Building Better Futures

Phoenix Spree Deutschland Limited
Annual Report and Accounts 2024

Phoenix Spree Deutschland Limited (LSE: PSDL.LN), the UK listed investment company specialising in Berlin residential real estate, announces its full year audited results for the financial year ended 31 December 2024. The Board also provides a further update on the Company's strategy to significantly accelerate condominium sales and reduce debt.

In this report

Highlights of the Year

Read more on pages 2-3

Chairman's Statement

Read more on pages 6-7

Annual Report and Accounts
The full Annual Report and Accounts will shortly be available to download from the Company's website www.phoenixspree.com. All page references in this announcement refer to page numbers in the Annual Report and Accounts. The Company will submit its Annual Report and Accounts to the National Storage Mechanism in the required format in due course and it will be available for inspection at https://data.fca.org.uk/#/nsm/nationalstoragemechanism.

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Contents

Highlights of the year

Gross rental income (€)

28.1m

Portfolio valuation (€)

552.8m

Condominium notarisations (€)

9.4m

Financial and operational summary

€ million (unless otherwise stated)	12 months to December 2024	12 months to December 2023	2024 v 2023 % change
Income Statement			
Gross rental income	**28.1**	27.5	2.4
Loss before tax	**39.5**	(111.8)	(64.7)
Dividend per share in respect of the period (€ cents (£ pence))	**–**	–	–
Balance Sheet			
Like-for-like Portfolio valuation (€m)	**552.8**	548.3	0.8[4]
EPRA NTA per share (€)[1]	**3.55**	3.96	(10.4)
EPRA NTA per share (£)[1,2]	**2.93**	3.43	(14.6)
EPRA NTA per share total return (%)	**(10.4)**	(22.4)	–
Net LTV (%)[3]	**40.3**	46.3	–
Operational			
Like-for-like Portfolio valuation per sqm (€)	**3,633**	3,609	0.7
Condominium sales notarised (€m)	**9.4**	7.2	30.6
Condominium sales notarised per sqm (€)	**4,295**	3,976	8.0
Vacant condominiums notarised per sqm (€)	**5,027**	4,702	6.5
Occupied condominiums notarised per sqm (€)	**3,430**	3,409	0.6
Annual like-for-like rent per sqm growth (%)[4]	**1.6**	4.1	–
EPRA vacancy (%)	**1.5**	2.0	–

1 EPRA metrics defined and calculated in note 27.
2 Calculated at FX rate GBP/EUR 1.2097 as 31 December 2024 (2023: GBP/EUR 1:1.153).
3 Net LTV uses nominal loan balances (note 22) 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.

Strategic repositioning

- Completion of €75.9 million sale of a 385-unit portfolio comprising 16 properties to funds managed by Partners Group in December 2024.
- Debt terms amended, increasing permitted condominium sales assets from 6 to 40 properties.
- Reduction in net debt during the financial year by €89.9 million, lowering net loan-to-value (LTV) from 46.3% to 40.3%, with a further reduction expected, driven by condominium sales.
- Resolutions to continue the Company and amend its Investment Objective and Policy passed at Extraordinary General Meeting (EGM) on 12 March 2025.
- Accelerated condominium sales programme underway, with stock available for sale expected to rise from 108 units in December 2024 to 942 units by Q3 2025.

Portfolio valuation increase

- Condominium values have remained resilient and Private Rented Sector (PRS) valuations have stabilised, though at significantly lower levels than the 2022 peak.
- On a like-for-like basis (adjusted for disposals), the Portfolio value rose 0.8% in 2024 and 3.2% in H2 2024.
- Condominium Portfolio value grew 9.0%, driven by PRS properties redesignated under the accelerated condominium sales strategy.
- PRS Portfolio value fell 6.3% on a like-for-like basis, but the 2.8% decline in the second half of the year was the smallest since the real estate downturn began in 2022.

Condominium sales accelerating

- 2024 condominium notarisations increased by 31% versus 2023, reaching €9.4 million, with vacant units sold at an average of €5,027, a 39.3% premium to the 2023 Portfolio per sqm valuation.
- 2025 performance to date:
  - 34 units notarised for €9.3 million, a 169% increase versus the same period in 2024, at an average price per sqm of €3,999.
  - Further reservations pending notarisation for 10 units worth €3.4 million.
  - Vacant units sold at €4,738 per sqm, a 30.5% premium to the Portfolio's 31 December 2024 valuation; occupied units sold at €3,608 per sqm, a 0.6% discount.

Rental market remains resilient

- Reversionary reletting premium remains high, reflecting ongoing shortage of Berlin rental supply.
- New residential leases during the year signed at an average premium of 31% to passing rents, or €13.9 per sqm, a record high.
- Like-for-like rent per sqm growth slowed to 1.6%, reflecting a lower level of reletting.
- European Public Real Estate Association (EPRA) vacancy of 1.5% (2023: 2.0%), a record low. Residential unit churn increased to 8.7% (2023: 6.6%).

Outlook

- Following the continuation vote, the Company is advancing with a managed portfolio realisation programme, primarily aimed at accelerating condominium sales.
- The Company remains optimistic in achieving its target annualised condominium sales rate of €50 million by the end of 2025.
- Sales prices for condominiums in Berlin per sqm are expected to remain significantly higher than the equivalent values of PRS properties.
- Discussions in relation to the refinancing of debt maturing in Q3 2026 are currently underway and aim to increase the number of condominium sales projects that can be made available for sale at any time and enhance flexibility for capital returns to shareholders.
- Conditions in the investment market for PRS properties have shown recent signs of improvement. However, the current US administration's imposition of higher trade tariffs has the potential to impact investor sentiment and real estate asset demand.

Robert Hingley, Chairman of Phoenix Spree Deutschland, commented:

"I am pleased to announce that our Portfolio has reached a turning point, achieving its first like-for-like valuation increase since the broader German residential market downturn began in 2022.

The significant divergence in price per sqm between condominiums and PRS properties that has been observed in the Berlin residential market in recent years is expected to continue and it is against this backdrop that the Company plans to materially accelerate condominium sales in 2025 and beyond. The company remains on track to deliver on its 2025 condominium sales targets.

The Company's strategic outlook has been further improved by recent enhancements to its balance sheet. Asset disposals completed in December 2024 have already contributed to a considerable debt reduction, with ongoing condominium sales expected to drive further deleveraging. Additionally, refinancing discussions are underway with the aims of improving operational and financial flexibility, further enhancing the Company's capacity for future condominium sales and expediting capital returns to shareholders."

Annual Report and Accounts

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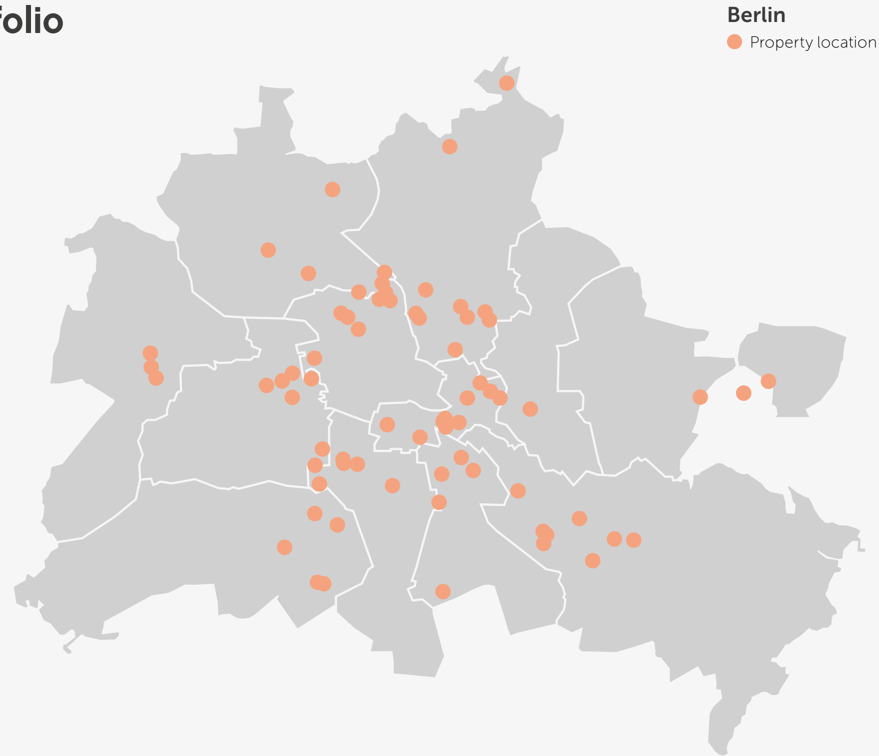
Who we are

Phoenix Spree Deutschland (PSD) is a Berlin focused German residential property fund that has been operating in Germany since 2007.

Pure-play Berlin Portfolio Total properties

The Portfolio of properties owned by Phoenix Spree Deutschland mainly consists of classic 'Altbau' properties (older buildings) which were built before 1914. Typically, these five-storey buildings contain between 20 and 40 units, consisting of one to three bedroom apartments, often with shops on the ground floor.



Reported property Portfolio valuation (million)

€552.8

Since listing on the Main Market of the London Stock Exchange in June 2015, the Company has increased the Berlin focus of the Portfolio through a combination of carefully selected acquisitions and disposals, effectively creating a pure-play Berlin fund.

As at 31 December 2024, the Portfolio of properties owned by PSD consists of 74 properties, 2,053 residential apartments and 108 commercial units with 152 thousand sqm of usable space.

QSix Residential Limited (formerly PMM Partners (UK) Limited) has acted as Property Advisor and has an experienced team of property and investment professionals with an established record in the German residential property market.

Usable space (sqm thousands)

152.2

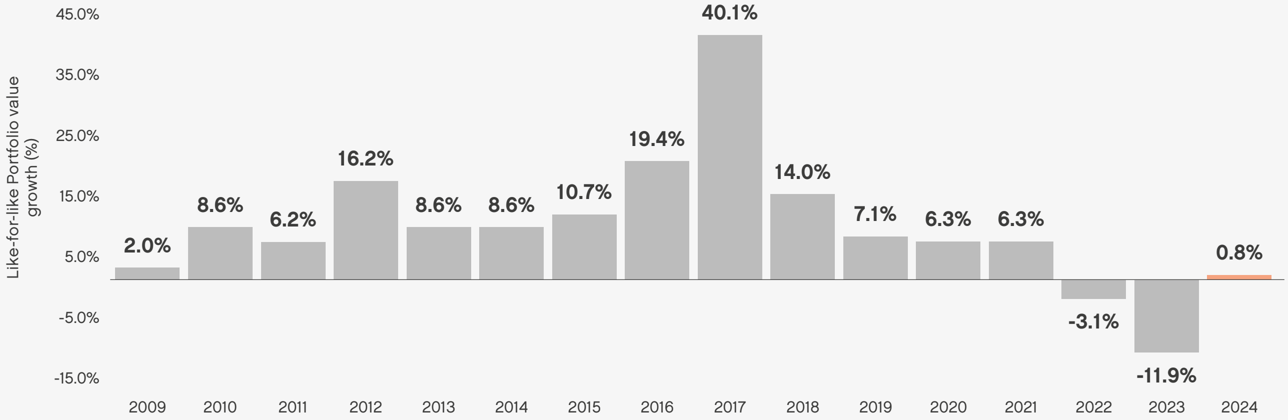
Number of units

2,161

Units with condominium permission

77.8%

Portfolio like-for-like growth 2009 – 2024 (%)[1]



1 Like-for-like Portfolio valuation, adjusted for disposals

Chairman's Statement

"The past year has marked a significant change in the strategic direction of the Company."

Robert Hingley
Chairman

During this time, the Board conducted a comprehensive review of options to address the Company's substantial share price discount to EPRA net tangible assets (NTA) per ordinary share and to maximise value for shareholders.

After extensive engagement with our stakeholders, we determined that a managed Portfolio realisation, focused on the accelerated sale of individual apartment units ('condominiums'), was the most effective strategy to achieve this goal.

Throughout 2024, the German residential investment market consistently demonstrated that sales prices for individual condominium units were more resilient than those for PRS properties. For PSD, this was illustrated in 2024 where, on a per sqm basis, condominium sales values were over 90% higher than single PRS property sales. This clear divergence underpins our focus on accelerating condominium sales as the primary mechanism for delivering shareholder value. A full update on our progress to date can be found in the report of the Property Advisor.

To support this strategy, in December 2024, the Company secured amended financing terms to the existing facility with its principal lender, enabling a significant acceleration of the condominium sales programme in 2025 and beyond. At the same time, the Company completed the strategic disposal of 16 properties, encompassing 385 units, to facilitate these financing adjustments.

Continuation vote

The Company's Articles of Association require a vote on the continuation of the Company as a closed-ended investment vehicle at regular intervals. This year, the Board proposed the continuation vote be held earlier than originally scheduled, providing clarity and certainty regarding the Company's future direction and to approve the necessary amendments to the Company's Articles of Association and investment policy to align with its new strategy.

Shareholders overwhelmingly voted in favour of the Company's continuation. This decision ensures that the Company can now proceed with its carefully managed strategy to realise the value of its assets, further reduce debt levels and, ultimately, return capital to shareholders.

Financial results

I am pleased to report that the second half of the financial year marked a turning point, with the Portfolio registering its first like-for-like valuation increase since the broader German residential market downturn began in 2022. As at 31 December 2024, the total Portfolio value stood at €552.8 million. On a like-for-like basis (adjusted for disposals), the Portfolio value increased by 0.8% during the year and by 3.2% in the second half of 2024.

Reflecting the loss made on the strategic disposal mentioned above, which was necessary to secure the amended refinancing terms to allow the Company to sell condominiums at scale, the Euro EPRA NTA total return per share was (10.4)% over the year. The Sterling EPRA return was (14.6)%.

A more comprehensive review of the financial and operating performance of the Company for the financial year to 31 December 2024 can be found in the report of the Property Advisor.

Responsible business

We remain committed to upholding ethical and transparent business practices. Our Corporate Responsibility (CR) Plan, 'Better Futures', continues to guide our operations, focusing on five key pillars: Tenant Satisfaction, Environmental Stewardship, Social Responsibility, Community Investment and Robust Governance.

These pillars drive our efforts to reduce our environmental footprint, respect all individuals affected by our operations, provide a high standard of tenant services, contribute meaningfully to local communities and ensure strong accountability and oversight.

Our tenants

While our future strategy has changed, we remain fully committed to the wellbeing of our rental tenants. Over the past year, we have continued to invest in our properties to ensure they provide high-quality living spaces. We are proud that our tenant satisfaction surveys demonstrate consistently high levels of satisfaction with both the quality of our apartments and the efficiency of our rental process.

We recognise the broader challenges posed by rising living costs and continue to work constructively with those in greatest need of support.

I am pleased to report strong tenant engagement in our condominium sales activities. All tenants in rental properties designated for sale have been contacted and the process has been thoroughly explained. They have also been offered the opportunity to purchase their rental apartments outright.

Environmental stewardship

Environmental stewardship remains a cornerstone of our business strategy. As a member of EPRA, we continue to adhere to EPRA's Best Practice Recommendations to ensure transparency in our sustainability reporting. I am pleased to announce that, for the third consecutive year, our efforts were recognised with a Gold Award at the 2024 EPRA Sustainability Awards. This reflects our dedication to industry-leading standards in environmental and social responsibility reporting.

The Company has entered into a framework agreement with a leading provider of green solutions for heating, sustainability and environmental, social and governance (ESG) for residential properties, to test and supply heating optimisation systems. Subject to successful testing, the Company intends a broader roll-out across a substantial part of the PRS Portfolio.

Charitable initiatives

Our commitment to being a responsible corporate citizen extends to our charitable endeavours, guided by our Community Investment Policy. We continue to focus on supporting charities that address homelessness and help families.

In Berlin, the Company's support for the Intercultural Initiative and Laughing Hearts charities continues to provide crucial assistance to women, children and those in social care. In London, our Property Advisor's partnership with homeless charities SPEAR and SHP (Single Homeless Project) is helping to address the needs of homeless individuals through accommodation, health support and employability programmes. Additionally, our Property Advisor's support for Home-Start is positively impacting the wellbeing of families with young children in the UK.

Board governance

The Board remains committed to maintaining a strong corporate governance culture. We continue to follow the principles of good corporate governance as outlined in the Association of Investment Companies Code of Corporate Governance ('AIC Code'). Further details on how the Company has implemented and complied with the provisions of the AIC Code can be found in the Directors' Report.

Property Advisor

2024 has been another productive year for QSix, the Company's Property Advisor. In addition to its day-to-day asset management responsibilities, QSix has played a key role in laying the groundwork necessary for the Company to implement its accelerated condominium sales strategy.

In June 2024, the Board finalised a new Property Advisory and Investor Relations Agreement with QSix, which introduced revised fee arrangements. This agreement resulted in a 14% reduction in ongoing fees year-on-year and a 40% reduction compared to the fee run rate at the end of 2022.

QSix has additionally committed to using the post-tax proceeds from any future disposal fees received under the terms of the agreement to purchase shares in PSD. To date, QSix has acquired 299,917 shares under this agreement, with further purchases expected during 2025. The Board believes these updated arrangements further strengthen the alignment of interests between QSix and the Company.

Portfolio valuation at 31 December 2024 (€m)

552.8m

Outlook

Following a significant three-year market downturn, PRS values are stabilising, with transaction volumes showing signs of improvement since late 2024. However, any rebound is likely to be gradual.

The significant divergence in price per sqm between condominiums and PRS properties is expected to continue and it is against this backdrop that the Company is significantly accelerating condominium sales in 2025 and beyond.

The December 2024 portfolio disposal has achieved a material reduction in leverage, with further reductions expected through ongoing condominium sales. The Company is actively progressing the refinancing of its primary lending facility, which is required to enable shareholder distributions.

In recent weeks uncertainty created by the imposition of high trade tariffs has led to increased financial market volatility. Although it is too early to predict any potential impact on buyer confidence as it relates to the Berlin condominium and PRS markets, the Company is on track to achieve its previously announced condominium sales targets.

Robert Hingley
Chairman
29 April 2025

Listening to our stakeholders

We understand the importance of engaging with our key stakeholders – tenants, shareholders, partners, people, local communities and regulators – to address the priorities and concerns of each group.

Our stakeholders

- Tenants
- Shareholders
- Partners
- People
- Local communities
- Regulators

Although, as a non-UK company, we are not legally required to comply with section 172 of the UK Companies Act 2006, we follow the related corporate governance principles outlined 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 Company's success for the benefit of all its members. In doing so, the Board considers the interests of stakeholders and the matters specified in section 172 of the UK Companies Act 2006. While the Board directly engages with stakeholders on certain matters, much of this engagement is carried out through the Property Advisor, which provides the Board with regular updates.

The table on pages 9 to 11 outlines how we engage with our key stakeholders and highlights their importance to us. Further information on the Company's and the Property Advisor's approach to corporate responsibility can be found in the Corporate Responsibility section of this report.

