EPH EUROPEAN PROPERTY HOLDINGS

# ANNUAL REPORT 2024

# CONTENT

# DEAR SHAREHOLDERS

In 2024, the real estate sector continued to navigate a complex environment, shaped by ongoing macroeconomic and geopolitical uncertainties, as well as high construction and financing costs. Despite these challenges, EPH once again demonstrated resilience, achieving stable operational growth. Although the investment market again showed an increase in rates which resulted in a decrease of our property values, the high-quality assets as well as strong tenant portfolio paid off once again.

A key milestone of the year was the acquisition of the historic 5* Trois Couronnes hotel in Vevey, Switzerland. Situated on the shores of Lake Geneva, this prestigious five-star property, originally built in 1842, represents a valuable addition to our portfolio. While a comprehensive refurbishment is planned, we are confident in the hotel's long-term potential given its prime location and heritage. With this acquisition, we have further diversified our holdings, expanding our real estate portfolio to encompass ten properties across Germany, Austria, and Switzerland.

Our strategic focus on premium real estate in key European markets, coupled with high sustainability standards, continues to provide a solid foundation for long-term value preservation. The strong demand for high-quality office space is reflected in stable occupancy rate for the portfolio of below 2% and an increase in gross rental income by 8.4% to EUR 36.9 million in 2024. The calibre of our tenant base – comprising renowned companies with long-term leases – further strengthens the stability of our cash flows and financial performance.

A core pillar of our asset management strategy remains the continuous enhancement of our properties, with a strong emphasis on operational efficiency and sustainability. We have initiated a comprehensive approach to further develop our ESG strategy, aiming to integrate sustainability even more deeply into our business practices. As part of this strategy, we have already implemented concrete measures to reduce our carbon footprint, such as monitoring and optimising energy consumption through smart metering and using green energy for the general power supply in all of our buildings. Beyond meeting high environmental standards, our assets provide modern spaces that promote tenant well-being and productivity. Moving forward, we will expand our sustainability reporting to bring more transparency to our stakeholders.

Despite our positive operating performance, economic developments in Europe have led to a downward adjustment in the fair value of our properties, resulting in a total net loss of EUR 3 million for 2024. These outcomes reflect the current market challenges, but they do not diminish our long-term confidence and strategic focus. We remain firmly committed to navigating these short-term challenges while maintaining a steady course toward sustainable, long-term growth.

Looking ahead, we remain confident in the long-term fundamentals of our target markets. The European Central Bank's recent indications of a more stable interest rate environment support optimism for a gradual recovery. Against this backdrop, EPH is well positioned to seize opportunities while maintaining a rigorous investment approach. Our commitment to high-quality, ESG-compliant assets in prime locations remains steadfast, and we continue to see strong potential in both the office and hospitality sectors.

We sincerely thank our shareholders for their trust, our business partners for their collaboration, and our employees for their dedication. With a clear strategy, effectively implemented, EPH is well-equipped to navigate the evolving market landscape and create sustainable value.

Sincerely,
The Board of Directors
April 2025


HOTEL DES TROIS COUR

# MANAGEMENT REPORT

# OPERATING & FINANCIAL REVIEW

## KEY PERFORMANCE INDICATORS

The following is a discussion of the key factors influencing our 2024 results and our financial condition at the end of the year.

| in EUR | 31.12.2024 | 31.12.2023 | 31.12.2022 |
|---|---|---|---|
| **Continuing operations** | | | |
| Net rental income | 35,108,671 | 32,596,511 | 25,933,809 |
| Net loss from hotel 3C operations | – 1,001,310 | – | – |
| Management fees | – 1,924,013 | – 1,671,074 | – 1,579,975 |
| Administrative expenses | – 4,012,060 | – 3,283,324 | – 2,703,935 |
| Net other operating income | 2,416,354 | 1,484,104 | 993,308 |
| **Operating income** | **30,587,642** | **29,126,217** | **22,643,207** |
| Finance costs | – 17,183,753 | – 15,277,751 | – 16,341,003 |
| Current tax expense | – 479,525 | – 1,349,406 | – 139,459 |
| **Earnings from operational activity** | **12,924,364** | **12,499,060** | **6,162,745** |
| **Earnings from operational activity per share** | **0.90** | **0.87** | **0.43** |
| | | | |
| Revaluation of investment properties | – 24,200,345 | – 115,726,518 | 29,679,933 |
| Deferred tax benefit/(expense) | 1,662,055 | 14,689,967 | – 3,458,071 |
| Release/(increase) of impairment allowance for loans and receivables | 5,031,400 | 10,622,645 | – 22,603,519 |
| Other extraordinary items | – 442,852 | 20,625,026 | 43,382 |
| **Total before foreign exchange movements** | **– 5,025,378** | **– 57,289,820** | **9,824,470** |
| Net foreign exchange gain/(loss) | 1,994,826 | – 1,742,696 | – 5,833,013 |
| **Net (loss)/gain for the period** | **– 3,030,552** | **– 59,032,516** | **3,991,457** |
| | | | |
| **Discontinued operations** | | | |
| Net (loss)/gain from discontinued operations (attributable to equity holders of the Company) | – | – 103,266,531 | 3,129,044 |
| **Result of discontinued operations** | **–** | **– 103,266,531** | **3,129,044** |
| | | | |
| **Total net (loss)/profit for the period** | **– 3,030,552** | **– 162,299,047** | **7,120,501** |

