**

The Group held the following financial liabilities at each reporting date:

	30 June 2020 (unaudited) €'000	30 June 2019 (unaudited) €'000	31 December 2019 (audited) €'000
Held at amortised cost			
Borrowings payable: current	1,386	3,325	17,752
Borrowings payable: non-current	278,298	187,103	258,502
Other financial liabilities	7,520	7,490	6,951
Trade and other payables	9,984	9,092	7,236
	297,188	**207,010**	**290,441**
Fair value through profit or loss	18,269	13,935	15,979
Derivative financial liability – interest rate swaps	18,269	13,935	15,979
	315,457	**220,945**	**306,420**

Fair value of financial instruments

With the exception of the variable rate borrowings, 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 or due to the commercial variable rates applied to the long term liabilities.

The interest rate swap was valued externally by the respective counterparty banks by comparison with the market price for the relevant date.

The interest rate swaps are expected to mature between July 2026 and March 2028.

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.

Group fair values	30 June 2020 (unaudited) €'000	30 June 2019 (unaudited) €'000	31 December 2019 (audited) €'000
Financial liabilities			
Interest rate swaps – Level 2 – non-current	(18,269)	(13,935)	(15,979)
	(18,269)	**(13,935)**	**(15,979)**

The valuation basis for the investment properties is disclosed in note 13.

26. Related party transactions

Related party transactions not disclosed elsewhere are as follows:

PMM Residential Limited is the Group's appointed Property Advisor. Directors of PMM Residential Limited formerly sat on the Board of PSD, and retain a shareholding in the Company. For the six month period ended 30 June 2020, an amount of €3,167,000 (€3,119,000 Management Fees and €48,000 Other expenses and fees) (December 2019: €6,097,647 (€5,943,969 Management fees and €153,688 Other expenses and fees), June 2019: €2,954,000 (€2,871,000 Management fees and €83,000 Other expenses and fees)) was payable to PMM Residential Limited. At 30 June 2020 €nil (December 2019: €9,000, June 2019: €178,000) was outstanding.

Fees payable to the Property Advisor in relation to overseeing capital expenditure during the first of the year were €115,000 (2019: €165,000).

The Property Advisor is also entitled to an asset and estate management performance fee. The credit for the period in respect of the performance fee was €1,923,000 (December 2019: €2,798,000, June 2019: €719,000). Please refer to note 21 for more details.

The Property Advisor has a controlling stake in IWA Real Estate Gmbh & Co. KG who are contracted to dispose of condominiums in Berlin on behalf of PSD. IWA does not receive a fee from PSD in providing this service.

Apex Financial Services (Alternative Funds) Limited, PSD's administrator provided administration and company secretarial services along with Directors for the PSPF General Partner (Guernsey) Limited entity in 2020. For the six-month period ended 30 June 2020, an amount of €276,209 (December 2019: £129,450, June 2019: £nil) was payable to Apex Financial Services (Alternative Funds) Limited. At 30 June 2020 £nil (December 2019: £nil, June 2019: £nil) was outstanding.

In March 2015 the Group entered into an option agreement to acquire the remaining 5.2% interest in Phoenix Spree Property Fund GmbH & Co.KG from the Limited Partners, M Hilton, a director of PMM Residential Limited and P Ruddle. The options are included in this set of financial statements at their fair value of €7,520,000 and were subsequently settled in July 2020, net of shareholder loans of €1,622,000.

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FOR THE PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2020

26. Related party transactions continued

The Group entered into an unsecured loan agreement with M Hilton and P Ruddle in connection with the acquisition of PSPF. At the period end an amount of €811,000 (December 2019: €795,000, June 2019: €781,500) each was owed to the Group. The loans bear interest of 4% per annum. This loan was subsequently settled in July 2020 alongside the settlement of the put option.

Fees payable to key management personnel during the first half of the year amounted to €145,000 (six months to June 2019: €123,000).

Dividends payable to Directors in their capacity as a shareholder amounted to €2,270 (December 2019: €1,735, June 2019: €1,195).

27. Events after the reporting date

The put option held by the minority shareholders of PSPF for the purchase of the minority interest in PSPF was exercised in July 2020. The option period started on 6 June 2020 and the option was settled in July 2020 at its value set out in these financial statements. The settlement price was based on the proportion of the last published EPRA NAV of PSD from April 2020 attributable to PSPF as well as the proportion of EPRA NAV attributable to the non-controlling interest in PSPF.

PSD had exchanged contracts for the sale of four residential units and two attic spaces in Berlin for the total proceeds of €1.6 million prior to the reporting date. All the proceeds were received in Q3 2020.

In Q3 2020 PSD exchanged contracts for the sale of eight condominiums in Berlin for the aggregated consideration of €3.3 million. The transactions for €1.3 million completed in Q3 2020 and €2.0 million are still awaiting completion.

On 12 August 2020 Antonia Burgess was appointed to the Board as a non-executive Director of PSD.

On 1 September 2020 Greg Branch was appointed to the Board as a non-executive Director of PSD.

On 21 September 2020 the Company announced that its Property Advisor, PMM Residential Limited, has changed its name and rebranded as QSix Residential Limited. This name change has no impact on the existing property advisory and investor relations agreement as it relates to PSD.

PROFESSIONAL ADVISORS

Property Advisor	QSix Residential Limited (known prior to 21 September 2020 as PMM Residential Limited) 54-56 Jermyn Street London SW1Y 6LX
Administrator Company Secretary and Registered Office	Apex Financial Services (Alternative Funds) Limited 12 Castle Street St. Helier Jersey JE2 3RT
Registrar	Link Asset Services (Jersey) Limited 12 Castle Street St. Helier Jersey JE2 3RT
Principal Banker	Barclays Private Clients International Limited 13 Library Place St. Helier Jersey JE4 8NE
English Legal Advisor	Stephenson Harwood LLP 1 Finsbury Circus London EC2M 7SH
Jersey Legal Advisor	Mourant Ozannes 22 Grenville Street St. Helier Jersey JE4 8PX
German Legal Advisor as to property law	Greenberg Traurig Germany, LLP The Westlight Budapester Str. 35 10787 Berlin Germany
German Legal Advisor as to general matters	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 The London Stock Exchange Building 10 Paternoster Square London EC4M 7LT
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

NOTES

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