How we engage

Tenants

Key stakeholder issues

Effective tenant engagement begins with understanding and addressing tenant needs, enhancing satisfaction, strengthening the Company's reputation as a responsible landlord and contributing to long-term business success.

The Property Advisor plays a vital role in this effort, offering valuable insights into the specific requirements and concerns of tenants.

The Board and Property Advisor are aware of the challenges many tenants face, particularly in light of rising living costs, which have the potential to reduce disposable incomes. This underscores the importance of approaching tenant engagement with empathy, sensitivity and a commitment to support those most affected.

Prioritising health and safety is integral to the Company's business operations. The Company is committed to providing a secure and healthy environment for its tenants.

How the Company engages

The Property Advisor plays a pivotal role in ensuring the efficient operation of the Company's business, particularly through its oversight of Core Immobilien ('Core'), which oversees tenant management. The Property Advisor actively monitors Core's activities to ensure they engage effectively with tenants and manage their needs responsibly.

One key method of tenant engagement is the Property Tenant Survey, conducted by Core. This survey serves as an essential tool for gathering feedback, helping to identify tenants' concerns and areas for improvement. The insights collected are reported to the Board, enabling the Company to take proactive and constructive action where necessary.

To support tenants who may be more vulnerable, the Property Advisor has established a Vulnerable Tenant Policy. Additionally, clear guidelines and protocols have been implemented to handle tenant complaints and resolve issues fairly and promptly, reinforcing commitment to tenant satisfaction and wellbeing.

Highlights

The Property Advisor expanded its most recent tenant survey to include both incoming and sitting tenants, providing valuable feedback to better understand tenant concerns and priorities. The Company remains committed to taking meaningful steps to address these insights and improve tenant satisfaction.

Capital expenditure of €5.2 million during 2024 reflects the Company's commitment to enhancing the quality of the Portfolio. These investments encompass renovations, upgrades and maintenance projects designed to improve the overall living and working experience for tenants.

In response to the challenges posed by significant inflation, the Company has supported both residential and commercial tenants by offering tailored assistance. Where necessary, rental payment deferrals have been agreed upon on a case-by-case basis, ensuring tenants receive the support they need during this period.

All tenants in rental properties designated for sale have been contacted and the process has been thoroughly explained. They have also been offered the opportunity to purchase their rental apartments outright at a discounted value.

Shareholders

Key stakeholder issues

Engaging with shareholders is a vital component of the Company's business strategy and essential to long-term success. Both the Board and the Property Advisor are committed to fostering an open and productive dialogue with large institutional investors as well as individual retail shareholders.

The Board understands the importance of effectively communicating the Company's performance, strategy and future prospects. Clear and transparent communication builds trust, strengthens relationships and creates long-term value for all stakeholders.

A key advantage of shareholder engagement is the opportunity to gather valuable feedback and insights. By understanding shareholders' perspectives and expectations, the Board is better equipped to make informed decisions that align with their interests and support the Company's overall objectives.

How the Company engages

For institutional investors, the Company recognises the importance of detailed discussions about business operations, financial performance and strategic direction. Efforts are made to provide comprehensive and timely information to support their investment decisions. Regular meetings, presentations and reports are conducted to ensure institutional investors remain well-informed and confident in their investment.

Retail shareholders are also valued for their diverse perspectives and valuable insights. The Company engages with them through various channels, including Annual General Meetings (AGMs) and digital communication platforms.

In addition to regular communication, the Company acknowledges the importance of shareholder input on key business matters. Participation is encouraged in voting on significant resolutions, as well as providing feedback on corporate governance, strategic objectives and environmental sustainability.

Highlights

The Company engages with shareholders through regular updates, meetings, roadshows and a dedicated website section that provides timely and accessible information. The investor relations service is structured to address queries promptly and effectively.

In 2024, the Board and Property Advisor engaged in detailed discussions with institutional shareholders regarding the Company's strategic direction, focusing on accelerated condominium disposals to align with shareholder expectations.

To enhance investor understanding, the Property Advisor organised tailored trips to Berlin, providing firsthand exposure to the Company's Portfolio, regulators and industry professionals.

The Company retains the services of Edison Research, who produces in-depth reports on the Company, complementing analysis provided by Deutsche Numis, the Company's Broker.

How we engage continued

Partners

Key stakeholder issues

The Company and its Property Advisor are dedicated to fairness, mutual respect and the highest ethical standards to ensure the delivery of responsive and professional services to key stakeholders.

The Property Advisor maintains strong, collaborative relationships with business partners and advisers, fostering regular engagement and open communication.

To uphold excellence, the Board consistently monitors and reviews the performance of all service contracts, reinforcing its commitment to maintaining high standards across every partnership.

How the Company engages

The Property Advisor has a close working relationship with all of the Company's business partners and advisers and regularly engages with all parties.

The Property Advisor ensures suppliers meet the Company's standards of conduct. All suppliers are required to confirm on an annual basis, in the form of a questionnaire, that they have adequate policies and procedures in place to align their values with those of the Company.

Affirmation letters requesting confirmation of alignment with the Company's key policies and standards signed by key partners of the Company and by the Property Advisor are obtained by the Board.

The Board monitors the performance of each key service provider.

Highlights

The Board of Directors conduct an annual review of the performance of the Company's service providers. This evaluation aims to assess the effectiveness and efficiency of the current service arrangements in place.

The Board continues to support the appointment of all service providers. The decision reflects the Board's confidence in the service providers' ability to consistently deliver high-quality services and uphold the Company's standards of excellence.

People

Key stakeholder issues

The Company places significant emphasis on the employment practices of its Property Advisor, QSix.

QSix recognises the importance of fostering a diverse range of talents and perspectives within its team, while also ensuring that employees feel engaged in their roles. These factors are viewed as essential to the long-term success of the business.

Understanding the values and motivations of employees is crucial. It is essential for both the Property Advisor and the Company to be aware of what drives team members and to reflect this understanding in their operations. By doing so, an environment can be created where employees feel valued, motivated and empowered to contribute to the overall success of the business.

How the Company engages

The Company and its Property Advisor are committed to fostering a workplace culture that values inclusion and engagement. This involves offering equal opportunities to all and cultivating an environment where every individual feels respected and supported. By ensuring that all voices are heard, the organisation drives innovation, creativity and ultimately achieves stronger outcomes for clients and stakeholders.

The Property Advisor places a strong emphasis on employee wellbeing, recognising the importance of work-life balance. It is committed to creating a supportive and flexible work environment, offering resources and programmes that promote both physical and mental health, as well as opportunities for professional development and career growth.

Adhering to all relevant labour laws and regulations, the Property Advisor ensures fair compensation and benefits for its employees. Transparency and open communication are central to its approach, keeping employees informed about policies, decisions and any changes that may impact them.

Additionally, the Property Advisor provides comprehensive health and welfare benefits, including access to medical advice.

Highlights

The Property Advisor holds monthly employee town hall meetings, providing a platform to share important business updates and reinforce the organisation's culture and values.

These regular sessions promote open communication and transparency, ensuring that employees remain informed and engaged with the Company's mission and direction.

Results from the Property Advisor's 2024 employee survey indicate that employees feel treated with respect and are provided with equal opportunities.

The Property Advisor also updated its working-from-home policies. With line manager approval, employees are now entitled to work remotely two days per week. Systems have been implemented to ensure seamless support for remote work.

Local communities

Key stakeholder issues

Local communities are integral to the success of any company. By engaging in responsible investing, businesses can not only secure their long-term growth but also contribute positively to the environment and the wellbeing of the communities in which they operate.

Responsible investing also helps mitigate potential risks associated with operating within local communities.

Proactively addressing ESG issues reduces the likelihood of negative outcomes, thereby protecting the Company's reputation, financial performance and the interests of local stakeholders who may be impacted.

Through its Community Policy, the Company is dedicated to supporting initiatives that address critical social challenges and make a meaningful difference in the lives of the most vulnerable. By partnering with charities, the Company aims to create brighter futures for individuals and families in need and remains committed to supporting these vital causes.

Aligning corporate resources with the needs of the community allows for the creation of meaningful and lasting change. The Company's goal is not only to provide financial support but also to contribute to the development of sustainable solutions that tackle the root causes of social issues.

How the Company engages

The Company's commitment to corporate responsibility is reflected in the 'Better Futures' CR Plan, which outlines charitable giving and community support initiatives. As part of the Community Policy, partnerships have been established with organisations that address key social challenges in the areas of operation.

In Berlin, financial support is provided to two impactful charities: the Intercultural Initiative and Laughing Hearts. The Intercultural Initiative offers a refuge for women and children affected by domestic violence, providing them with a safe haven and essential support services. Laughing Hearts works to improve the quality of life for children living in care homes and social care, creating opportunities for a brighter future.

In London, the Property Advisor supports two homeless charities, SPEAR and SHP. SPEAR receives funding to operate an outreach service in Wandsworth, assisting rough sleepers in securing accommodation and addressing their health and social care needs. SHP benefits from funding for an employability programme designed to help homeless individuals or those at risk of homelessness find sustainable employment and income.

Recognising the importance of supporting families with young children, the Property Advisor also provides funding for Home-Start, a UK-based community network that leverages trained volunteers and expert support to assist families in need.

Highlights

The Company has continued its multi-year support for two Berlin-based organisations addressing family welfare challenges. The Intercultural Initiative women's shelter provides critical services including emergency housing, psychological counselling and legal advocacy for domestic abuse survivors and their children. In 2024, the Company funded operational costs for a donated waterfront villa – a permanent rent-free facility featuring therapeutic green spaces – covering security fencing installation, structural repairs and operating expenses.

Complementing this, Laughing Hearts received support for experiential programmes helping disadvantaged youth through outdoor activities like Spreewald canoe expeditions, team-building at climbing forests and educational visits to cultural attractions including the Jurassic World exhibition.

QSix, our Property Advisor, provides financial support for three UK charities. SHP channels funds into workforce development programmes helping individuals gain employment skills. SPEAR deploys resources for street outreach to rough sleepers and life skills training for transitional housing residents. Home-Start focuses on family preservation through practical workshops teaching budget management and conflict resolution strategies.

Regulators

Key stakeholder issues

The Company is committed to maintaining the highest standards of compliance with regulatory frameworks. This includes strict adherence to all relevant laws and regulations, particularly those related to tenants in Berlin, as well as building and other associated regulations.

The Company also acknowledges that regulatory compliance is a continuous responsibility. Efforts are focused on staying informed about changes or updates to applicable laws and regulations. By actively monitoring and adapting practices as needed, the Company ensures full compliance with all relevant legal and regulatory requirements.

How the Company engages

The Company ensures that all activities and operations comply fully with established legal requirements, including tenant laws in Berlin, building codes and other relevant regulations. Strict adherence to these regulations fosters a transparent and trustworthy environment for all stakeholders.

Respecting and upholding tenant rights, as well as following all necessary legal procedures, is a fundamental aspect of the Company's operations. Compliance with tenant laws remains a priority, with the highest standards maintained in this regard.

The Company also prioritises the safety, integrity and quality of its properties by adhering to all applicable building codes and regulations. This commitment ensures a secure and reliable environment for tenants while contributing to the wellbeing of the community.

In interactions with local authorities, the Company adopts a constructive approach, aligning activities with local development plans and regulations. By collaborating closely with authorities, the Company ensures high-quality planning applications that positively contribute to the area's development.

Highlights

The Company is fully committed to complying with all relevant property legislation and regulations while adhering to best practices.

The Property Advisor maintains dedicated communication channels with the Company's property manager to ensure tenants are promptly informed of any changes to tenancy laws or rental rates. This proactive approach ensures operations remain aligned with legal requirements and industry standards.

As a member of the EPRA, the Company adheres to EPRA's Best Practice Recommendations, focusing on measuring and minimising environmental and social impacts. For the third consecutive year, the Company's environmental reporting has been recognised with a Gold award at the 2024 EPRA Sustainability Awards, reflecting its commitment to industry-leading reporting standards.

Board Decision-making

Board decision-making and stakeholder considerations

When making decisions throughout the financial year, it is essential to ensure that these actions support the long-term success of the Company while upholding our reputation for high standards of business conduct. This section highlights key decisions made or implemented by the Board during the year, demonstrating how stakeholder views were considered and influenced these decisions.

Key decision/item	Stakeholder	How stakeholders' views were considered
Corporate strategy	Shareholders	The Board acknowledges the undervaluation of its shares in comparison to the published net asset value and has taken into consideration the feedback from shareholders regarding potential measures to rectify this situation. During 2024 the Board, supported by Lazard, explored a range of strategic options to address proactively the price discount to net asset value and to maximise value for shareholders. This included exploring the feasibility of a cash offer for the Company, an amendment of the Company's existing debt facility with Natixis to enable accelerated condominium sales and the sale of individual assets and portfolios of assets.
Property Advisor	People/shareholders	In consultation with shareholders, the Board has considered the appropriate level of fees going forward and how to align the incentives of the Property Advisor more closely with the Company's strategic priorities and the interests of its shareholders
Disposal	Shareholders	The Board has considered the views of shareholders with respect to debt reduction and the appropriate level of leverage in the business.
Continuation vote	Shareholders	The Company was required by its Articles of Association to propose a continuation vote by no later than its AGM scheduled to be held in June 2025. The continuation vote was held on 12 March 2025. Recognising that the accelerated condominium sales programme represented a material change to the strategy of the Company, the Board recognised the importance of shareholder consultation and engagement.
Our Tenants	Tenants	The Board recognises challenges faced by tenants due to a rise in inflation and a potential reduction in disposable income. The Property Advisor, in collaboration with Core, conducts tenant surveys which are made available to the Board. The Board recognises that there needs to be clear communication with tenants residing in rental properties that have been designated for sale as condominiums.
Charitable giving	All stakeholders	Through its Community Investment Policy, the Board is committed to supporting charities where there is a connection with either 'homelessness' or 'families'.
Environmental reporting	All stakeholders	The Board recognises that the German property sector needs to play a major role in Germany achieving its environmental targets. The Board has listened to the Company's stakeholders and recognises that the nature of the Company's business has environmental and social impacts and that the Company has a responsibility to consider and minimise these impacts where possible.

Actions taken as a result of this engagement	Long-term effects of decision
The Board concluded that the accelerated condominium sales strategy represents the best outcome for shareholders.	A carefully managed Portfolio realisation programme that facilitates an orderly portfolio disposal process balancing timely capital returns with value optimisation.
In 2024, the Board agreed an Amended Property Advisory and Investor Relations Agreement with the Property Advisor. The New PAIR represents an absolute reduction in fees with the Ongoing Fee Cap reduced from €5.0 million to €4.3 million. This represents a 14% year-on-year reduction and a 40% reduction compared to the run rate at the end of 2022. Additionally, QSix has agreed to use the post-tax proceeds of any future disposal fees eligible from the Company under the terms of the New PAIR to buy shares in the Company.	These new arrangements further align the interests of the Property Advisor, the Company and its shareholders.
The Board approved a debt amendment, facilitated through the sale of a Special Purpose Vehicle (SPV) owning 16 rental properties (385 units) to funds managed by Partners Group for €75.9 million. This resulted in a €58.8 million debt reduction and pro forma net LTV fell from 46.4% (30 June 2024) to 40.3% at year-end.	Amended debt facility provides greater flexibility in the number of assets that can be included in the condominium sales pool. Discussions now underway in relation to refinancing of the Company's remaining principal debt facility falling due in September 2026.
The Company brought forward the Company's continuation vote, to propose amendments to the Company's Articles of Association and the Company's investment objective and investment policy to facilitate an orderly Portfolio disposal process.	Shareholder approval for a carefully managed Portfolio realisation programme that facilitates an orderly Portfolio disposal process.
The Property Advisor provides regular updates on rent arrears and maintains a vulnerable tenant list which is reviewed by the Board. The Board will consider offering support to tenants by offering flexible arrangements for rental payments. All tenants in rental properties designated for sale as condominiums have been contacted and the process has been thoroughly explained. They have also been offered the opportunity to purchase their rental apartments outright at a discounted value.	The Board better understands tenant needs and priorities. The Company can develop more effective strategies to address issues such as financial hardship and other difficulties that may affect tenants. The discounted purchase opportunity for tenants residing in buildings designated for sale as condominiums may lead to increased tenant buy-in and create a more stable community of owner-residents.
The Company continues to support two Berlin charities, the Intercultural Initiative, a women and children's refuge that helps women and children affected by domestic violence and Laughing Hearts, which helps children living in children's homes and social care. In the UK the Property Advisor continues to support SPEAR, SHP and Home-Start.	Breaking the cycle of disadvantage by providing support to women and children affected by domestic violence and broadening children's experiences to give them a more positive outlook for the future.
The Company has strengthened its ESG monitoring and reporting by introducing EPRA's SBPR and capturing ESG measurements within its framework. In 2024, the Company attained an EPRA Gold Award for its commitment to environmental reporting. The Company has mandated external consultants to begin the process of establishing the carbon footprint of the Portfolio.	Improved monitoring of the Portfolio's environmental impact and future reduction in the Company's environmental footprint. Creating more attractive homes for tenants, which benefit the environment and society as a whole. Reducing the carbon footprint of the Portfolio of properties owned by the Company.

Market-driven Repositioning

Our strategy now reflects the Company's transition from growth-through-acquisition to systematic value realisation from its maturing Berlin residential Portfolio. We seek to capitalise on Berlin's structural supply constraints for subdivided properties and the significant premium of condominium sale prices over rental unit valuations.