| | as of | | |
|---|---|---|---|
| | 31.12.2024 | 31.12.2023 | 31.12.2022 |
| Number of properties let to third parties (investment properties) | 9 | 9 | 9 |
| Fair value of investment properties | 759,932,437 | 783,672,437 | 895,119,207 |
| Number of hotel properties  where the Group runs operations (fixed assets) | 1 | – | – |
| Net book value of hotel property | 51,739,372 | – | – |
| Total value of the properties | 811,671,809 | 783,672,437 | 895,119,207 |
| | | | |
| Total assets (31.12.2022: excluding assets held for sale) | 978,788,792 | 973,222,257 | 1,159,759,414 |
| Borrowings | 441,042,499 | 439,693,361 | 592,885,395 |
| **Loan-to-value** | **45%** | **45%** | **51%** |

*For a reconciliation of non-IFRS measures see "Supplemental Reconciliations and Definitions" in Note 27

## OVERVIEW

EPH European Property Holdings PLC (“EPH”, "EPH PLC", the "Company") is a real estate investment and development company with focus on high-quality real estate assets in prime European locations with first-class tenants and long-term leases. This predominantly includes existing properties or development projects in Europe that provide capital appreciation and dividend income to its shareholders. For details of the Company’s current portfolio please refer to Property Review section.

The corporate and asset management of the Company is provided by Valartis Group AG and its subsidiaries. Valartis Group supports, among others, property acquisitions, project developments, debt financing of the Company’s assets, administration, investor relations, financial services and the property management itself. Valartis Group AG is also listed on the SIX Swiss Stock Exchange.

As of 31 December 2024, EPH had total assets of EUR 978.79 million (2023: EUR 973.22 million) and net assets (calculated as total equity) of EUR 500.23 million (2023: EUR 500.94 million).

In the twelve months ended on 31 December 2024 the Company is reporting a loss of EUR 3.03 million, compared to a loss of 162.30 million for the year ended on 31 December 2023.

Similar to previous periods, the results of the Company's operations are affected by certain factors relating to our business and the markets in which we operate, as well as the political, economic and legal environment. Many of these factors are outside our ability to control or influence. In particular, revaluation of investment properties held at fair value continues affecting the Company's financial results.

From an operating standpoint, despite the ongoing market environment challenges the Company's income-generating properties continue to demonstrate stable profitability and generate sufficient cash to cover the Company's operating expenses, including payment of interest on the bonds issued by the Company – also due to the high quality of the portfolio.

## RESULTS OF OPERATIONS

### CONTINUING OPERATIONS

#### Earnings from Operational Activity

In 2024 the result from the Company's operational activity continues to improve: the Company's operating income before finance costs and taxation is EUR 30.59 million in 2024 as compared to EUR 29.13 million in 2023 (increase by 5%).

#### Net rental income

The Company’s net rental income increased from EUR 32.60 million in 2023 to EUR 35.11 million in 2024 (see note 15). This includes increase of net rental income from LASS 1 by EUR 1.66 million due to the expiration of lease free period and reasonable increase of income for almost all other properties due to the rent indexation. Temporary decrease in revenue of City Gate is caused by tenants’ rotation.

#### Net operating loss from hotel 3C operations

In 2024 the Group recognized a net loss of EUR 1.00 million from the operations of hotel 3C property acquired in January 2024.

#### Management fees

Management fees related to European properties and corporate management increased moderately from EUR 1.67 million in 2023 to EUR 1.92 million in 2024.