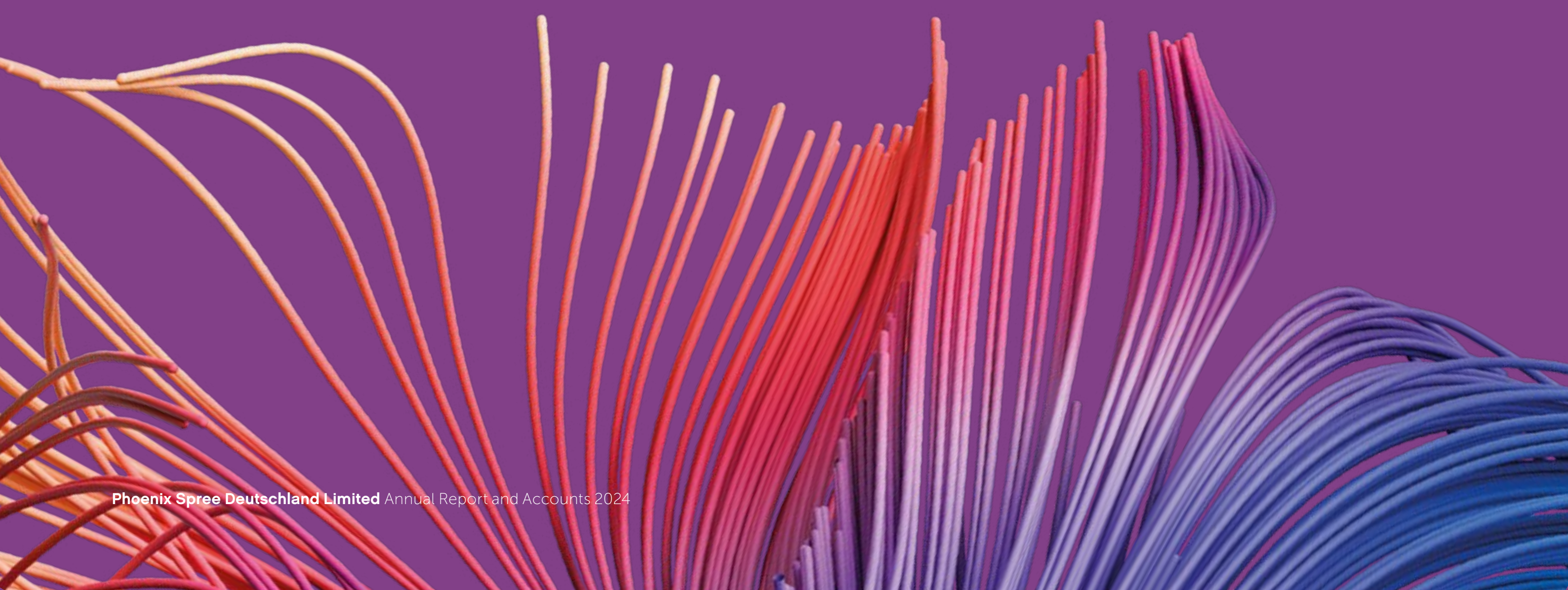
Our strategic priorities

01
Condominium disposal acceleration
Begin the phased sell-down of 40 properties currently permitted in the condominium sales pool, targeting €50 million of annualised sales by end 2025.

02
Debt reduction
Target further LTV reduction ahead of 2026 debt renewal, utilising condominium disposal proceeds.

03
Refinancing
Debt renewal to target greater flexibility over the use of disposal proceeds as well as increasing the number of properties that can be made available for sale as condominium projects.

04
Capital recycling
Post-debt optimisation, explore mechanisms for returning capital to shareholders.



Our key stakeholders

Read more on pages 8 to 11

Tenants

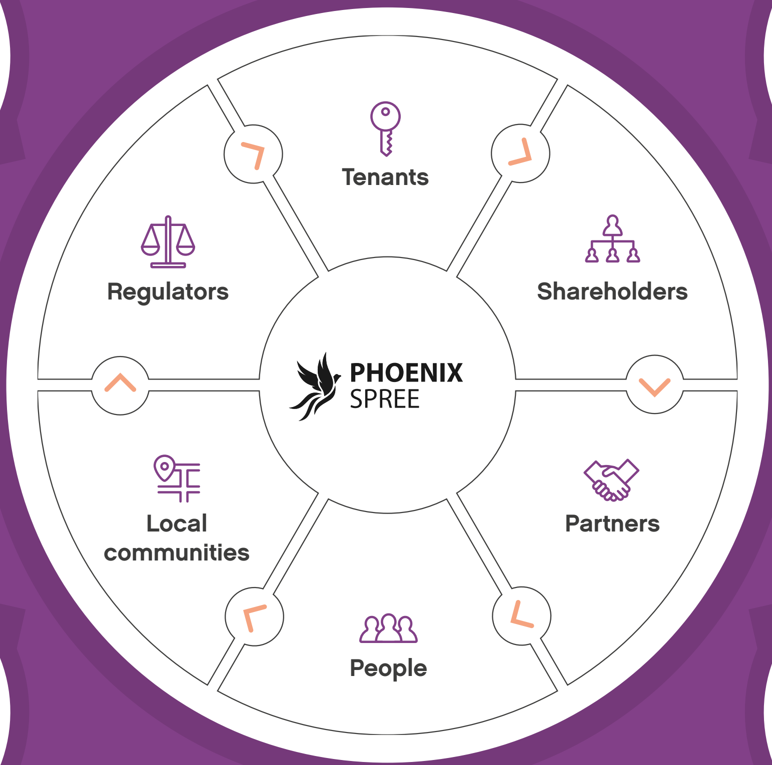
We aim to create for our tenants modern, well-maintained homes at affordable rents.

Regulators

We always observe all Berlin tenant laws, building and other relevant regulations.

Shareholders

The Board and the Property Advisor seek to maintain a productive dialogue with both large investors and retail shareholders.



Local communities

We make positive contributions to the local environment in which our properties are located, through improving the external facades of the buildings and supporting local charities.

Partners

We respect and value our partners, treating them fairly, so they in turn can deliver the best service to our tenants and investors.

People

Having people who bring a diverse range of talents and perspectives and who feel engaged in their roles, is fundamental to the long-term success of our business.

Our Business Model

Our business model centres on maximising value from Berlin's residential Portfolio through rigorous asset management and targeted divestment.

The key stages of this process are:
Optimise, Invest, Sales, and Value distribution.

Optimise

Manage our existing Portfolio of Berlin residential properties to maximise value. A business plan is formulated for each property which analyses medium-term investment requirements and the potential return on investment. Properties with condominium permissions are prioritised for disposal as individual units, reflecting higher realisable values that individual condominium units command in the current market.

Read more on pages 18-24

Invest

Targeted capital expenditure on enhancing sale readiness across existing assets with condominium sales permissions. Priority given to features attractive to condominium buyers, with a view to optimising sales values. Properties not part of the condominium sales pool which are expected to continue to operate on a PRS model, receive targeted investment to improve their energy efficiency and raise EPC ratings.

Read more on pages 18-24

Sales

In partnership with the Property Advisor, leading specialist condominium sales platforms Engel & Völkers and Lübke Kelber assess each property's potential market price for vacant and let units. New condominium sales projects to be brought to market in tranches reflecting differing levels of preparation and investment requirements to facilitate sales. Models updated regularly to reflect micro-location demand dynamics and prices adjusted accordingly. On average, it is forecast that a value per sqm of approximately €5,000 can be achieved for vacant units and €3,500 for tenanted units.

Read more on pages 18-24

Value distribution

Sales proceeds initially to be used to pay down debt and reduce leverage. Renegotiation of current debt facility in 2026 is expected to provide greater flexibility, allowing additional properties with condominium permissions to be added to the condominium sales pool, and ultimately, facilitating structured capital returns to shareholders.

Read more on pages 18-24

Report of the Property Advisor

Accelerated condominium sales strategy

Background

The European real estate sector continues to face challenges brought on by higher interest rates, subdued investor sentiment and a downturn in property values.

Reflecting these headwinds, the Company's share price has not fully reflected the intrinsic value of its Portfolio, with its shares continuing to trade at a substantial discount to EPRA NTA per share.

Since the onset of the downturn in European real estate values, the Company has prioritised optimising asset sale proceeds and reducing its outstanding debt.

A polarised market

The Berlin property market has demonstrated a notable disparity in achievable sales values per sqm between condominiums (individually owned apartments) and PRS properties (apartment blocks intended for private rental). While condominium prices and transaction volumes have remained broadly stable, valuations for PRS properties have experienced a sharp decline since their peak in 2022. This trend was reflected in the Company's disposal progress in 2024, where condominium sales achieved average per sqm valuations that were 92% higher than those of individual PRS property sales. This polarisation has shaped the Company's strategy, which now prioritises unlocking value through increased condominium sales.

To facilitate this strategy, the Company was required to amend the terms of its principal debt facility. While the Company has no debt maturing until September 2026, its previous financing arrangements limited the number of condominiums that could be marketed at any given time to six properties.

As at 31 December 2024, the Portfolio comprised 74 properties, of which 60 are legally divided for condominium sales. Following the debt amendment, 40 properties are now permitted for inclusion as condominium sales projects at any one time. Accordingly, plans are in hand to make available for sale properties comprising 942 units, representing 44% of the total Portfolio.

An additional 20 legally subdivided properties containing 739 units (34% of the Portfolio) remain excluded from current sales activities. The Company is currently working on securing new financing, with the aim of aligning the new debt arrangements more closely with the full condominium potential of the Portfolio.

The remaining 14 PRS properties are not divided as condominiums and have limited prospects of obtaining consent for such division.

Condominium potential within the portfolio

Property status as a 31 December 2024	Number of properties	Number of units	Area (sqm)	Units as % total
Divided and in condominium sales pool	40	942	68,312	43.6%
Divided but not yet in condominium sales pool	20	739	47,432	34.2%
Total divided properties	**60**	**1,681**	**115,744**	**77.8%**
Undivided properties (PRS)	14	480	36,422	22.2%
Total properties	**74**	**2,161**	**152,166**	**100.0%**

Condominium sales process

For the 40 properties currently approved for inclusion in condominium sales projects, the sales process is being carried out in phases and, by the end of 2025, the total number of units available for sale is projected to reach 942.

Execution of the accelerated condominium sales plan has required an appreciable increase in resources to prepare, market and sell units. To facilitate this, the Company has partnered with two leading specialist condominium sales platforms, Engel & Völkers and Lübke Kelber. These platforms will significantly broaden the reach, particularly internationally, of condominium marketing activities. In conjunction with the Property Advisor, these brokers have provided an assessment of each property's potential market price for vacant and let units. Throughout the duration of the condominium sales programme, it is currently expected that an average value per sqm of approximately €5,000 can be achieved for vacant units and €3,500 for tenanted units.

Condominium preparation and marketing

Property group	Sales status	Number of properties	Units as at 1 Jan 2025	Sqm as at 1 Jan 2025	Potential project sales value[1]
Tranche 1	On market 2024	6	108	9,291	€41.3m
Tranche 2	Added December 2024	10	258	19,711	€78.5m
Tranche 3	Commencing Q2 2025	12	282	19,549	€82.6m
Tranche 4	Commencing Q3 2025	12	294	19,760	€96.0m
Total		**40**	**942**	**68,311**	**€298.4m**

1 Projected sales value based on 2024 estimates agreed with Engel & Völkers and Lübke Kelber, based each building's potential market price for vacant and let units. Assumes each sales project achieves sales split of 50% vacant and 50% occupied and no change in condominium pricing for the duration of each condominium sales project.

Preparations for marketing 10 properties in Tranche 2, comprising 258 units, began in late 2024 and these are now being actively marketed by Engel & Völkers and Lübke Kelber. These properties were prioritised due to minimal capital expenditure requirements to facilitate sales. The number of units currently being marketed for sale has increased from 108 in December 2024 to 366 as at 28 April 2025.

A further 24 properties will be added to the condominium sales pool in two further tranches. Preparatory work on the next 12 properties (282 units) is underway, with capital expenditure projects to facilitate sales expected to conclude by the end of the first half of the financial year, enabling their marketing to begin. The final 12 properties (294 units), requiring more preparation, are expected to be market-ready by Q3 2025.

Financial and operational highlights

Financial highlights for the twelve months to 31 December 2024

€ million (unless otherwise stated)	Year to 31 December 2024	Year to 31 December 2023
Gross rental income	**28.1**	27.5
Investment property fair value loss	**(5.4)**	(97.3)
Loss before tax	**(39.5)**	(111.8)
Reported EPS (€)	**(0.42)**	(1.07)
Investment property value	**552.8**	675.6
Net debt (nominal balances)[1]	**223.0**	313.0
Net LTV (%)	**40.3**	46.3
IFRS NAV per share (€)	**3.01**	3.43
IFRS NAV per share (£)[2]	**2.49**	2.97
EPRA NTA per share (€)[3]	**3.55**	3.96
EPRA NTA per share (£)[2]	**2.93**	3.43
Dividend per share in respect of the period (€ cents)	**–**	–
Dividend per share in respect of the period (£ pence)	**–**	–
Euro EPRA NTA per share total return for the period (%)	**(10.4)**	(22.4)
Sterling EPRA NTA per share total return for the period (%)[2]	**(14.6)**	(24.0)

1 Nominal loan balances used in calculation as per note 22 rather than balances on the Consolidated Statement of Financial Position which consider capitalised finance arrangement fees in the balance as per IAS 23.
2 Calculated at FX rate GBP/EUR 1.2097 (2023: GBP/EUR 1:1.153).
3 Further EPRA net asset measures can be found in notes 28 and 29.

Financial and operational highlights continued

Financial results

Revenue for the financial year to 31 December 2024 was €28.1 million (2023: €27.5 million). The Company recorded a loss before tax of €39.5 million (2023: loss before tax €111.8 million). The primary diver of the reduced loss before tax in 2024 reflects a smaller revaluation loss of €5.4 million (2023: revaluation loss €97.3 million).

Property expenses declined by 5.9% over the year, due primarily to reduced property advisor fees. Administration expenses decreased by 12.1% as a result of decreased spend on legal and professional fees. Reported loss per share for the period was €(0.42) (2023: €(1.07)).

Reported EPRA NTA per share declined by (10.4)% in the period to €3.55 (£2.93) (2023: €3.96 (£3.43)), primarily due to the dilutive impact of the portfolio disposal announced on 17 December 2024 which, alone, diluted EPRA NTA by 7.1%. The Euro-denominated EPRA NTA total return was (10.4)% (2023: (22.4)%), while the Sterling equivalent was (14.6)% (2023: (24.0)%), a disparity driven by the Pound's appreciation against the Euro during the financial year.

Portfolio valuation

Condominium values remained resilient during the financial year and, for the first time since the decline in real estate values began in 2022, PRS valuations have begun to stabilise.

As at 31 December 2024, the total Portfolio value was €552.8 million, with an average value of €3,633 per sqm and a gross fully occupied yield of 3.3%. On a like-for-like basis (adjusted for disposals), the Portfolio value increased by 0.8% during the year (and by 3.2% in the second half of 2024), marking the first increase since the German residential market downturn began in 2022. The 31 December 2024 valuation is after the disposal of a portfolio of 16 properties which completed in late December 2024.

Reflecting the change in the Company's strategy, additional disclosure is provided to reflect the constituent parts (PRS and condominiums sales pool) of the Portfolio:

JLL valuation summary

Condominium sales pool	31 December 2024	31 December 2023
Number of properties	**40**	7
Residential units	**880**	92
Commercial units	**62**	8
Total units	**942**	100
Total sqm ('000)	**68.3**	8.9
Valuation (€m)	**278.0**	35.1
Value per sqm (€)	**4,070**	3,921
PRS properties		
Number of properties	**34**	88
Residential units	**1,173**	2,397
Commercial units	**46**	132
Total units	**1,219**	2,529
Total sqm ('000)	**83.9**	178.8
Valuation (€m)	**274.8**	640.5
Value per sqm (€)[1]	**3,277**	3,582

Condominium Sales Portfolio value increase of 8.7%

As of 31 December 2024, the condominium sales pool (40 properties, 942 units) was valued at €278.0 million (€4,070 per sqm). The value per sqm of these properties rose by 8.7% over the year, primarily due to the transfer of PRS properties into the sales pool as part of the accelerated sales strategy, resulting in a shift from PRS rental valuations to condominium valuations. In the second half of 2024, these properties experienced an average valuation increase of 11.1%.

PRS Portfolio value stabilising

As at 31 December 2024, the PRS Portfolio (34 properties, 1,219 units) was valued at €274.8 million, with an average value of €3,277 per sqm. On a like-for-like basis, its value declined by 6.3% over the year. However, the 2.8% decline in the second half was the smallest recorded since the market downturn began in 2022.

Condominium notarisations (2024)

Condominium sales accelerated in 2024, with 26 units notarised for a combined value of €9.4 million, a 31% increase versus 2023 (€7.2 million). Of these, 13 were vacant and 13 were occupied.

The average notarised price was €4,295 per sqm, a 21% premium to December 2023 carrying value of the Portfolio. Vacant units sold for an average price of €5,027 per sqm (39.3% premium), while occupied units sold for €3,430 per sqm (3% discount). These sales accounted for 28% of the stock of condominiums available for sale at the start of the year.

Condominium notarisations and reservations (2025 to date)

Notarisation period/Status	Units	Sales value (€m)	Price per sqm (€)	Premium/(discount) to Portfolio average
Notarised January (vacant)	0	0	0	0
Notarised February (vacant)	4	1.45	5,293	45.8%
Notarised March (vacant)	2	0.72	5,987	64.9%
Notarised to 24 April (vacant)	6	1.63	3,998	10.1%
Total vacant notarisations	**12**	**3.80**	**4,738**	**30.5%**
Notarised January (occupied)	4	0.82	2,987	(17.7)%
Notarised February (occupied)	4	1.08	4,055	11.7%
Notarised March (occupied)	9	2.36	3,476	(4.2)%
Notarised to 24 April (occupied)	5	1.23	4,072	12.2%
Total occupied notarisations	**22**	**5.49**	**3,608**	**(0.6)%**
Total notarisations (vacant and occupied)	**34**	**9.29**	**3,999**	**10.2%**
Total outstanding reservations	**10**	**3.44**	**4,117**	**13.4%**
Total reservations and notarisations	**44**	**12.73**	**4,030**	**11.0%**

Financial and operational highlights continued

Conditions in the condominium market remain strong, with no discernible change in pricing dynamics versus those experienced during 2024.

Following the addition of 10 properties to the condominium sales pool in late December 2024, condominium sales activity has accelerated. As at 24 April 2025, 44 units have been notarised or reserved for a combined value of €12.73 million.

Year to date, 34 units have been notarised for €9.3 million, a 169% increase versus the same period in 2024. The average notarised sales price achieved year-to-date was €3,999 per sqm, a 10.2% premium to the 31 December 2024 per sqm Portfolio average. Vacant units were sold for an average price of €4,738 per sqm (a 30.5% premium to the average per sqm valuation of the Portfolio as at 31 December 2024), while occupied units sold for an average price of €3,608 per sqm (0.6% discount).

A further 10 units with a combined sales value of €3.4 million have been reserved for sale. It is expected that condominium sales will accelerate during the year ahead as preparatory work on further condominium projects is completed and they are brought to market.

Ratio of vacant to occupied units

The sales programme offers existing tenants first refusal to purchase their units before broader sales commence, with uptake exceeding initial expectations. Over time, demand is projected to shift toward vacant apartments. Over the 4-5 year sales cycle for each project, transactions are expected to split evenly between occupied and vacant units. The vacant inventory will primarily derive from natural tenant churn, as around 8% of tenants vacate their unit each year. Between 2016 and 2024, condominium projects implemented by the Company have had an average ratio of vacant to occupied units of 58.0%.

Ratio of notarisations to reservations

The time taken from a condominium unit being 'reserved' (where the property is 'held' for the buyer while they finalise financing and conduct due diligence) and 'notarised' (making the sale agreement legally binding) is typically three to eight weeks. For this reason, properties that are added to the sales pool will initially exhibit a low ratio of notarisations to reservations.

To illustrate this, the table below shows that the 6 properties in the Portfolio available for sale prior to December 2024 (Tranche 1, which has been in the condominium sales pool for a longer period of time) have a significantly higher ratio of notarisations to reservations than the 10 properties which have been added to the condominium sales pool more recently (Tranche 2).

Notarised/reserved units by tranche

Property group	Number of properties	Units notarised as at 24 April 2025	Units reserved as at 24 April 2025	Ratio of notarised to reserved
Tranche 1	6	12	2	6.00x
Tranche 2	10	22	8	2.75x

Condominium sales velocity

The duration of the sell-down period for any given condominium property is significant in that it impacts both the timing and quantum of proceeds which, in turn, can be made available to pay down debt, reduce leverage and, ultimately, be returned to investors, subject to the successful renegotiation of the Company's primary debt facility falling due in September 2026.

Historically, properties that have been designated as condominium sales projects have taken four to five years from the first units being placed on the market to completion. To provide enhanced visibility on the current pace of condominium sales, the table below shows sales velocity on a monthly basis. The average annualised sales rate measures how quickly condominiums are sold (notarised) over time.

Condominium sales velocity

Period	Opening units	Notarisations in month	New units made available during period	Closing units	Average annualised sales rate[1]
January	104	4	258	358	45.3%
February	358	8	–	350	29.1%
March	350	11	–	339	37.0%
To 24 April	339	11	–	328	47.4%

1. 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.

Rental income and vacancy rate

	31 December 2024	31 December 2023
Total sqm ('000)	**152.2**	187.8
Annualised net rental income (€m)	**18.0**	22.3
Net cold rent per sqm (€)	**10.7**	10.4
Like-for-like rent per sqm growth (%)	**1.6**	4.1
Vacancy (%)	**8.0**	5.0
EPRA vacancy (%)	**1.5**	2.0

Rental income

Annualised contracted net rental income at 31 December 2024 was €18.0 million, a decline of 19.3% versus the prior year. This was due to (1) a fall in the number of units following the portfolio sale of 16 properties announced on 17 December 2024, (2) a decline in the number of units within the Portfolio available for rent following condominium sales and (3) a lower number of new leases signed during the year.

The Company has always managed rent-to-income multiples for new tenants conservatively and, notwithstanding current cost of living pressures, rent collection levels have remained stable.

Rental growth

As of 31 December 2024, net cold rent increased to an average of €10.7 per sqm, up from €10.4 per sqm the previous year. On a like-for-like basis, rental income per sqm grew by 1.6%, compared to 4.1% in 2023. This slower growth reflects the Company's strategic emphasis on condominium sales, which prioritises capital expenditure on condominium projects over PRS properties. Other contributing factors include the termination of a lease with a municipality in order to redevelop and subsequently sell the property.

EPRA vacancy at record low

Reported vacancy as at 31 December 2024 was 8.0% (2023: 5.0%), reflecting an increase in units that have been made available for sale as condominiums. On an EPRA basis, adjusting for units undergoing development and refurbishment, the vacancy rate was 1.5% (2023: 2.0%), a new record low.

Residential reversionary reletting premium steady at 31%

Market rents are at record levels, with new lettings across the Portfolio during the year signed at an average premium of 25.2% to passing rents (2023: 31.4%) or €13.8 per sqm (2023: €13.7 per sqm). For residential units only, new lettings were signed at an average 31.0% premium (2023: 32.9%) or €13.9 per sqm (2023: €13.6 per sqm).

During the year to 31 December 2024, 146 new leases were signed (2023: 255 new leases), representing a letting rate of approximately 8.5% of occupied units. (2023: 10.5%). The year-on-year decline is primarily attributed to more apartments are being made available for sale.

Portfolio investment

A total of €5.2 million was invested in the Portfolio during 2024 (2023: €9.4 million), recorded as capital expenditure in the financial statements. Additionally, €2.0 million (2023: €1.8 million) was spent on asset maintenance, which is expensed through the Profit and Loss account. There were no acquisitions during the year.

The decrease in capital expenditure in 2024 compared to the prior year is primarily due to reduced renovation and modernisation activities for vacant apartment improvements, reflecting a decline in unit turnover. However, capital expenditure in 2025 is expected to increase significantly, with a primary focus on preparing properties designated for condominium sales. Following the portfolio disposal in December 2024, the Company has sufficient cash reserves to fund all necessary capital expenditure required to optimise the sales values of units designated for condominium disposal.

EPRA capital expenditure (€m)

Capex category	31 December 2024	31 December 2023
Acquisitions	**0.0**	5.6
Like-for-like Portfolio	**4.5**	5.9
Development	**0.5**	3.0
Other	**0.2**	0.5
Total capital expenditure	**5.2**	**15.0**

Strategic disposal of 16 rental properties

In response to the downturn in the German real estate market that began in 2022, the Company marketed a significant portion of its Portfolio for sale, including single-property transactions and portfolios of apartment blocks. However, challenging market conditions prevented sales at prices the Board considered to represent fair value, with few transactions reaching completion.

However, to facilitate the amendment of the Company's primary debt facility, the Company announced in December 2024 the sale of a portfolio comprising 16 rental properties, comprising 385 units, for €75.9 million. This strategic disposal, structured as a share deal, reflected a material discount to the June 2024 carrying value of these properties. Despite the discount, the sale was a critical step in securing revised financing terms, enabling the Company to significantly expand condominium sales.

While further rental property disposals are not ruled out, the current pricing differential between condominium units and PRS properties suggests that focusing on condominium sales will generate substantially greater capital returns for shareholders compared to the alternative of selling entire PRS properties.

Financial and operational highlights continued

Debt and gearing

The Company has loan facilities with two principal lenders, Natixis Pfandbriefbank AG and Berliner Sparkasse, with an average remaining duration of the loan book of 1.8 years and none of the Company's debt reaching maturity until September 2026.

As at 31 December 2024, the Company had gross borrowings of €269.6 million (2023: €324.0 million) and cash balances of €46.5 million (2023: €11.0 million), resulting in net debt of €223.1 million (2023: €313.0 million) and a net LTV ratio on the Portfolio of 40.3% (2023: 46.3%). The reduction in gross debt from 2023 to 2024 was primarily a consequence of the portfolio sale of the 16 properties in December 2024 and the repayment of €38.8 million of associated Berliner Sparkasse debt. Further reductions also occurred as a result of condominium sales during the period, although this represented a smaller amount.

The majority of the Company's debt effectively has a fixed interest rate through hedging. As at 31 December 2024, the blended interest rate of the Company's loan book was 2.5% (2023: 2.5%). The blended cost of financing has remained stable despite various influencing factors, including adjustments in the cost of the unhedged portion of debt (with a relatively small notional amount) and the repayment of the Berliner Sparkasse debt.

Balance sheet category	31 December 2024	31 December 2023
Gross borrowings	**€269.6m**	€324.0m
Cash balances	**€46.5m**	€11.0m
Net borrowings	**€223.1m**	313.0m
Net LTV	**40.3%**	46.3%
Average remaining duration	**1.8 years**	2.8 years

Outlook

Geopolitical and macroeconomic

Although recent data indicates a recovery in transaction activity within Germany's residential real estate market during the latter half of 2024, uncertainties persist regarding the potential effects of escalating macroeconomic risks – particularly those stemming from the current US administration's imposition of higher trade tariffs – on investor sentiment and real estate asset demand.

Germany has embarked on a historic fiscal expansion, channelling €500 billion into infrastructure modernisation (transport, energy and digital networks) and an equal sum into defence. This dual-track spending surge marks a departure from decades of fiscal conservatism, driven by geopolitical tensions and aging infrastructure. Constitutional reforms to the Schuldenbremse (debt brake) underpin these initiatives. Previously capping structural deficits at 0.35% of GDP, the revised framework permits borrowing for 'future-oriented projects', including green energy and defence.

The bond market experienced significant volatility in early 2025, with German 10-year bond yields climbing 0.5% to reach 2.8% by March, as investors anticipated increased German debt issuance. This upward pressure later eased following the European Central Bank's rate reduction and heightened demand for German bunds, which have been viewed as a relatively safer haven during escalating global trade tensions.

Structural imbalances

There remains a significant and growing shortage of available residential accommodation in Berlin metropolitan areas, particularly Berlin itself, driven by persistent supply-demand imbalances. Whilst the population of Germany has grown by over 1.3 million since 2020, new construction activity has fallen significantly. Project cancellations hit a record high in 2024 and annual apartment completions are projected to fall to 175,000 by 2025 – far below the Federal Government's 400,000 unit annual target.

A widening cost-price gap has exacerbated supply challenges: since 2022 construction costs have risen by 28%, far outstripping new build price growth. This disparity has pushed tenanted multi-family property values 40% below replacement costs in many regions. New developments now typically focus on high-end or government-backed social housing, leaving Berlin's middle-market segment (the Company's core market) underserved.

Without policy support for development, supply-demand imbalances will deepen. Whilst the new coalition government aims to address the affordable housing crisis by accelerating construction through eliminating bureaucracy and financial incentives for cost-effective projects, it is unlikely that this will alleviate housing shortages in the near term. The outlook for Berlin rental values therefore remains positive.

Condominium supply shortage.

In 2021, The Federal Government introduced laws enabling States to prevent the division of apartment blocks into condominiums. The Berlin State Government has implemented these measures, significantly limiting the future supply of condominiums. The new German coalition government is expected to extend the life of this ban, further exacerbating the condominium supply shortage.

Berlin's inventory of condominiums is now largely restricted to units in grandfathered pre-approved projects under specific provisions of Berlin's Conversion Ordinance, along with properties below certain size thresholds exempt from the ban.

This regulatory landscape positions the Company's approved Berlin condominium portfolio as among the largest within the city.

Actionable opportunities

The Berlin real estate market is expected to maintain a notable valuation premium for condominium sales compared to disposals of traditional PRS properties.

While the Company's NAV discount is broadly consistent with that of its listed peers, its condominium-oriented portfolio sets it apart. Unlike competitors, where portfolios typically include fewer properties subdivided into condominium units, the Company is well positioned to leverage this differentiation as it undertakes a carefully managed Portfolio realisation programme designed to maximise shareholder value.

The Company's strategic outlook is further improved by recent enhancements to its balance sheet. Asset disposals completed in December 2024 have already contributed to significant debt reduction, with ongoing condominium sales expected to drive further deleveraging. Additionally, refinancing discussions are underway with the aims of improving operational and financial flexibility, further enhancing the Company's capacity for future condominium sales and expediting capital returns to shareholders.

Key Performance Indicators

For the financial year ended 31 December 2024, the Company has made changes to the key performance indicators (KPI's) that have historically served to benchmark the Company's financial and operating performance.

The evolution of KPIs reflects Berlin's evolving residential real estate dynamics and the Company's shift in strategic focus, with an emphasis on condominium sales.

The removal of EPRA vacancy and Portfolio rent per sqm as KPIs underscores Berlin's structurally tight rental market. Instead, the Company has reclassified these factors as stable market fundamentals, allowing greater attention to metrics that directly align with the Company's capital recycling and value-unlocking objectives. Additionally, dividend per share has been removed as a KPI, reflecting the current prioritisation of deleveraging over shareholder distributions.

The 2024 KPIs emphasise transparency around the Company's accelerated condominium sales strategy. Condominium sales velocity offers greater visibility into transaction activity. The inclusion of share price discount to EPRA NTA addresses the persistent valuation gap demonstrating management accountability for closing the disconnect between underlying asset values and equity market pricing. The addition of net LTV reinforces the Company's commitment to deleveraging. Like-for-like Portfolio valuation, EPRA NTA per share and condominium sales have been retained as KPIs

The Company believes this recalibrated KPI framework aligns to value creation levers more directly within management's control, while deprioritising metrics rendered less relevant by Berlin's supply-demand dynamics.

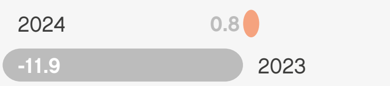
Changes to key performance indicators

Key performance indicators (2024)	Status	Key performance indicators (2023)	Status
LFL Portfolio valuation growth (%)	Retained	LFL Portfolio valuation growth (%)	Retained
EPRA NTA per Share (€)	Retained	EPRA NTA per Share (€)	Retained
Condominium notarisations (€m)	Retained	Condominium notarisations (€m)	Retained
Share price discount to EPRA NTA (%)1	New	EPRA vacancy (%)	Removed
Condominium sales velocity (%)	New	Portfolio rent per sqm (€)	Removed
Net loan to value (%)	New	Dividend (£ pence) (€)	Removed

2024 key performance indicators

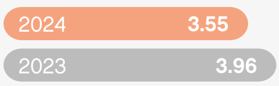
Like-for-like Portfolio valuation

0.8%



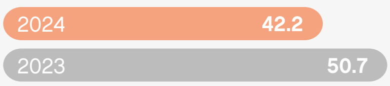
EPRA NTA per share

€3.55



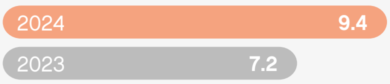
Share price discount to EPRA NTA[1]

42.2%



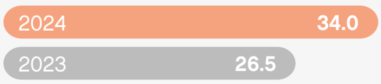
Condominium units notarised

€9.4m



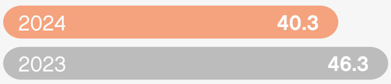
Condominium sales velocity

34.0%



Net loan to value

40.3%



1 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.

Committed to acting responsibly

We understand that our actions have environmental and social impacts, and we are committed to operating with integrity and transparency to benefit all our stakeholders.

To formalise our commitment, we have integrated corporate responsibility into our Company Values, business model and 'Better Futures' CR Plan. This ensures that corporate responsibility is a core part of how we do business.

One of the ways in which we have demonstrated our commitment to corporate responsibility is by joining EPRA. This has enabled us to report more transparently on our ESG performance. We have adopted EPRA's SBPR and have included our ESG measurements within that framework.

In 2024, we were proud to receive a Gold Award for our EPRA SBPR Report for the third year in a row, in recognition of our commitment to best practice in reporting, demonstrating our ongoing dedication to transparency and accountability in our corporate responsibility efforts.

In line with our commitment to transparency, we regularly communicate our progress on these initiatives to our stakeholders through various channels, such as annual reports and sustainability reports. We understand that open and honest communication is essential in building trust and demonstrating our dedication to corporate responsibility.

Looking ahead, we are continuously seeking new opportunities to further integrate corporate responsibility into all aspects of our business. This includes exploring innovative technologies, engaging with industry peers and experts and staying abreast of evolving best practices in the field of corporate responsibility.

Our Company Values

Our Company Values shape the way we conduct ourselves, interact with others and approach challenges, ensuring that we always strive to do the right thing.

We believe that it is crucial to not only uphold these values within our organisation but also to share them with our key business partners. Many of these partners are integral to the day-to-day operations of PSD and their values and behaviours must align with ours.

Transparency, integrity and respect are at the core of our Company Values. We are committed to conducting our business openly and honestly, holding ourselves accountable for our actions and treating others with fairness and dignity.

In addition to ethical conduct, sustainability is a fundamental component of our Company Values. We strive to be good stewards of the environment and contribute to a more sustainable future for generations to come.

Our Company Values

Responsible

We hold ourselves to the highest ethical standards and expect the same from all our partners and their employees. Whether we are interacting with our tenants, suppliers or investors, we conduct ourselves with integrity and transparency. We understand the impact our actions can have and we take that responsibility seriously. By acting responsibly, we build trust and credibility, which are essential for long-term success.

Fair

Fairness guides our relationships with all our stakeholders. We recognise that each stakeholder has unique needs and concerns and we strive to balance those interests to the best of our ability. We are committed to providing fair treatment to our employees, partners, investors and tenants. We also understand the importance of investing responsibly and addressing environmental and social impacts. By doing so, we not only create a more sustainable business but also contribute to the wellbeing of our communities.

Excellence

We strive to deliver outstanding results in all aspects of our business. This commitment to excellence extends to our choice of business partners, as we seek out individuals and organisations with strong industry experience and a record of success. We also take a rigorous approach to managing our business and executing our strategy, always seeking opportunities for improvement.

Respect

We value our partners and their employees as integral parts of our business success. We understand that they are the face of our Company to our tenants and investors and we treat them with respect.

Better Futures

Our 'Better Futures' CR Plan outlines specific initiatives and targets to minimise our environmental footprint, enhance social impact and promote good governance. This includes commitments to reduce energy consumption, minimise waste generation, support community initiatives and maintain high ethical standards in all aspects of our operations.

Protecting our Environment (E)

Our commitment to environmental protection

We recognise the significance of reducing our environmental impact and are committed to implementing measures that contribute to a greener and more sustainable future. Through the incorporation of renewable energy sources, improvements in energy efficiency and the promotion of responsible utility use, we are dedicated to making a positive difference for our planet.

Improving energy performance of buildings

We are focused on enhancing the energy performance of buildings within our Portfolio. We are working towards optimising energy usage and minimising waste. By prioritising energy efficiency in our properties.

Encouraging responsible utility use

While we are committed to implementing sustainable initiatives at the organisational level, we also recognise the importance of engaging our tenants in environmental protection. Through educational campaigns, incentive programmes and the provision of resources for sustainable practices, we actively encourage our tenants to minimise their utility use and adopt environmentally friendly habits.

Measuring our progress

As part of our commitment to As part of our commitment to environmental protection, we understand the importance of accountability and transparency. We have established monitoring and reporting mechanisms to track our environmental performance, assess the effectiveness of our sustainability initiatives and identify areas for further improvement. By regularly evaluating our progress and engaging with stakeholders, we strive to continuously enhance our environmental stewardship and ensure that our efforts yield tangible results.

Read more on page 29

Social (S)

Respecting people

Our partners and their employees are the face of our Company with tenants and investors. Our key partner, QSix, shares our commitment to excellence and prioritises the recruitment, development and retention of skilled individuals.

Valuing our customers

For our tenants, we understand the importance of having a place to call home and we strive to ensure that our properties meet their expectations. From well-maintained living spaces to responsive property management, we aim to create a positive and comfortable living environment for all our tenants. We also recognise the significance of providing a highly professional service for our investors. We are committed to delivering transparent and efficient investment information.

Investing in our communities

Quality housing is a fundamental need for individuals and families. By investing in improvements to our Portfolio of buildings, we are directly impacting the wellbeing of its residents. Access to safe and affordable housing not only provides stability for families but also fosters a sense of pride and belonging within the community.

Supporting our charities

We are committed to supporting charitable organisations that address critical social issues and make a tangible difference to the lives of the most vulnerable. By partnering with these charities, we aim to create better futures for individuals and families in need.

Read more on pages 30-32

Governance (G)

Board composition and independence

We are committed to maintaining an independent Board that upholds the highest standards of governance. Our Company has a diverse Board that can provide a range of perspectives and expertise to guide the organisation.

Monitoring of policies and structures

Policies and structures are continually monitored to maximise accountability and transparency, identify areas for improvement and ensure that we are operating in line with best practices and ethical standards.