#### Administrative expenses

Professional and administration fees, which include legal advice, audit, appraisals and costs for other services for the Company and its subsidiaries as well as remuneration of Board of Directors increased from EUR 3.28 million in 2023 to EUR 4.01 million in 2024. Increase is mainly caused by general overheads of hotel 3C property acquired in 2024, such as compensation of general manager, marketing and legal expenses. Expenses incurred in 2024 also include additional fee of Valartis for advice on sustainability matters, update of the guidelines on the Company’s internal policies and procedures as well as support of the transaction on acquisition of the hotel in Switzerland.

#### Finance costs

Our finance costs increased from EUR 15.28 million in 2023 to EUR 17.18 million in 2024. The increase is mainly caused by the fact that interest rates on bonds for the amount of EUR 122.18 million and EUR 45.25 million were increased from 2.25% to 3.5% and 3.00% p.a., respectively, upon extension of these bonds in May and in December 2024.

#### Current income tax expense

Current income tax expense reduced from EUR 1.35 million in 2023 to EUR 0.48 in 2024. In 2023 additional income tax was accrued by QBC 1,2 and 4 with respect to additional finance income received due to SWAP termination. In 2024 current income tax expense includes ordinary income tax payable by EPH PLC in Cyprus as well as by certain subsidiaries in Cyprus, Germany and Austria.

## NON-CASH GENERATING INCOME/(EXPENSES)

#### Valuation movements

The loss from fair value adjustment recognized in 2023 in the amount of EUR 115.73 was caused by changes in the valuation assumptions used by independent valuers being a result of adverse changes in the macroeconomic environment in Europe. For the year 2024, the Company’s loss on revaluation of its investment properties is significantly lower (EUR 24.2 million) – despite some stabilization of European real estate markets the value further decreased due to rising capitalization and discount rates (see Notes 5 and 6.2 for details).

#### Deferred tax expense

In 2024 the Company recognized deferred tax benefit of EUR 1.66 million resulting from the negative property revaluation adjustment, as the taxable difference between the fair values and the tax values of the properties also decreased. In 2023 the Company recognized deferred tax benefit of EUR 14.69 million as the decrease in fair value of investment properties in 2023 was significant.

#### Other extraordinary items

In 2024 extraordinary items include expense on impairment of goodwill related to investment property QBC4 of EUR 1.01 million as well as income of EUR 0.56 million from interest unwind on zero-interest receivables from the former subsidiaries.

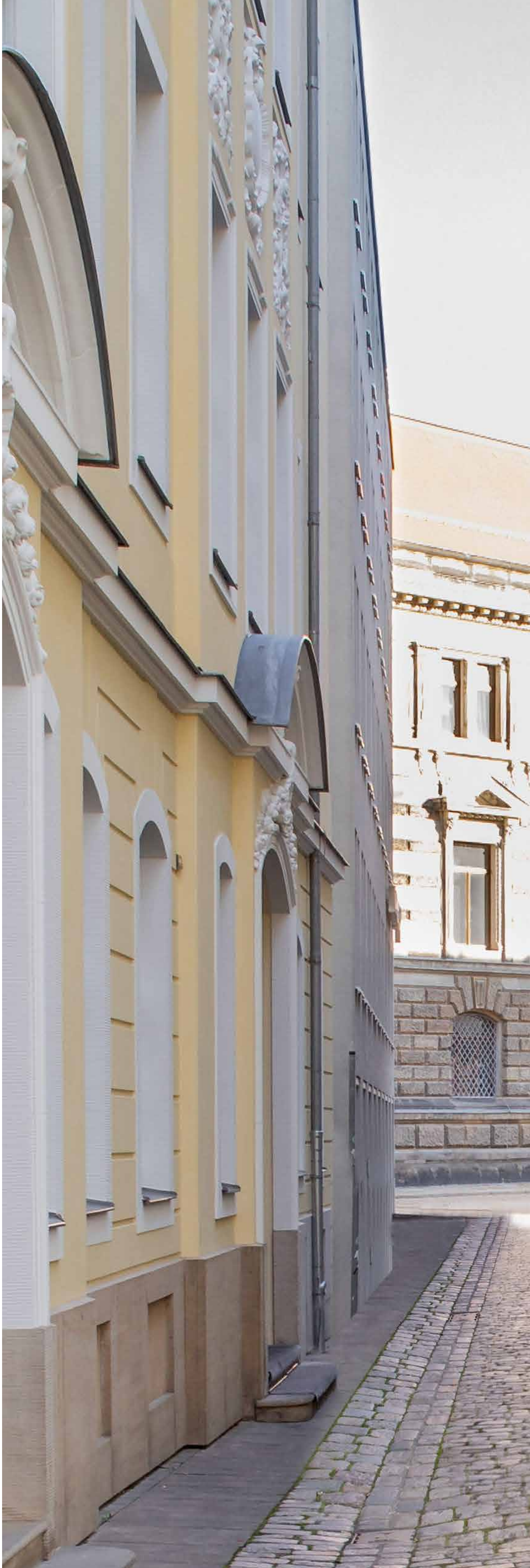
In 2023 in addition to the above items extraordinary income included additional finance income of EUR 18.21 million received by QBC 1, 2 and 4 entities for the termination of the interest SWAP in connection with the repayment of the respective bank financing.