Measuring and reporting

We understand the importance of providing timely and accurate information and we are committed to reporting both our successes and areas for improvement. We have established clear metrics to track our progress and hold ourselves accountable for achieving goals. Our metrics are chosen to align with our strategic objectives and provide meaningful insights into our performance.

Listening to our stakeholders

We engage with our stakeholders, including employees, tenants, investors and the wider community, so that we can make more informed decisions that reflect the needs and expectations of those we serve.

Read more on page 33

Environmental

Environmental responsibilities

As the global community continues to grapple with environmental challenges, it has become increasingly evident that businesses, including those in the property sector, have a crucial role to play in mitigating environmental impact. We are committed to understanding and addressing our carbon footprint, while encouraging our tenants to embrace sustainable practices.

To this end, we have established an Environment Policy that provides clear guidance for our team and key suppliers, including our Property Advisor, on operating in a manner that considers our environmental footprint and we are committed to measuring our impact on the environment and ensuring transparent reporting of our findings.

In 2024, we continued to enhance our measurement and reporting processes for our Portfolio, aligning with the EPRA's SBPR framework. This framework enables us to comprehensively assess and communicate our ESG performance. For detailed insights into our ESG performance, we encourage you to explore our EPRA SBPR Reports published on the PSD website, the most recent of which was published in 2024.

In addition, we engage with expert third-party providers who deliver regulatory-focused reports. These reports enable us to stay abreast of current and potential future developments in the ESG regulatory framework at the European, German and Berlin levels and help ensure that the Company is well positioned to navigate the evolving landscape of environmental regulations and requirements.

We are committed to continuously improving our practices and approaches. We aim not only to meet our environmental regulatory requirements but also to make a meaningful and positive contribution to society.

Environmental measures

Investment in our Portfolio

The Company integrates sustainable practices into its capital expenditure strategy, ensuring that investments not only deliver financial returns but also contribute positively to the environment and society.

Procurement

We adhere to a Sustainable Procurement Policy, aiming to use products and materials with low environmental impact, provided they meet required standards and are economically viable for refurbished properties.

Utility usage

While we do not have direct control over tenants' utility usage, we encourage them to reduce consumption by providing helpful hints and advice. We also strive to ensure a greater proportion of electricity supplied to our buildings comes from renewable sources.

Waste management

We educate tenants on proper waste recycling and work with waste providers on disposal routes to better manage tenants' waste. Many of our properties have been recognised with recycling awards.

Measurement

We continue to strengthen our ESG monitoring and reporting. While we may not have direct control over utility usage in our properties, we have increased the percentage of our Portfolio that is measurable from 25% in 2020 to over 90% currently. We also adhere to EPRA's SBPR framework for ESG reporting.

Business partners

We encourage our business partners to minimise their environmental impact. Our Property Advisor has implemented energy-saving products in their offices and appointed Environment Champions to promote reduced utility usage, improved recycling and reduced paper consumption among employees.

Social

Respecting people

The Company places significant emphasis on investing in the development of its Board. Each member of the Board is required to undertake professional training throughout the year. This training is often facilitated by external third-party entities with relevant expertise, the Property Advisor, or other service providers. Furthermore, an annual appraisal is conducted for each Board member.

QSix plays a crucial role in our operations as our Property Advisor. With an experienced team of property professionals who possess extensive knowledge of the German residential property market, QSix is generally the face of PSD. Given the significance of this partnership, the Company Values upheld by QSix must be aligned with those of PSD. Furthermore, the treatment of QSix employees must be consistent with the principles outlined in our People Policy.

In line with our People Policy, QSix believes that every individual within the workforce should be treated with dignity, fairness and consideration. QSix recognises the value of investing in its employees' professional development and wellbeing.

"I began with QSix as an Office Manager in 2015 and have progressed to my current role, Head of HR and Operations, overseeing all QSix's offices, thanks to the Company's support. I have earned two professional-development diplomas, fully funded by QSix and further facilitated with paid study leave. On-the-job learning has also been invaluable to my career progression and professional growth. The skills and knowledge I have developed throughout my experience at QSix have been vital to my ability to continue to shape the Company's HR strategies and operational efficiency."

Bogna Wleklinska
Head of HR and Operations

Creating the right working environment

Work environment	Work-life balance	Home working	People policies
Access to training programmes	Commitment to health and wellbeing	Hybrid model	Anti-Slavery and Human Trafficking Policy
On-the-job support and coaching	Leading health and welfare benefits	Employee engagement through surveys	Sharing with key business partners
Annual Development Reviews	Access to medical and legal advice	Balancing productivity and employees' needs	Verification of compliance with the Policy

Social

Our customers

We are dedicated to offering good-quality, affordable homes paired with dependable and friendly rental services. Our tenants are central to our operations and their satisfaction and wellbeing are extremely important to us.

In 2024, we have enhanced our buildings to better serve our tenants' needs by investing over €5 million across the Portfolio. Additionally, we have been proactive in providing amenities such as bike storage and playgrounds where possible. We aim to cultivate a community atmosphere within our properties, ensuring tenants feel embraced and valued.

Our customers

Our tenants

We understand the importance of high standards of customer service and have entrusted the day-to-day management of our properties to Core Immobilien, a reputable management agent known for their expertise in tenant engagement. Through their interactions with our tenants, Core ensures that any concerns or issues are addressed promptly and efficiently.

In addition to direct engagement, we also value the feedback of our tenants through regular surveys. These surveys provide us with invaluable insights into the needs and preferences of our tenants. Accordingly, we can tailor our services to deliver a high standard of responsible service that meets their expectations.

Health and safety

We prioritise the health and safety of our tenants. Through regular inspections and renovation efforts, we seek to provide a secure environment and mitigate any potential hazards. We are pleased to report that in 2024, there have been no major health and safety incidents across our Portfolio.

Vulnerable tenants

Our commitment to protecting vulnerable tenants is reflected in our Vulnerable Tenant Policy. We understand that certain individuals may require additional support and protection and our procedures are designed to ensure that these tenants receive the care and attention they need. By adhering to this policy, we aim to create a safe and secure environment for all tenants, regardless of their circumstances.

Our shareholders

We are committed to upholding robust corporate governance and ensuring regular, transparent communication on business developments. This includes providing a dedicated investor resource to promptly address any investor inquiries and facilitate visits to our Berlin location, affording investors the opportunity to personally assess the Portfolio, engage with our Berlin team and exchange insights on industry trends with external experts.

Our business partners

We value our business partners as integral contributors to our business. Collaborating with the right partners is essential in delivering exceptional results for our tenants and investors. We hold our partners to the same high standards of responsibility and fairness that we uphold, as detailed in our Suppliers Code of Conduct. Our partners must align with our key policies and Company Values, which are shared with them on an annual basis. We request their affirmation that they are conducting their operations in accordance with these principles. This mutual commitment to excellence and integrity forms the foundation of our strong and productive partnerships.

Social

Investing in our communities

We recognise that the look and feel of a neighbourhood influences how individuals perceive their homes and the community at large and in 2024, we allocated €5.2 million towards building improvement and investment programmes across our Portfolio.

Our commitment to being a responsible corporate citizen extends to our charitable endeavours. We have a strategic approach to our charitable giving, guided by our Community Investment Policy, with a focus on supporting charities related to ‘homelessness’ or ‘families’. By focusing our philanthropic initiatives on these areas, we strive to create a significant and enduring impact on the lives of those in need within our communities.

Our charitable initiatives

The Intercultural Initiative

In 2024, PSD continued its support for a Berlin-based women’s refuge, the Intercultural Initiative, which supports several key areas, including assistance for women experiencing violence by providing social work support and free legal advice, housing projects and shelters for women and children fleeing domestic violence and protection for refugees, from exploitation and human trafficking. Its efforts aim to create a safe and supportive environment for those in need within their community.

Laughing Hearts

PSD has continued its support for the Laughing Hearts charity, which is dedicated to improving the lives of children and teenagers who face challenging circumstances. It focuses on providing support through various initiatives, such as organising activities like dance lessons, sports club memberships and educational programmes including tutoring and language trips. Laughing Hearts also helps with health-related needs, such as funding for glasses and dental care. Its goal is to create joyful experiences and a sense of belonging for these young individuals, ensuring they feel valued and supported within their community.

Single Homeless Project

QSix, our key partner and Property Advisor, continued to support SHP for a fifth year. SHP is a London-wide charity dedicated to preventing homelessness and supporting single Londoners in transforming their lives. They provide a range of services, including crisis intervention, accommodation and support for mental health and substance dependency. SHP also offers life skills and employment programmes, promoting wellbeing and opportunities for personal growth. Its mission is to ensure everyone has a place to call home and the chance to live a fulfilling life.

QSix is the longest running partnership that SHP has had and its support in 2024 led to the charity having its most successful year of fundraising ever. Its £10,000 financial donation was doubled to £20,000 through the Big Give campaign and this went to support its growing education, training and employability programme, Achieving Potential. The programme is now a decade old and supports hundreds of people every year to gain new skills and find employment. A crucial new introduction to the programme this year was a digital skills programme that addresses the lack of confidence and skills that people experiencing homelessness have when using technology. Thanks to the funding from QSix more people are now able to search for jobs online, access health services and access their own equipment, including phones and laptops.

SPEAR London

QSix provides support funding to SPEAR London in the support of SPEAR’s mission to end homelessness across Southwest London. In 2024, SPEAR provided tailored services to 804 individuals, helping them build real and lasting independence over the last year. Additionally, corporate volunteers from QSix dedicated time to our Homeless Health Link Service, which helped 252 individuals achieve better health outcomes by improving access to essential services in 2024.

Home-Start

For the third consecutive year, QSix has extended its support to Home-Start. Home-Start is known for its unique volunteer-led home visiting support, which is aimed at assisting families in various communities across the UK. The organisation’s primary goal is to ensure that no parent or family feels isolated in the challenging responsibility of raising children. Home-Start strongly believes that ‘childhood can’t wait’, emphasising the urgency of providing necessary support to families. Through its dedicated volunteers, Home-Start strives to stand alongside families, offering them the support they need to navigate the complexities of parenthood.

Governance

Governing responsibly

The Board aims to foster a corporate governance culture that upholds integrity, accountability and transparency throughout the organisation.

In line with our 'Better Futures' CR Plan, we have established comprehensive policies for each of its pillars, along with a robust measurement framework to track our progress. To ensure effective oversight, we have implemented a structured framework that monitors the successful execution of our CR Plan.

We work closely with QSix to ensure its relevant policies are aligned with our own values and policies. We require QSix to periodically validate their adherence to these policies and, in instances where they outsource key functions, they are mandated to ensure that their business partners also comply with these policies.

QSix's own ESG Task Force, which continues to oversee the implementation of our plan throughout the business, provides regular progress reports on the CR Plan to PSD's ESG Committee, which in turn reports directly to the Board.

Principal Risks and Uncertainties

Effective risk management is fundamental to achieving our strategic objectives and delivering long-term sustainable value to our shareholders. Operating within the Berlin residential property market, we recognise the importance of proactively identifying, mitigating and managing risks that could impact our business.

As with any property investment company, risks and uncertainties are inherent in our activities. These risks may have financial, operational, regulatory, environmental or reputational impacts. Through a structured and disciplined approach to risk management, we aim to mitigate potential threats while also capitalising on opportunities as they arise.

Governance and accountability

The Board of Directors is ultimately responsible for overseeing risk management and ensuring that the principal risks, including emerging risks, are identified, evaluated and effectively managed. Each year, the Board conducts a comprehensive assessment of the principal risks that could affect the Company's business model, financial performance, solvency or liquidity. Regular reviews of risk exposures are integrated into Board meetings, enabling the Board to assess mitigation.

Decentralised risk identification

Our business model empowers the Property Advisor to identify, evaluate and manage the risks relevant to their specific areas of responsibility. These assessments consider a range of factors, including operational, regulatory and market-specific risks, as well as external influences such as geopolitical and macroeconomic developments. The Property Advisor provides regular updates to the Board, ensuring alignment with the Company's overall risk management framework.

Emerging risk management

Emerging risks are identified and evaluated at both the Company and Portfolio levels. This process includes assessing geopolitical developments, regulatory changes, market trends and competitor activity.

Reporting and review

The Board prepares an annual summary of the Company's principal risks, mitigation strategies and relevant policies. These risks represent the key challenges that could impact the Company's ability to deliver its strategic objectives.

Increased Unchanged Decreased

Risk	Impact	Mitigation	Movement
Economic and geopolitical risk	The global economic and political environment remains uncertain. After contractions in 2023 and 2024, Germany's GDP is projected to remain weak in 2025. Germany's reliance on exports and its industrial base continues to pose risks. Trade uncertainties, especially with major partners like the US and China, as well as supply chain disruptions, could weigh on economic performance. Anticipation of higher government spending in Germany, particularly related to infrastructure investments, energy transition policies and defence, has already been reflected in rising bond yields, which could impact debt availability and cost. The ongoing war in Ukraine and a weak macroeconomic backdrop have the potential to create buyer uncertainty in the condominium market. This could negatively impact condominium demand and pricing. The global uncertainty created by the imposition of higher trade tariffs by the US administration could lead to increased economic volatility, potentially impacting investor confidence and financing conditions, thereby posing risks to stability and growth within the German residential real estate industry.	While the Board and Property Advisor cannot influence external macroeconomic and geopolitical risks, they continuously monitor economic indicators to ensure the Company's strategy is adjusted appropriately. The Company always monitors costs and cash balances closely and plans budgets for capital expenditure that take into consideration the potential for cost inflation. The Company has suspended dividend payments to preserve cash. The Board receives regular performance and market trend reports from the Property Advisor and JLL, its property valuer. The Company has strengthened its condominium sales capability, having engaged the services of two leading condominium sales platforms, Engel C Völkers and Lübke Kelber. There remains a significant shortage of residential property, including condominiums, in Berlin, driven by low levels of construction and high net inward migration.	
Financing and interest rate risk	The Company relies on borrowing to finance the Portfolio of properties. Changes in interest rates can therefore affect financing costs and profitability. Difficult market conditions, a decline in property prices and higher interest rates can reduce the availability of financing, increase financing costs and cause higher than planned leverage. These issues could affect the Company's ability to obtain new financing on acceptable terms when its current loan facilities mature in September 2026. Covenant testing on the Company's loan facilities could be negatively impacted if asset valuations decline further. This could potentially trigger requirements for additional security, repayment of facilities or higher borrowing costs. Inadequate management of financing risks could lead to insufficient funds for sustaining business operations and timely repayment of existing debt facilities.	The Company has suspended dividend payments to preserve cash and will prioritise the reduction of debt from the proceeds of any property disposals, to facilitate renegotiation of its financing arrangements which mature in September 2026. Interest rate risk is managed using derivative instruments with matching maturity or fixed-rate debt. At least 80% of drawn loan facilities are hedged. The Company continues to model expected revenues, property values and covenant levels and these are reported to the Board as part of its annual Viability Assessment. In 2024, the Company modified its debt facility with its principal lender, Natixis, to facilitate a significant acceleration in its condominium sales programme. Work to refinance this facility, which matures in September 2026, is underway. The Company must comply with certain financial covenants under its Natixis debt facility: interest coverage ratio ICR and debt yield covenants. Breach of these 'hard' covenants results in an event of default. In addition to the financial covenants, the Company is subject to debt yield and LTV 'cash trap' events (the requirement to hold all related rental income in Natixis accounts until sufficient debt is repaid to return within the covenant level), with no event of default. The Company carried out extensive sensitivity analysis before signing this facility and, even in the most stressed rent scenarios, no covenants were breached. If rent levels or property values were to fall to a point where the covenants were in danger of being breached, the Company will use its surplus cash and seek to make further property sales to pay down debt balances. The portfolio disposal announced on 17 December 2024 has already reduced leverage significantly (net LTV decreased from 46.4% as at 30 June 2024 to 40.3% as at 31 December 2024), with further material reductions expected from future condominium sales.	

Principal Risks continued

Increased · Unchanged · Decreased

Risk	Impact	Mitigation	Movement
Valuation risk	Geopolitical and macroeconomic uncertainties, rising interest rates and regulatory changes pose a risk to the Company's asset valuations. The valuation of the Company's Portfolio is influenced by changes in market yields and conditions. An increase in property yields or a decrease in valuations due to macroeconomic uncertainty or rising interest rates could have a negative impact. Falling capital values and achievable sale prices can undermine the viability of disposal and capital expenditure projects, potentially causing delays, budget overruns or project cancellations. A significant or unexpected decline in the Portfolio's value could affect the Company's ability to secure refinancing on favourable terms or lead to breaches of financial covenants (see Financing and interest rate risk).	The Company engages an independent valuation agent with comprehensive knowledge of the Berlin residential property market as well as a wider understanding of the political and economic factors affecting the market. Semi-annual property valuations are audited or reviewed by the auditor's own property experts and calculations of EPRA NAV are audited or reviewed. The Company, through its Property Advisor, monitors the macroeconomic environment and market conditions closely to identify potential risks at an early stage and take mitigating actions where feasible. The Company's Non-executive Directors include professional property surveyors and others with experience of asset valuation and NAV calculation. The Company maintains a diversified Portfolio of assets across different Berlin locations and tenants to reduce over-reliance on any single part of the Portfolio. Modernisation and renovation projects for individual units are typically short in duration, giving good visibility on expected costs, rents and values at completion. Timeframes are continually assessed to optimise timing. The Company has modified its strategy to place a greater emphasis on condominium sales. Properties within the Portfolio which are available for sale as condominiums projects command a higher per sqm valuation compared to equivalent PRS properties.	Unchanged
Inability to sell properties including condominiums	Investor and consumer confidence remains fragile due to ongoing geopolitical and macroeconomic uncertainties, including higher interest rates. A higher cost of financing has seen investor appetite for German residential assets weaken, particularly for single property and portfolio sales. In parallel with this, a number of larger market participants remain net sellers of assets as they seek to reduce leverage. Higher mortgage rates combined with economic and geopolitical uncertainty can hurt buyer sentiment for condominiums. Asset disposals at a discount to book value may undermine confidence in the published EPRA NTA.	Pricing and liquidity in the Berlin market for condominiums has remained resilient in 2024. Reflecting this, the Company has modified its strategy to place a greater emphasis on condominium sales. The number of permitted condominium sales assets has increased from 6 to 40 properties, with units available for sale expected to rise from 108 units in December 2024 to 942 units by Q3 2025. Given this, combined with the current liquidity in the Berlin condominium market, the Company considers that the risk of inability to sell assets has declined. The Company regularly reviews whether any current or future changes in the property market outlook present risks which should be reflected in the execution of its asset management and capital position. The Company continually monitors the Portfolio to ascertain the potential for disposals of properties. The Company is in regular contact with its independent valuers who provide assessments of the property market outlook. The Company can flex asking prices to stimulate demand in instances when it considers it is in the is in the best interests of shareholders to do so. The Property Advisor maintains a strong network of Berlin residential investors and actively monitors valuation and liquidity trends in the Berlin residential market.	Decreased

Increased Unchanged Decreased

Risk	Impact	Mitigation	Movement
Share price discount to NAV	During 2024, the Company's shares continued to trade at a significant discount to EPRA NAV. Lack of liquidity or low market capitalisation may make the Company less attractive to institutional investors and cause the shares to be excluded from relevant market indices. In March 2024, the Company was excluded from the FTSE EPRA index, leading to several investors having to sell shares, with a consequent adverse impact on the share price.	The Company receives regular advice from its Property Advisor, corporate broker and financial public relations company, with a view to securing new investor demand for PSD shares. The shareholder register is regularly reviewed to identify investor underweight holdings and/or sellers of the shares. The Property Advisor makes every effort to reach out to these investors to ensure that they are fully informed when making investment decisions. The Company has a dedicated Investor Relations resource that is available to discuss share price movements, industry developments and the performance of the Company. The Company has mandated Edison Research to provide additional coverage of the Company.	Unchanged
German property law risk	Changes in legislation or regulation affecting property rights, zoning, environmental regulations and taxation can have implications for the ability of the Company to successfully implement its strategy. Regulatory risks can additionally impact operational costs and the costs of legal compliance. The Federal Government introduced laws which allow States to block the splitting of apartment blocks into condominiums. The Berlin Government has adopted these proposals.	The Board keeps informed via the Property Adviser on the impact that existing and proposed law and regulation could have on future rental values, condominium disposals and planning applications. The Company has appointed German lawyers who can advise on forthcoming changes to any laws relevant to the activities of the Company. Blocking the ability of landlords to split assets at the land registry is likely to be a net positive for the Company since the supply of condominiums will be materially reduced, increasing the value of the existing stock. With 78% of the Company's Portfolio already split in the land registry as condominiums, the Company is likely to benefit from this.	Unchanged
German tenancy law risk	Laws and regulations affecting landlord rental practices remain under constant review by both the Federal Government and the coalition government in Berlin. Changes to, or breaches of, tenant law and regulation, or how they are enforced could negatively affect rental values and property valuations and/or reputation. Changes to the Mietspiegel (rent table) which states the maximum permissible rent allowable are subject to change and could negatively impact rental values. Further tightening of the Mietpreisbremse laws, which limit the amount that landlords can increase rent in apartments in certain zoned areas, could negatively impact the Company's reversionary reletting strategy.	The Company has historically been able to adapt its business model to accommodate new rent regulations. The Property Advisor regularly monitors the impact that existing and proposed laws or regulations could have on future rental values. The Property Advisor maintains regular contact with a broad network of professional advisors and industry participants to ensure that it is kept up to date on property tenancy laws and regulations, both current and future.	Unchanged

Increased   Unchanged   Decreased

Risk	Impact	Mitigation	Movement
Tenant affordability and tenant rental challenges	There has been increasing use of online platforms by tenants to ascertain if rents prescribed by landlords are compliant with all tenancy laws and regulations. This could lead to legal challenges which, if successful, could result in rental reductions. The risk of financial loss resulting from tenants' inability to pay their rents due to personal economic circumstances. Unexpected tenant default and vacancy trends across the Portfolio could lead to a rental income shortfall.	Tenant rental challenges are closely monitored and, where deemed necessary, contested. Rental charges are adjusted in instances where claims are successful. The Company, through its Property Advisor and Property Manager, maintains close contact with tenants. The creditworthiness of new tenants is closely monitored and strict income-to-rent criteria for incoming tenants are maintained. The Company has in place a Vulnerable Tenant Policy. A vulnerable tenant list is maintained and reviewed by the Board. In instances of hardship, where appropriate, the Company seeks to support its tenants, both residential and commercial. The Company has many tenants and properties therefore heightened credit risk on some of the tenants and low occupancy rates for some of the properties should not materially impact the Portfolio as a whole. Continued inward migration of both refugees and professionals, combined with low levels of residential property construction, continues to drive high demand for rental property.	Increased
IT and cyber security risk	As cybercrime remains prevalent, this is considered a significant risk by the Company. A breach could lead to the illegal access of commercially sensitive information and the potential to impact investor, supplier and tenant confidentiality and disrupt the business of the Company. The Russian and Chinese states have been linked to cyber-attacks on government and international infrastructure and the risk of an increase in these attacks is highly likely now that Russia is subject to international sanctions due to its invasion of Ukraine.	IT systems and infrastructure relied on by the Company are subject to review. Service providers are required to report to the Board on request and at least annually, on their IT controls and procedures. A detailed review has been undertaken of the cyber security of the Company and its outsourced processes. As part of this review, the Company has required all its key service providers to confirm to the Company their procedures and protocols around cyber security on an annual basis. Additionally, the Company has requested that all service providers carry out cyber penetration testing and report back to the Board with any significant observations. No material concerns have arisen from these reviews. Service providers are also required to hold detailed risk and control registers regarding their IT systems. The Property Advisor and the Board review service organisations' IT reports as part of Board meetings each year. No material concerns have arisen from these reviews. The Board believes that, while the risk of cyber-attacks has increased due to the sanctions imposed on Russia, the risk to its service providers directly remains low. The secondary risk from cyber-attacks on digital infrastructure, such as payment systems, remains high and the Board and the Property Advisor, will continue to monitor the situation.	Unchanged

Increased Unchanged Decreased

Risk	Impact	Mitigation	Movement
Outsourcing risk	The Company's future performance relies heavily on the effectiveness of its outsourced third-party suppliers, particularly its Property Advisor, QSix, as well as Core, which manages day-to-day tenant interaction. This also includes its IFRS and German GAAP accountants and administrative service providers. To accelerate condominium sales, the Company has enhanced its sales capabilities by partnering with two leading condominium sales platforms, Engel C Völkers and Lübke Kelber, placing reliance on their expertise. The loss of one or more key third-party providers could negatively impact the Company's performance.	The Property Advisor is wholly owned by an Financial Conduct Authority (FCA) regulated entity. Since the Company listed on the London Stock Exchange, the Property Advisor has expanded headcount through the recruitment of several additional experienced London and Berlin-based personnel. Additionally, senior Property Advisor personnel and their families retain a significant stake in the Company, aligning their interests with other key stakeholders. The Board receives regular reporting from the Property Advisor including actual performance, future budgets and cash flows. The Board requests further reporting information as appropriate. The key third parties responsible for property management, accounting and administration are continually monitored by the Property Advisor and must respond annually to a Board assessment questionnaire regarding their internal controls and performance. These questionnaires are reviewed annually by the Board. Any changes in the service agreements or key service providers are approved by the Board. The Property Advisor closely monitors the condominium sales activities of Engel C Völkers and Lübke Kelber, requiring both to submit weekly activity reports.	Unchanged
Environmental risk	A failure to anticipate and respond to energy performance and climate legislation could damage the Company's reputation and lead to unplanned capital expenditure. Future investor expectations for ESG compliance could result in diminished asset values and/or illiquidity in the resale market if assets are not deemed compliant.	All investment in the modernisation of assets is undertaken with a view to the energy efficiency impact and is performed on an asset-by-asset basis. The Company maintains its own ESG consultant to advise and assist in the implementation of ESG-related activity and has mandated an external specialist to advise on current and future climate and energy performance legislation. The Company seeks to ensure accurate reporting of its ESG-related activities and, in 2024, was awarded a gold medal for its sustainability reporting by the EPRA. The Company's housing stock primarily consists of 'Altbau' properties, recognised for their unique architectural features and historical significance. Environmental upgrades are carried out while preserving these characteristics, with a focus on improving heating system efficiency. The Company is piloting heating-system balancing or optimisation, which currently shows the most potential. Testing of these systems is underway for several properties and the results will inform future environmental strategies.	Unchanged

Board of Directors

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

Biography

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

Biography

Antonia has nearly 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 practiced 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, including with Oxford Properties and also 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 Deputy Chair of The Government Property Agency, where he acts as Chair of the Audit and Risk Committee. Jonathan is 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.

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

24 January 2018

Isabel Robins
Independent Non-executive Director and Chair of the Environmental, Social and 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 and Governance Committee and the Property Valuation Committee with effect from 1 April 2022 and 28 September 2022 respectively.

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

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 and a Non-executive Director and Chair of the Audit and Risk Committee of GCP Infrastructure Investments Limited, both 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.

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

10 January 2023

Directors' Report

The Directors are pleased to present their Annual Report and the audited consolidated financial statements for the year ended 31 December 2024.

Corporate Governance

The Corporate Governance Statement on pages 46 to 57 forms part of this Directors' Report, which, together with the Strategic Report set out on pages 7 to 17 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 (the 'AIC Code') has been applied.

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 EGM 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.

Dividends

In 2023 the Company suspended dividend payments to preserve cash and support its core business.

Under the Company's amended Natixis debt facility, the Company will not be able to make distributions, including dividends, to shareholders at any time whilst borrowings remain outstanding under the facility. The Natixis debt facility is currently set to mature in September 2026 and early repayment of the existing debt would not incur any penalties payable by the Company.

The Company plans to pursue alternative financing to expedite distributions to shareholders before the maturity date of the debt facility.

Directors

The Directors in office at the date of this report and their biographical details are shown on pages 40 to 41.

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 2024, the interests of the Directors in the ordinary shares of the Company were as follows:

	31 December 2024 Number of shares	31 December 2023 Number of shares
Robert Hingley	**5,150**	5,150
Jonathan Thompson	**7,337**	7,337

There has been no change to the interests of each Director between 31 December 2024 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% of the ordinary shares in issue) is sought from shareholders at each AGM, with the latest authority granted on 2 July 2024.

This authority will expire at the conclusion of and renewal sought at, the AGM to be held on 18 June 2025.

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

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

Share capital

No shares were issued by the Company during the year.

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

On 2 July 2024, the Company obtained shareholder approval authorising the Directors to allot and issue up to 10,075,141 ordinary shares in the issued capital of the Company for cash on a non-pre-emptive basis, representing approximately 10% of the ordinary shares then in issue.

The Directors are proposing that this shareholder approval be renewed at the forthcoming 2025 AGM.
At general meetings of the Company, ordinary shareholders are entitled to one vote on a show of hands and, on a poll, to one vote for every ordinary share held.

Substantial shareholdings

At 31 December 2024, the Company had been informed of the following holdings representing more than 5% of the voting rights of the Company:

Name of holder	Percentage of voting rights	No. of ordinary shares
Columbia Threadneedle Investments	22.19%	20,374,133
Bracebridge Capital	15.84%	14, 543,162

The below change has been notified to the Company between 31 December 2024 and the date of this report.

Name of holder	Percentage of voting rights	No. of ordinary shares
Columbia Threadneedle Investments	22.36%	20,529,085

Requirements of the Listing Rules

Listing Rule 9.8.4 requires the Company to include specified information 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 9.8.4.

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 cash flow risk can be found in note 29 to the consolidated financial statements.

Events after the reporting date

Since the reporting date, the Company has exchanged contracts on 34 condominium units for a total value of €9.3 million.

On 4th February 2025, the Company modified the terms of its debt facility with Natixis in order to execute the enhanced privatisation strategy. On 31 January 2025, the Company made a repayment of €20 million from the outstanding debt balance and effective from 1 February 2025 the margin increased from 115bps to 165bps.

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.

Following the conclusion of an audit tender process conducted 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 reappointed as the Company's auditor. RSM has expressed its willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming AGM.

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.

Viability Statement
The Directors have assessed the viability of the Group over a three-year period to 30 June 2028. The Directors have chosen three years because that is the period that broadly fits within the strategic planning cycle of the business.

The Viability Statement is based on a robust assessment of those risks that would threaten the business model, future performance, solvency or liquidity of the Group, as set out in the assessment of principal risks in this document on pages 34 to 39.

For the purposes of the Viability Statement, the Directors have considered, in particular, the impact of the following factors affecting the projections of cash flows for the three-year period ending 30 June 2028:
a) the potential operating cash flow requirement of the Company;
b) refinancing existing debt facilities prior to their maturity in September 2026;
c) seasonal fluctuations in working capital requirements;
d) property vacancy rates during the period;
e) capital and corporate expenditure during the period; and
f) condominium and whole asset sales proceeds.

The model assumes stressed scenarios a) through to f) in the above list.

Financial modelling and stress testing was carried out on the Group's cash flows, taking into account the following assumption, which the Directors believe to reflect the conditions present in a reasonable 'low case' scenario over the forecast period if it proves not possible to amend the existing debt facilities such that condominium disposals are limited to those currently permitted, capex is maintained and self-funded.

After applying the assumption above, there was no scenario by which the viability of the Company over the next 12 months was brought into doubt from a cash flow perspective. Under the stresses set out above, cash flow mitigation would not be required during the three-year period. However, should mitigation be necessary, it may be obtained in the following ways:
- reducing or postponing discretionary capital expenditure, none of which is committed;
- disposing of whole property assets; and
- amending condominium pricing to increase rate of sales and expedite cash proceeds.

Under these stressed assumptions, the Group remains able to manage all existing banking covenant obligations during the period using the available liquidity to reduce debt levels, as appropriate.

The projection of cash flows includes the impact of already contracted property acquisitions. On the basis of this assessment 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.

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 37 to 39, 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
29 April 2025

Board Leadership and Purpose

This Corporate Governance Statement comprises pages 46 to 60 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') as well as setting out additional provisions on issues that are of specific relevance to investment companies. The AIC Code can be found on the AIC website www.theaic.co.uk. It includes an explanation of how the AIC Code adapts the principles and provisions set out in the UK Code to make them relevant for investment companies. The UK Code is available on the Financial Reporting Council (FRC) website www.frc.org.uk.

The Board considers that reporting against the principles and provisions of the AIC Code, which has been endorsed by the FRC and supported by the Jersey Financial Services Commission, provides better and more relevant information to shareholders.

The Board has made the appropriate disclosures in this report to ensure that the Company meets its continuing obligations. It should be noted that, 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.

Board leadership, purpose and culture

At the date of this report, the Board comprised five Directors. Their biographical details are shown on pages 40 to 41. 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 52 to 54. The interests that some of the Directors hold in the Company, as set out on page 42 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 4 to 6 of the circular to shareholders of the Company dated 17 February 2025. 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;
- negotiation and sale of Phoenix Spree Deutschland XI Limited; and
- the approval of debt related to and forming part of the sale of Phoenix Spree Deutschland XI Limited.

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 49 and 53, 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 8 to 11, 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 AGM 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.

2024 Annual General Meeting

The 2024 AGM of the Company was held on 2 July 2024. 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% 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% 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% of votes cast in favour.

2025 Extraordinary General Meeting

An EGM 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% of votes cast in favour.

2025 Annual General Meeting

The 2025 AGM will be held on 18 June 2025 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 26 May 2025, 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:

Board
- Robert Hingley (Chair)
- Antonia Burgess (Senior Independent Director)
- Jonathan Thompson
- Isabel Robins
- Steven Wilderspin

Nomination
- Robert Hingley (Chair)
- Isabel Robins
- Antonia Burgess

Remuneration
- Antonia Burgess (Chair)
- Jonathan Thompson
- Steven Wilderspin

Audit
- Jonathan Thompson (Chair)
- Isabel Robins
- Steven Wilderspin

Risk
- Antonia Burgess (Chair)
- Jonathan Thompson
- Isabel Robins
- Steven Wilderspin

Environmental, Social and Governance (ESG)
- Isabel Robins (Chair)
- Antonia Burgess
- Steven Wilderspin

Market Abuse Regulation
- Any two Independent Non-executive Directors

Property Valuation
- Isabel Robins (Chair)
- Jonathan Thompson
- Antonia Burgess

As at the date of the report, the Board comprised five Non-executive Directors. Their biographical details are on pages 40 to 41.

Changes to the composition of the Committees during the year are described in the Nomination Committee report on page 52.

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 40 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 ESG 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 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 33.

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 and the Company's lawyers 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.

Division of Responsibilities continued

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 on pages 34 to 39.

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 55 to 57.

Nomination Committee

The membership and activities of the Nomination Committee are described in this report on pages 52 to 54.

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 58 to 59.

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 2024 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	3	3
J Thompson	4	4	5	5	3	3
A Burgess	4	4	–	–	3	3
S Wilderspin	4	4	5	5	3	3

	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	2
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	4
I Robins	–	–	4	4
J Thompson	1	1	4	4
A Burgess	1	1	4	4
S Wilderspin	1	1	4	4

During the year, six additional Board meetings were held. These meetings were in respect of:
- the review and final approval of the bi-annual property valuations;
- discussions to increase asset sales and reduce debt by exploring options to reduce the refinancing risks;
- the approval of the Interim and Annual Report and financial statements;
- the approval of the sale of Phoenix Spree Deutschland XI Limited announced in December 2024; and
- the approval of debt related to and forming part of the sale of Phoenix Spree Deutschland XI Limited.

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.

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 the Nomination Committee when it is 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 103,297, only 4.1% were from a minority ethnic background. Compared to England and Wales which had a population of 66.8 million in 2019 (2019 being the latest ethnic data to be released for England and Wales), of which 15.2% were from a minority ethnic background.

In accordance with Listing Rule 9 Annex 2, the below tables, in the prescribed format, show the gender and ethnic background of the Directors:

Gender identity

	Number of Board members	Percentage on the Board	Number of senior positions 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

Robert has served as the Chair of the Board for over 9 years. 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 notify the 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 50 to 51. 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 2022, the next evaluation is planned for 2025.

This year, the Board undertook an internal performance evaluation, which was led by the Nomination Committee. The evaluation of the Chair was carried out by the other Directors of the Company and led by the Senior Independent Director.

The results of the 2024 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.

Composition, Succession and Evaluation continued

Re-election

All newly appointed Directors stand for election by the shareholders at the next 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 2024 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 55.

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 49.

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 58.

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 Steve 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 40 to 41. 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 pages 50 to 51.

Summary of the role of the Audit Committee

The Audit Committee is responsible for reviewing the Interim 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: and
  - consideration of the Company's progress of relative sales processes to determine non-current assets held for sale, such processes requiring significant judgment in assessing a complex range of commercial factors in the context of the purpose, objectives and operational norms of the Company and its sector.
- 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.

Audit Committee Report continued

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 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 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 conducted an audit tender during 2024. It was concluded that 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 2024 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 2024 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 2024. The audit partner met again with the Chair of the Audit Committee in April 2025 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 for audit and non-audit related services during the year ended 31 December 2024:

	2024 £	2023 £
Audit	**225,000**	215,000
Agreed upon procedures – interim report	**31,500**	30,000
Total	**256,500**	**245,000**

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 pages 49 to 50, and of its assessment of the principal and emerging risks is set out on pages 34 to 39.

Jonathan Thompson
Chair of the Audit Committee
29 April 2025

Remuneration

Statement from the Chair of the Remuneration Committee

As set out on page 48 of the Corporate Governance Statement, the Remuneration Committee is comprised of 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 Directors' Remuneration Policy.