### Net foreign exchange gain/loss

In 2024 the Group recognized foreign exchange gain of EUR 1.99 million (in 2023: loss of EUR 1.74 million) primarily in relation to the US$-denominated receivable from the former Russian segment.

## DISCONTINUED OPERATIONS

In 2023 net loss from discontinued operations of EUR 103.27 million represented gain on disposal of the net liabilities of the disposal group overlapped by the negative translation difference reclassified from CTA.




CAFÉ RESTAURANT
GASTHAUS
HOTEL SUITESS
SÄCHSISCHE WINOTHEK

# EPH EUROPEAN PROPERTY HOLDINGS

## CORE AND CORE PLUS COMMERCIAL REAL ESTATE PORTFOLIO

EPH’s holdings encompass a core and core plus commercial real estate portfolio in excellent locations.

The high quality of our properties, high sustainability standards, and professional asset management form the basis for stable values and income streams. Our portfolio primarily consists of prestigious office properties, allowing us to capitalize on the strong demand for modern spaces in prime locations.

Over the past few years, we have significantly expanded our portfolio in Europe. Currently, our portfolio consists of ten core assets in outstanding locations in Germany, Austria, and Switzerland. Seven of our nine office and hotel buildings (excluding the parking garage QBC 7) have already been awarded certificates in DGNB Platinum, DGNB Gold, or LEED Gold.