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 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 2023 AGM and, as there will be no change in the way in which the policy will be implemented during the course of the next financial year, there is no requirement for the policy to be put to shareholders at the 2025 AGM.

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 2025 AGM to receive and approve the Directors' Remuneration Report.

This report is not subject to audit.

Voting at Annual General Meeting

The Directors' Remuneration Report for the year ended 31 December 2023 was approved by shareholders at the AGM held on 2 July 2024. The votes cast by proxy were as follows:

	Directors' Remuneration Report	
	Number of votes cast	% of votes cast
For	49,637,772	99.78%
Against	108,626	0.22%
At Chair's discretion	–	0%
Total votes cast	49,746,398	100%
Number of votes withheld	11,267	–

Directors' remuneration for the year ended 31 December 2024

The fees paid to the Directors for the year ended 31 December 2024 (and prior year) are set out below:

	2024			2023		
Audited	Directors' fee £	Expenses £	Total £	Directors' fee £	Expenses £	Total £
R Hingley	**50,000**	**430**	**50,430**	50,000	1,566	51,566
I Robins	**45,000**	**212**	**45,212**	45,000	279	45,279
J Thompson	**45,000**	**984**	**45,984**	45,000	1,119	46,119
A Burgess	**45,000**	**314**	**45,314**	45,000	170	45,170
S Wilderspin	**45,000**	**375**	**45,375**	43,875	690	44,565
Total	**230,000**	**2,315**	**232,315**	**228,875**	**3,824**	**232,699**

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 2024, the interest of the Directors in the ordinary shares of the Company are set out below:

	31 December 2024	31 December 2023
Robert Hingley	**5,150**	5,150
Jonathan Thompson	**7,337**	7,337

There have been no changes to the interests of the Directors between 31 December 2024 and the date of this report.

Remuneration policy

A resolution to approve the Directors' Remuneration Policy was proposed and passed at the Company's AGM held on 2 July 2024. 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.

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 2024 and the expected fees payable in respect of the year ending 31 December 2025 are set out in the table below:

	Expected annual fees for the year to 31 December 2025 £	Annual fees for the year ended 31 December 2024 £
Chair	**50,000**	50,000
Chair of the Audit Committee	**45,000**	45,000
Non-executive Directors	**40,000**	40,000
Additional Jersey resident Director's fee	**5,000**	5,000
Total remuneration paid to Directors	**230,000**	**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
29 April 2025

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; and
- 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 40 to 41 confirm that, to the best of each person's knowledge:

(a) 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

(b) 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:

Robert Hingley
Director
29 April 2025

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 2024 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 2024 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 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 2024 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 matter	Valuation of investment properties held by the Group
Materiality	Overall materiality: €5,520,000 (2023: €6,750,000) Performance materiality: €4,140,000 (2023: €5,060,000)
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 financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report continued

To the members of Phoenix Spree Deutschland Limited

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 2024 was €552.8 million (2023: €675.6 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 2024. 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 pages 55 to 57; the significant accounting judgements and estimates on page 79; significant accounting policies on page 74 and notes 16 and 17 to the Financial Statements on pages 84 to 87. 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 the valuation, including specific discussion of uplifts for condominiumisation, the application of rental legislation within the valuation model, and the approach to valuing assets held for sale at the year end. • 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 note 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	€5,520,000 (2023: €6,750,000)
Basis for determining overall materiality	1% of property valuation (2023: 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	€4,140,000 (2023: €5,060,000)
Basis for determining performance materiality	75% of overall materiality (2023: 75% of overall materiality)
Reporting materiality levels for transactions where materiality levels are lower than overall materiality	The income statement was tested to a lower specific materiality figure of €503,000 based on 5% of losses before tax (2023: €704,000) to reflect that the income statement values are significantly lower than those in the Statement of Financial Position.
Reporting of misstatements to the Audit Committee	Misstatements in excess of €138,000 (2023: €168,000) and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

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
- challenging the major assumptions in management's forecasts, being the level of rents receivable, expenses, capital expenditure, dividends and sales of condominiums
- 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 entities 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.

Independent Auditor’s Report continued

To the members of Phoenix Spree Deutschland Limited

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 bast 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 page 44;
- 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 44;
- 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 44;
- Directors’ statement on fair, balanced and understandable set out on page 55;
- Board’s confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 50;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on page 50; and
- The section describing the work of the audit committee set out on page 55.

Responsibilities of directors

As explained more fully in the directors’ responsibilities statement set out on page 60, 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; and
- 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 understanding of the effectiveness of the 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 journal entries and other adjustments; • Assessing whether the judgements made in making accounting estimates, in particular in respect of investment property valuations, 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 at page 66 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 11 years, covering the years ending 31 December 2014 to 31 December 2024. The Audit Committee carried out an audit tender process in 2023 after which we were reappointed to conduct the audit for the period ended 31 December 2024.

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

29 April 2025

Independent Auditor's Report continued

To the members of Phoenix Spree Deutschland Limited

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, 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.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024

	Notes	Year ended 31 December 2024 €'000	Year ended 31 December 2023 €'000
Continuing operations			
Revenue	6	**28,126**	27,454
Property expenses	7	**(15,755)**	(16,744)
Gross profit		**12,371**	10,710
Administrative expenses	8	**(3,811)**	(4,337)
Loss on disposal of investment properties (including investment property held for sale)	10	**(3,194)**	(4,282)
Investment property revaluation loss	11	**(5,416)**	(97,298)
Operating loss		**(50)**	(95,207)
Finance income (before (loss)/gain on interest rate swaps)	12	**9,091**	7,233
Finance costs (before (loss)/gain on interest rate swaps)	12	**(18,156)**	(16,586)
Loss on interest rate swaps	12	**(4,775)**	(7,240)
Loss on disposal of subsidiary	15	**(25,601)**	–
Loss before taxation		**(39,491)**	(111,800)
Income tax (expense)/credit	13	**(607)**	13,045
Loss after taxation		**(40,098)**	(98,755)
Other comprehensive income		**–**	–
Total comprehensive loss for the year		**(40,098)**	(98,755)
Total comprehensive income attributable to:			
Owners of the parent		**(38,895)**	(98,112)
Non-controlling interests		**(1,203)**	(643)
		(40,098)	(98,755)
Earnings per share attributable to the owners of the parent:			
From continuing operations			
Basic (€)	27	**(0.42)**	(1.07)
Diluted (€)	27	**(0.42)**	(1.07)

Consolidated Statement of Financial Position

At 31 December 2024

	Notes	As at 31 December 2024 €'000	As at 31 December 2023 €'000
ASSETS			
Non-current assets			
Investment properties	16	**516,902**	614,973
Property, plant and equipment	18	**9**	11
Other financial assets at amortised cost	19	**828**	828
Derivative financial instruments	24	**4,021**	8,796
		521,760	624,608
Current assets			
Trade and other receivables	20	**8,309**	12,834
Cash and cash equivalents	21	**46,520**	10,998
		54,829	23,832
Investment properties – held for sale	17	**35,918**	60,594
Total assets		**612,507**	709,034
EQUITY AND LIABILITIES			
Current liabilities			
Borrowings	22	**407**	1,432
Trade and other payables	23	**11,656**	11,990
Current tax	13	**1,589**	856
		13,652	14,278
Non-current liabilities			
Borrowings	22	**267,453**	319,811
Deferred tax liability	13	**53,866**	57,311
		321,319	377,122
Total liabilities		**334,971**	391,400
Equity			
Stated capital	25	**196,578**	196,578
Treasury shares	25	**(37,448)**	(37,448)
Retained earnings		**117,042**	155,937
Equity attributable to owners of the parent		**276,172**	315,067
Non-controlling interest	26	**1,364**	2,567
Total equity		**277,536**	317,634
Total equity and liabilities		**612,507**	709,034

The consolidated financial statements on pages 67 to 98 were approved and authorised for issue by the Board of Directors and were signed on its behalf by:

Director
29 April 2025

HE Thompson

Director
29 April 2025

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

	Attributable to the owners of the parent					
	Stated capital €'000	Treasury shares €'000	Retained earnings €'000	Total €'000	Non-controlling interest €'000	Total equity €'000
Balance at 1 January 2023						
Comprehensive income:	196,578	(37,448)	254,049	413,179	3,212	416,391
Loss for the year	–	–	(98,112)	(98,112)	(643)	(98,755)
Other comprehensive income	–	–	–	–	–	–
Total comprehensive income for the year	–	–	(98,112)	(98,112)	(643)	(98,755)
Balance at 31 December 2023	**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**

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	Notes	Year ended 31 December 2024 €'000	Year ended 31 December 2023 €'000
Loss before taxation		**(39,491)**	(111,800)
Adjustments for:			
Finance income		**(9,091)**	(7,233)
Net finance charge (before loss) on interest rate swaps)		**18,156**	16,586
Loss on interest rate swaps		**4,775**	7,240
Loss on disposal of investment property		**3,194**	4,282
Loss on disposal of subsidiary		**25,601**	–
Investment property revaluation loss		**5,416**	97,298
Depreciation		**55**	55
Operating cash flows before movements in working capital		**8,615**	6,428
Decrease in receivables		**712**	479
Increase in payables		**967**	456
Cash generated from operating activities		**10,294**	7,363
Income tax paid		**(44)**	(516)
Net cash generated from operating activities		**10,250**	6,847
Cash flow from investing activities			
Proceeds on disposal of investment property (net of disposal costs)		**19,909**	6,142
Proceeds on disposal of investment property received in advance		**64**	101
Interest received		**48**	413
Capital expenditure on investment property		**(5,160)**	(9,400)
Property additions		**–**	(4,930)
Additions to property, plant and equipment		**(53)**	(54)
Subsidiary disposal in year:			
Net proceeds received on disposal of subsidiary	15	**31,884**	–
Subsidiary disposal costs	15	**(1,562)**	–
Net cash used in investing activities		**45,130**	(7,728)
Cash flow from financing activities			
Interest paid on bank loans		**(14,676)**	(12,706)
Interest received on interest rate swaps		**9,043**	6,820
Interest paid on interest rate swaps		**(2,775)**	(2,480)
Repayment of bank loans		**(54,085)**	(5,904)
Drawdown on bank loan facilities		**42,635**	13,664
Net cash (used in)/generated from financing		**(19,858)**	(606)
Net (decrease)/increase in cash and cash		**35,522**	(1,487)
Cash and cash equivalents at beginning of year		**10,998**	12,485
Exchange gains on cash and cash equivalents		**–**	–
Cash and cash equivalents at end of year		**46,520**	10,998

Reconciliation of Net Cash Flow to Movement in Debt

For the year ended 31 December 2024

	Notes	Year ended 31 December 2024 €'000	Year ended 31 December 2023 €'000
Cashflow from decrease in debt financing		**(11,450)**	7,760
Change in net debt resulting from cash flows		**(11,450)**	7,760
Non-cash changes from increase in debt financing		**1,085**	1,399
Loans relinquished on disposal of subsidiary undertaking	15	**(43,018)**	–
Movement in debt in the year		**(53,383)**	9,159
Debt at the start of the year		**321,243**	312,084
Debt at the end of the year	22	**267,860**	321,243

Notes to the Financial Statements

For the year ended 31 December 2024

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 Equity Shares (Commercial Companies) 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 under UK International Accounting Standards and 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 and United Kingdom, that are relevant to its operations and effective for accounting periods beginning on 1 January 2024.

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 prepared projections for three years from the signing of this report. These projections have been prepared using assumptions which the Directors consider to be appropriate to the current financial position of the Group as regards to current expected revenues and its cost base and the Group's investments, borrowing and debt repayment plans and show that the Group should be able to operate within the level of its current resources and expects to comply with all covenants for the foreseeable future. The Group's business activities together with the factors likely to affect its future development and the Group's objectives, policies and processes for managing its capital and its risks are set out in the Strategic Report and in notes 3 and 30. After making enquiries the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group has considered the current economic environment alongside its principal risks in its going concern assessment. Further information can be found in the viability statement on page 44. The Group therefore continues to adopt the going concern basis in preparing its consolidated 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.

2.6 Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating-decision maker. The chief operating-decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors. The Board has identified residential and commercial property as two distinct operating segments. As commercial property does not currently account for more than 10% of either the combined revenue, combined profit or combined assets, the Board has considered the combined operations of the Group as a whole as the only operating segment.

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'.

Notes to the Financial Statements continued

For the year ended 31 December 2024

2. Summary of material accounting policies continued

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, where the carrying amount is the higher of cost or fair value) 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 if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and management are committed to the sale which should be expected to qualify for recognition as a completed sale 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.

2.13 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.

Notes to the Financial Statements continued

For the year ended 31 December 2024

2. Summary of material accounting policies continued

2.16 Financial instruments continued

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.

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.

(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 2024, as adopted by the European Union and United Kingdom:

Title	As issued by the IASB, mandatory for accounting periods starting on or after
Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 Leases	Accounting periods beginning on or after 1 January 2024
Classification of liabilities as Current or Non-Current and Non-current Liabilities with Covenants – Amendments to IAS 1 Presentation of Financial Statements	Accounting periods beginning on or after 1 January 2024
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements	Accounting periods beginning on or after 1 January 2024
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	Accounting periods beginning on or after 1 January 2024 (Not yet endorsed for use in the UK.)
IFRS S2 Climate-related Disclosures	Accounting periods beginning on or after 1 January 2024 (Not yet endorsed for use in the UK.)

The new standards and amendments 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
Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates	Accounting periods beginning on or after 1 January 2025
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

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

The focus of the IFRS 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.

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.

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.

Notes to the Financial Statements continued

For the year ended 31 December 2024

3. Financial risk management continued

3.2 Market risk continued

(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 pages 34 to 39.

(e) Market risk – Geopolitical

Although the Company has no direct exposure to either Russia, Ukraine or the Middle East, it is expected that the continuing conflict in Ukraine and rising tensions within the Middle East will continue to cause an impact on the global economy. These include the possible effects of higher energy prices, the possible knock-on impact of inflation, recession and increasing cyber attacks. Additionally, these circumstances have created a degree of uncertainty across global equity markets. The conflict in Ukraine, and the introduction of sanctions against Russia and Belarus, as well as possible secondary derivative impacts are being closely monitored by the Board and the Property Advisor.

Although recent data indicates a recovery in transaction activity within Germany's residential real estate market during the latter half of 2024, uncertainties persist regarding the potential effects of escalating macroeconomic risks – particularly those stemming from the current US administration's imposition of higher trade tariffs – on investor sentiment and real estate asset demand.

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 2024 €'000	As at 31 December 2023 €'000
Borrowings	**(267,860)**	(321,243)
Cash and cash equivalents	**46,520**	10,998
Net debt	**(221,340)**	(310,245)
Equity	**277,536**	317,634
Net debt to equity ratio	**80%**	98%

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 (€552,820,000)

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 2024 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.

(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 (€4,021,000)

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.

The Group has engaged with Chatham Financial to provide the fair value of the groups derivatives.

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 the properties can be reasonably expected to sell within 12 months.

Notes to the Financial Statements continued

For the year ended 31 December 2024

5. Segmental information

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

- Residential; and
- Commercial

The Group is required to report financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet the following specified criteria:

- its reported revenue, from both external customers and intersegment sales or transfers, is 10% or more of the combined revenue, internal and external, of all operating segments, or
- the absolute measure of its reported profit or loss is 10% or more of the greater, in absolute amount, of (i) the combined reported profit of all operating segments that did not report a loss and (ii) the combined reported loss of all operating segments that reported a loss, or
- its assets are 10% or more of the combined assets of all operating segments.

Management have applied the above criteria to the commercial segment and the commercial segment is not more than 10% of any of the above criteria. The Group does not own any wholly commercial buildings nor does management report directly on the commercial results. The Board considers that the non-residential element of the portfolio is incidental to the Group's activities. Therefore, the Group has not included any further segmental analysis within these consolidated audited financial statements.

6. Revenue

	31 December 2024 €'000	31 December 2023 €'000
Rental income	**21,373**	21,356
Service charge income	**6,753**	6,098
	28,126	27,454

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

	31 December 2024 €'000	31 December 2023 €'000
Within 1 year	**1,436**	1,725
1 – 2 years	**972**	1,179
2 – 3 years	**659**	880
3 – 4 years	**472**	565
4 – 5 years	**328**	331
Later than 5 years	**263**	529
	4,130	5,209

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 three years.

7. Property expenses

	31 December 2024 €'000	31 December 2023 €'000
Property management expenses	**1,306**	1,431
Repairs and maintenance	**1,957**	1,757
Impairment charge – trade receivables	**1,178**	952
Direct property expenses	**6,199**	5,751
Property advisors' fees and expenses	**4,315**	5,805
Other property operating expenses	**800**	1,048
	15,755	16,744

8. Administrative expenses

	31 December 2024 €'000	31 December 2023 €'000
Secretarial and administration fees	**689**	680
Legal and professional fees	**2,044**	2,872
Directors' fees	**272**	268
Bank charges	**26**	17
Loss on foreign exchange	**22**	9
Depreciation	**55**	55
Other administrative expenses	**797**	571
Other income	**(94)**	(135)
	3,811	4,337

In 2024 some charges previously included within Direct property expenses are now presented as Other administrative expenses as it was decided that a reclassification to Administrative expenses better presents the specific charges. The comparative numbers have also been reclassified to ensure comparability with the prior period. The changes have also been included in the Consolidated Statement of Comprehensive Income.

Further details of the Directors' fees are set out in the Directors' Remuneration Report on page 58.

9. Auditor's remuneration

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

	31 December 2024 €'000	31 December 2023 €'000
Fees payable to the Group's auditor and its associates for the audit of the consolidated financial statements	**272**	248
Fees payable to the Group's auditor and its associates for other services		
– Agreed upon procedures – half year report	**38**	35
	310	283

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

	31 December 2024 €'000	31 December 2023 €'000
Disposal proceeds	**18,768**	13,027
Book value of disposals	**(20,971)**	(12,767)
Disposal costs	**(991)**	(441)
Loss on disposal of investment property excluding disposal of Erkner development	**(3,194)**	(181)
Real estate transfer tax recoverable from Erkner development	**–**	1,202
Book value of Erkner development on disposal	**–**	5,303)
	(3,194)	(4,282)

Notes to the Financial Statements continued

For the year ended 31 December 2024

11. Investment property fair value loss

	31 December 2024 €'000	31 December 2023 €'000
Investment property fair value loss	**(5,416)**	(97,298)

Further information on investment properties is shown in note 16.

12. Net finance charge

	31 December 2024 €'000	31 December 2023 €'000
Interest income	**48**	413
Swap cancellation income	**388**	–
Interest income on swaps	**8,655**	6,820
Finance income	**9,091**	7,233
Interest expense on swaps	**(2,775)**	(2,480)
Interest expense on bank borrowings	**(15,381)**	(14,106)
Finance cost	**(18,156)**	(16,586)
Loss on interest rate swaps	**(4,775)**	(7,240)
Net finance cost	**(13,840)**	(16,593)

In 2024 Net finance charge has been split between Finance income and Finance cost as the interest income received on the swaps is now significant. The comparative numbers have also been reclassified to ensure comparability with the prior period. The changes have also been included in the Consolidated Statement of Comprehensive Income and Consolidated Statement of Cash Flows.