### GERMANY

OFFICES/HOTELS

- Stuttgart
- Hamburg
- Berlin
- Dresden

### AUSTRIA

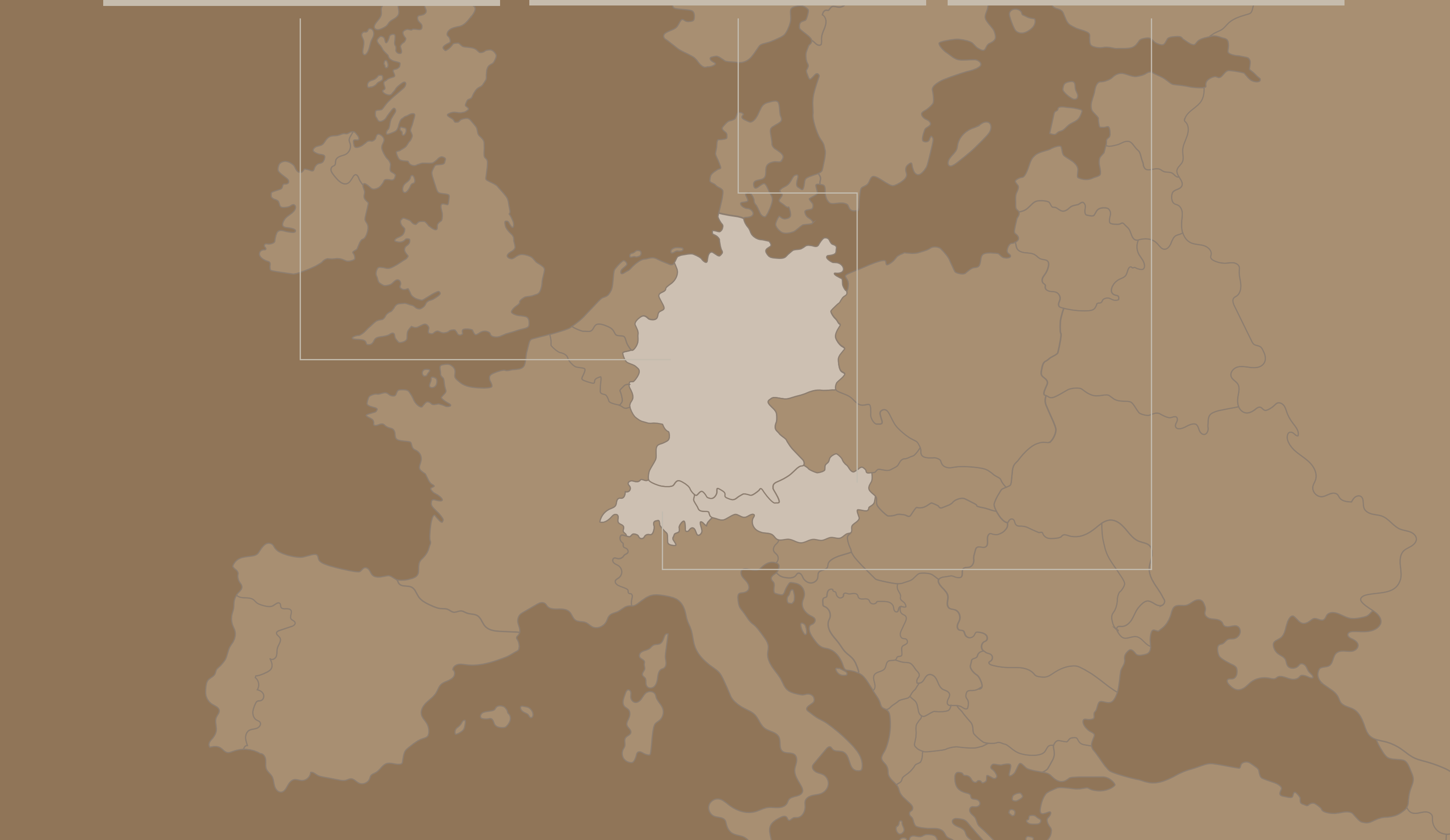
OFFICES

- Vienna

### SWITZERLAND

HOTEL

- Vevey



20
YEARS
investing in real estate

CORE ASSETS
in prime European markets

OFFICE & HOTEL
properties in investment focus

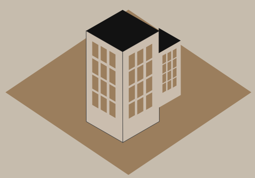
STRONG INTERNATIONAL TENANTS
with long-term lease agreements

ACTIVE ASSET MANAGEMENT
as a basis for stable return

HIGH SUSTAINABILITY STANDARD
as evidenced by certificates

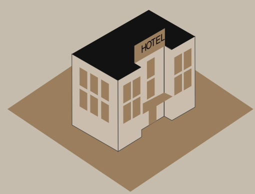
## Our key portfolio growth milestones in prime European locations

**01** 2014



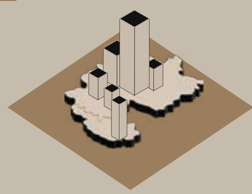
EPH specializes in investing in high-quality, income-generating office properties in Western Europe

**02** 2020




EPH acquires its first hotel property

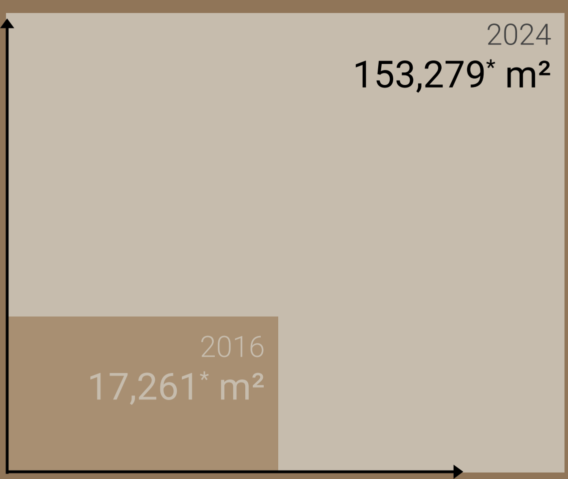
**03** 2024



EPH has achieved significant growth in Europe since 2016, expanding its portfolio to 10 properties in Austria, Germany, and Switzerland with a gross floor area of more than 200,000 square metres

## Since 2016, the European portfolio has grown significantly.

Net leasable Area




*The parking garage QBC 7 and the hotel Trois Couronnes is not included.