13. Income tax credit

	31 December 2024 €'000	31 December 2023 €'000
The tax credit for the period is as follows:		
Current tax charge	**777**	564
Deferred tax credit – origination and reversal of temporary differences	**(170)**	(13,609)
	607	(13,045)

The tax credit for the year can be reconciled to the theoretical tax credit on the loss in the Consolidated Statement of Comprehensive Income as follows:

	31 December 2024 €'000	31 December 2023 €'000
Loss before tax	**(39,491)**	(111,800)
Tax at German income tax rate of 15.8% (2023: 15.8%)	**(6,240)**	(17,664)
Losses not subject to tax: Loss on property disposal	**505**	677
Losses carried forward not recognised	**6,342**	3,943
Total tax credit for the year	**607**	(13,045)

Reconciliation of current tax liabilities

	31 December 2024 €'000	31 December 2023 €'000
Balance at beginning of year	**856**	808
Tax paid during the year	**(44)**	(516)
Current tax charge	**777**	564
Balance at end of year	**1,589**	856

Reconciliation of deferred tax

	Capital gains on properties €'000 (Liabilities)	Interest rate swaps €'000 (Liabilities)	Total €'000 (Net liabilities)
Balance at 1 January 2023	(68,382)	(2,538)	(70,920)
Credited/(charged) to the statement of comprehensive income	12,463	1,146	13,609
Deferred tax liability at 31 December 2023	(55,919)	(1,392)	(57,311)
Deferred tax liability disposal	3,275	–	3,275
Credited to the statement of comprehensive income	(586)	756	170
Deferred tax liability at 31 December 2024	(53,230)	(636)	(53,866)

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 2024 was 15.8% (2023: 15.8%).

Factors affecting future tax charges
The Group has accumulated tax losses of approximately €59 million (2023: €50 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. Where the ability exists to offset the tax losses they are offset against the deferred tax liability.

14. Dividends

	31 December 2024 €'000	31 December 2023 €'000
Amounts recognised as distributions to equity holders in the period:		
No interim dividend was paid for the year ended 31 December 2024 (2023: €Nil per share).	–	–
No final dividend was paid for the year ended 31 December 2023 (2023: €Nil per share for the year ended 31 December 2022).	–	–

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

Disposal of subsidiary undertaking
On 19 December 2024, the Group disposed of its 100% equity interest in its subsidiary, Phoenix Spree Deutschland XI Limited under the terms of a sale and purchase agreement.

Under the terms of the same sale and purchase agreement the Group disposed of Phoenix Spree Deutschland XI Limited's shareholder loans.

Notes to the Financial Statements continued

For the year ended 31 December 2024

15. Subsidiaries continued

The consideration was received fully in cash in 2024. At the date of the disposal, the carrying amounts of Phoenix Spree Deutschland XI Limited's net assets were as follows:

	€'000
Total Assets	104,100
Total Liabilities (excl intercompany debt)	(47,179)
Net Asset Value	56,921
Total consideration received in cash	32,882
Less disposal costs	(1,562)
Loss on disposal	(25,601)
Total consideration received in cash	32,882
Cash and cash equivalents disposed of	(998)
Net proceeds received on disposal of subsidiary	31,884

16. Investment properties

Fair value	31 December 2024 €'000	31 December 2023 €'000
At 1 January	**675,567**	775,904
Capital expenditure	**5,160**	9,400
Property additions	**–**	5,631
Disposals	**(122,491)**	(18,070)
Fair value loss	**(5,416)**	(97,298)
Investment properties at fair value	**552,820**	675,567
Assets classified as 'Held for Sale' (Note 17)	**(35,918)**	(60,594)
At 31 December	**516,902**	614,973

The property portfolio was valued at 31 December 2024 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 an individual property has the legal and practical ability to be converted into individual apartments (condominiums) for sale as a condominium, dependent upon the stage of the legal permissions, the additional value created by the conversion is reflected via a lower discount rate applied.

The principal inputs to the valuation are as follows:

	Year ended 31 December 2024 Range	Year ended 31 December 2023 Range
Residential Properties		
Market Rent		
Rental Value (€ per sq. p.m.)	**9.8 – 16.5**	9.8 – 16.3
Stabilised residency vacancy (% per year)	**0 – 31.9**	0 – 5
Tenancy vacancy fluctuation (% per year)	**0 – 7.5**	0 – 9
Commercial Properties		
Market Rent		
Rental Value (€ per sq. p.m.)	**4.6 – 37.7**	4.58 – 36.83
Stabilised commercial vacancy (% per year)	**0 – 100**	2 – 100
Estimated Rental Value ('ERV')		
ERV per year per property (€'000)	**62 – 2,749**	39 – 2,605
ERV (€ per sq. p.m.)	**9.9 – 16.86**	9.67 – 16.95
Financial Rates – blended average		
Discount rate (%)	**4.4**	4.5
Portfolio Gross yield (%)	**3.3**	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 '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.

Notes to the Financial Statements continued

For the year ended 31 December 2024

16. Investment properties continued

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 €22.85 million, and a decrease in the discount rate of 0.25% would increase the investment property fair value by €23.63 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 three scenarios:

	31 December 2024 €'000	31 December 2023 €'000
Rental scenario	**274,790**	614,973
Condominium scenario	**278,030**	57,610
Disposal scenario	**–**	2,984
Total	**552,820**	675,567

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 2024 €'000	31 December 2023 €'000
Investment properties	**(8,480)**	(96,198)
Investment properties held for sale (see note 17)	**3,064**	(1,100)
	(5,416)	(97,298)

17. Investment properties – held for sale

	31 December 2024 €'000	31 December 2023 €'000
Fair value – held for sale investment properties		
At 1 January	**60,594**	14,527
Transferred from	**32,667**	59,453
Transferred (to) investment properties	**(39,675)**	0
Capital expenditure	**239**	481
Properties sold	**(20,971)**	(12,767)
Valuation gain/(loss) on properties held for sale	**3,064**	(1,100)
At 31 December	**35,918**	60,594

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.

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.

The investment properties held for sale have debt of €18.6 million (2023: €28.9 million) that is repayable upon sale of those investment properties.

18. Property, plant and equipment

	Equipment €'000
Cost or valuation	
As at 1 January 2023	109
Additions	54
As at 31 December 2023	163
Additions	53
As at 31 December 2024	**216**
Accumulated depreciation and impairment	
As at 1 January 2023	97
Charge for the year	55
As at 31 December 2023	152
Charge for the year	55
As at 31 December 2024	**207**
Carrying amount	
As at 31 December 2023	11
As at 31 December 2024	**9**

Notes to the Financial Statements continued

For the year ended 31 December 2024

19. Other financial assets at amortised cost

	31 December 2024 €'000	31 December 2023 €'000
Non-current		
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 2024 €'000	31 December 2023 €'000
Current		
Trade receivables	**749**	759
Service charges receivable	**5,779**	6,797
Less: impairment provision	**(696)**	(297)
Net receivables	**5,832**	7,259
Prepayments and accrued income	**283**	235
Other receivables	**2,194**	5,340
	8,309	12,834

Other receivables include €1 million due in respect of investment properties sold (2023: €2.7 million).

Ageing analysis of trade receivables

	31 December 2024 €'000	31 December 2023 €'000
Up to 12 months	**53**	463
Between 1 year and 2 years	**–**	(1)
	53	462

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% (2023: 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 2024 €'000	31 December 2023 €'000
Balance at the beginning of the year	**297**	373
Impairment losses recognised	**1,178**	952
Amounts written off as uncollectable	**(779)**	(1,028)
Balance at the end of the year	**696**	297

All impairment losses relate to the receivables arising from tenants.

21. Cash and cash equivalents

	31 December 2024 €'000	31 December 2023 €'000
Cash at banks	**45,042**	9,287
Cash at agents	**1,478**	1,711
Cash and cash equivalents	**46,520**	10,998

22. Borrowings

	31 December 2024		31 December 2023	
	Nominal value €'000	Book value €'000	Nominal value €'000	Book value €'000
Current liabilities				
Bank loans and accrued interest – NATIXIS Pfandbriefbank AG	**1,109**	**106**	1,419	405
Bank loans – Berliner Sparkasse	**301**	**301**	1,027	1,027
	1,410	**407**	2,446	1,432
Non-current liabilities				
Bank loans – NATIXIS Pfandbriefbank AG	**249,333**	**248,635**	262,218	260,502
Bank loans – Berliner Sparkasse	**18,818**	**18,818**	59,309	59,309
	268,151	**267,453**	321,527	319,811
	269,561	**267,860**	323,973	321,243

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.

The Group has complied with the financial covenants of its borrowing facilities during the 2024 and 2023 reporting periods.

Financial covenants relating to the Natixis Pfandbriefbank AG loans include a projected interest cover of at least 150%, minimum debt yield of 4.3% and a maximum loan to value of 67.5%.

There are no financial covenants relating to the Berliner Sparkasse loans.

The Natixis Pfandbriefbank AG loans mature on 11 September 2026 and the Berliner Sparkasse loans mature between 31 December 2026 and 31 October 2027.

All borrowings are secured against the investment properties of the Group. As at 31 December 2024, the Group had no undrawn debt facilities (2023: €Nil).

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% €'000**	**2-3% €'000**	**Euribor €'000**	**€'000**	**€'000**
NATIXIS Pfandbriefbank AG	–	–	249,333	249,333	219,000
Berliner Sparkasse	15,318	3,800	–	19,118	–
Total	**15,318**	**3,800**	**249,333**	**268,451**	**219,000**

Notes to the Financial Statements continued

For the year ended 31 December 2024

23. Trade and other payables

	31 December 2024 €'000	31 December 2023 €'000
Trade payables	**3,985**	4,033
Accrued liabilities	**2,129**	1,601
Service charges payable	**5,478**	6,255
Advanced payment received on account	**64**	101
Deferred income	**–**	–
	11,656	11,990

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 2024 €'000	31 December 2023 €'000
Interest rate swaps – carried at fair value through profit or loss		
Balance at 1 January	**8,796**	16,036
Fair value movement through profit or loss	**(4,775)**	(7,240)
Balance at 31 December	**4,021**	8,796

The notional principal amounts of the outstanding interest rate swap contracts at 31 December 2024 were €219,000,000 (2023: €231,049,375). At 31 December 2024 the fixed interest rates vary from 1.008% to 3.21% with the floating interest based on 3 month Euribor (2023: 0.775% to 3.21%) and mature between September 2026 and February 2027.

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, and the present value of the payments to be received, and the floating interest.

The amounts disclosed in the tables below are the contractual undiscounted cash flows. Undiscounted cash flows in respect of balances due within 12 months generally equal their carrying amounts in the Consolidated Statement of Financial Position, as the impact of discounting is not significant.

Maturity analysis of interest rate swaps

	31 December 2024 €'000	31 December 2023 €'000
Less than 1 year	**2,738**	5,416
Between 1 and 2 years	**1,345**	2,190
Between 2 and 5 years	**–**	1,440
	4,083	9,046

Maturity analysis of interest rate swaps as of 31 December 2024

Year	Pay Fixed €'000	Receive Floating €'000	Net €'000
2025	(2,677)	5,415	2,738
2026	(2,310)	3,655	1,345
Total	**(4,987)**	**9,070**	**4,083**

25. Stated capital

	31 December 2024 €'000	31 December 2023 €'000
Issued and fully paid:		
At 1 January	**196,578**	196,578
At 31 December	**196,578**	196,578

The number of shares in issue at 31 December 2024 was 100,751,410 (31 December 2023: 100,751,410).

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 2024, the Group held 8,924,047 of the Company's shares (2023: 8,924,047). During the year no further shares were purchased in the market.

26. Non-controlling interests

	Non-controlling interest %	31 December 2024 €'000	31 December 2023 €'000
Phoenix Spree Mueller GmbH	5.1%	**771**	1,359
Phoenix Spree Gottlieb GmbH	5.1%	**1,108**	1,143
Jühnsdorfer Weg Immobilien GmbH	5.1%	**(515)**	65
		1,364	2,567

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 €'000	Phoenix Spree Gottlieb GmbH €'000	Jühnsdorfer Weg Immobilien GmbH €'000	31 December 2024 €'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)**

Notes to the Financial Statements continued

For the year ended 31 December 2024

27. Earnings per share and EPRA earnings per share

	31 December 2024	31 December 2023
Earnings per share		
Earnings for the purposes of basic earnings per share being net profit attributable to owners of the parent (€'000)	**(38,895)**	(98,112)
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 (€)	**(0.42)**	(1.07)
Diluted earnings per share (€)	**(0.42)**	(1.07)

	31 December 2024	31 December 2023
EPRA earnings per share		
Earnings for the purposes of basic earnings per share being net profit attributable to owners of the parent (€'000)	**(38,895)**	(98,112)
Changes in value of investment properties	**5,416**	97,298
Loss on disposal on investment properties	**3,194**	4,282
Changes in fair value of financial instruments	**4,775**	7,240
Loss on disposal of subsidiary	**25,601**	–
Deferred tax adjustments	**(170)**	(13,609)
Change in Non-controlling interest	**(537)**	(391)
EPRA Earnings	**(616)**	(3,292)
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 (€)	**(0.01)**	(0.04)
Diluted EPRA Earnings per Share (€)	**(0.01)**	(0.04)

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

	31 December 2024	31 December 2023
Net assets (€'000)	**276,172**	315,067
Number of participating ordinary shares	**91,827,363**	91,827,363
Net asset value per share (€)	**3.01**	3.43

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 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**

	EPRA NRV €'000	EPRA NTA €'000	EPRA NDV €'000
At 31 December 2023			
IFRS Equity attributable to shareholders	315,067	315,067	315,067
Diluted NAV	315,067	315,067	315,067
Diluted NAV at Fair Value	315,067	315,067	315,067
Exclude:			
Deferred tax in relation to revaluation gains/losses of Investment Property and derivatives	57,311	57,311	
Fair value of financial instruments	(8,796)	(8,796)	
Include:			
Fair value of fixed interest rate debt			3,712
Real estate transfer tax	60,345	–	
NAV	423,927	363,582	318,779
Fully diluted number of shares	91,827,363	91,827,363	91,827,363
NAV per share (€)	4.62	3.96	3.47

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

Notes to the Financial Statements continued

For the year ended 31 December 2024

29. Financial instruments continued

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

	31 December 2024 €'000	31 December 2023 €'000
Amortised cost		
Trade and other receivables – current	**8,026**	12,599
Cash and cash equivalents	**46,520**	10,998
Other financial assets at amortised cost	**828**	828
	55,374	24,425
Fair value through profit or loss		
Derivative financial asset – interest rate swaps	**4,021**	8,796
	4,021	8,796
	59,395	33,221

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

	31 December 2024 €'000	31 December 2023 €'000
At amortised cost		
Borrowings payable: current	**407**	1,432
Borrowings payable: non-current	**267,453**	319,811
Trade and other payables	**11,656**	11,990
	279,516	333,233

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. Fixed rate long term liabilities account for approximately 7% of total borrowing, and while the fair value of these positions would likely differ more than the fair value of borrowing at commercial variable rates, given the relatively short term nature of the lending maturing within the next four years and the projected gradual decrease in Euribor rates over the same period, bringing the rates back down to similar rates to the current fixed lending rates, it is also considered that the fair value of these position would not be materially different from their carrying value.

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

The interest rate swaps are expected to mature between September 2026 and February 2027.

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

	31 December 2024 €'000	31 December 2023 €'000
Financial assets/(liabilities)		
Interest rate swaps – Level 2 – current	**–**	–
Interest rate swaps – Level 2 – non-current	**4,021**	8,796
	4,021	8,796

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. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group is also exposed to interest rate risk on cash and cash equivalents.

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the cash flow exposures on the issued variable rate debt held.

Sensitivity analysis has not been performed as all variable rate borrowings have been swapped to fixed interest rates, and potential movements on cash at bank balances are immaterial.

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 2024 €'000	31 December 2023 €'000
Financial assets		
Cash and cash equivalents	**60**	215
Financial liabilities		
Trade and other payables	**(457)**	(377)
Net position	**(397)**	(162)

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 2024	**(40)**	**40**
31 December 2023	(16)	16

Notes to the Financial Statements continued

For the year ended 31 December 2024

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 Hausbank. The split of cash held at each of the banks respectively at 31 December 2024 was 80%/18%/1%/1% (31 December 2023: Barclays Private Clients International Jersey Ltd, Deutsche Bank AG, Berliner Sparkasse, UniCredit Bank AG and Hausbank the split was 22%/59%/6%/4%/9%). Barclays and Berliner Sparkasse have a credit rating of A+, Deutsche Bank has a credit rating of A-, and Hausbank has a credit rating of AA-.

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 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

	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 2023					
Borrowings payable: current	2,446	–	–	–	2,446
Borrowings payable: non-current	–	–	321,527	–	321,527
Trade and other payables	11,990	–	–	–	11,990
	14,436	–	321,527	–	335,963

Loans are due to mature in September 2026 for the Natixis loan facility and December 2026 for the Berliner Sparkasse loan facility.

30. Capital commitments

	31 December 2024 €'000	31 December 2023 €'000
Contracted capital commitments at the end of the year	**–**	–

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:

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.

Notes to the Financial Statements continued

For the year ended 31 December 2024

31. Related party transactions continued

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 30,155 shares in February 2025. The shareholders of the Property Advisor also retain shares in the Group. During the year ended 31 December 2024, an amount of €4,296,112 (€4,293,070 Management Fees and €3,042 Other expenses and fees) (2023: €5,805,068 (€5,720,759 Management Fees and €84,309 Other expenses and fees)) was payable to QSix Residential Limited. At 31 December 2024 €1,113,429 (2023: €1,259,889) was outstanding. Fees payable to the Property Advisor in relation to overseeing capital expenditure during the year of €180,774 (2023: €489,829) have been capitalised.

Apex Financial Services (Alternative Funds) Limited, the Company's administrator provided administration and company secretarial services. During the period, fees of €688,502 were charged (2023: €680,000) with €Nil (2023: €Nil) outstanding.

Fees payable to Directors during the year amounted to €272,000 (2023: €268,000).

Dividends paid to directors in their capacity as a shareholder amounted to €Nil (2023: €Nil).

32. Events after the reporting date

Since the reporting date, the Company has exchanged contracts on 34 condominium units for a total value of €9.3 million.

On 4 February 2025, the Company modified the terms of its debt facility with Natixis in order to execute the enhanced privatisation strategy. On 31 January 2025, the Company made a repayment of €20 million from the outstanding debt balance, and effective from 1 February 2025 the margin increased from 115bps to 165bps.

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 Street 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	Deutsche Numis 45 Gresham Street London EC2V 7BF
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

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