## Net rental income reflects growing portfolio and successful asset management

# TROIS COURONNES

| | |
|---|---|
| COUNTRY / CITY | ASSET CLASS |
| SWITZERLAND / VEVEY | HOTEL |
| TOTAL FLOOR AREA | OPERATOR |
| 16,000 | SELF-MANAGED |
| ROOMS | YEAR OF CONSTRUCTION |
| 71 | 1842 |
| OWNERSHIP | |
| 100% | |

## Vevey by Lake Geneva / 5-star hotel on historic site

The hotel Trois Couronnes is situated in the city of Vevey, widely regarded as one of the pearls of the Swiss Riviera. Originally constructed in 1842 on the foundations of a medieval castle, this historic property is the third oldest palace hotel in Switzerland. Trois Couronnes enjoys a prime lakefront location with high pedestrian traffic, excellent accessibility and stunning views of the Alps.

Spanning an impressive 16,000 square metres, the hotel features 71 luxurious rooms, two restaurants, a spa area, and meeting facilities. EPH acquired the hotel in 2024 and intends to redevelop it over the next few years.

## Swiss real estate market: promising opportunities for investors

Solid economic development:

The Swiss hotel market offers an attractive opportunity for the company to diversify its real estate portfolio. Above all, the political and economic stability of the market also enhances its appeal to international real estate investors, while Switzerland also scores highly for its robust economic development. The European Commission expects the Swiss economy to grow by 1.5% year-on-year in 2024 and 1.8% in 2025. This is higher than forecasts for the Eurozone of 0.8% in 2024 and 1.4% in 2025 (spring 2024 forecast).

Thriving tourism industry:

The tourism sector in Switzerland is experiencing dynamic growth and offers a range of lucrative opportunities for property investors. The tourism industry is one of Switzerland's most important economic sectors. Cities such as Zurich, Geneva, and Basel are particularly popular tourist destinations. After a significant slump during the coronavirus years, the tourism sector in Switzerland has made a remarkable recovery.

According to the Federal Statistical Office (FSO), the hotel industry in Switzerland registered a record high of 41.8 million overnight stays in 2023, marking a 9.2% increase from the previous year (+ 3.5 million). Every month in 2023 saw a rise in overnight stays compared to the same month in the previous year, with the period from April to December recording the highest number of overnight stays in thirty years. The summer season of 2023 (May to October) witnessed a record-breaking 24.0 million overnight stays and was followed by a winter tourist season (November 2023 to April 2024) that achieved a historic high of 18.0 million overnight stays, reflecting a 2.9% increase from the previous year.

# LASS 1

COUNTRY / CITY

AUSTRIA / VIENNA

BUILDING AREA

44,800

RENTABLE AREA

29,240

OWNERSHIP

100%

ASSET CLASS

OFFICE

VACANCY RATE

0.3%

YEAR OF CONSTRUCTION / REFURBISHMENT

1993 / 2023

APPRAISED VALUE

EUR 121,620,000

VIENNA | REFURBISHED OFFICE PROPERTY IN 2ND DISTRICT

- DGNB Gold certificate
- Main tenants are the Wiener Gesundheitsverbund and Wiener ArbeitnehmerInnen Förderungsfonds.

# QBC 1

COUNTRY / CITY

AUSTRIA / VIENNA

ASSET CLASS

OFFICE

BUILDING AREA

10,300

VACANCY RATE

0.0%

RENTABLE AREA

9,300

YEAR OF CONSTRUCTION

2020

OWNERSHIP

100%

APPRAISED VALUE

EUR 45,660,000

VIENNA | OFFICE BUILDING IN QUARTIER BELVEDERE

- DGNB Platinum certificate
- Main tenants are Grant Thornton IBD Austria GmbH & Co KG, Steuerberatungsgesellschaft and Dedalus HealthCare GmbH

# QBC 2

| COUNTRY / CITY | ASSET CLASS |
| --- | --- |
| AUSTRIA / VIENNA | OFFICE |
| BUILDING AREA | VACANCY RATE |
| 30,600 | 0.0% |
| RENTABLE AREA | YEAR OF CONSTRUCTION |
| 30,000 | 2020 |
| OWNERSHIP | APPRAISED VALUE |
| 100% | EUR 152,920,000 |

VIENNA | OFFICE BUILDING IN QUARTIER BELVEDERE

- DGNB Platinum certificate
- Main tenants are PAYONE GmbH and Regionalmedien Austria AG


# QBC 4

VIENNA | OFFICE BUILDING IN QUARTIER BELVEDERE

- DGNB Platinum certificate
- Anchor tenants are BDO Austria and WKO – Wirtschaftskammer Österreich.

| COUNTRY / CITY | ASSET CLASS |
|---|---|
| AUSTRIA / VIENNA | OFFICE |
| **BUILDING AREA** | **VACANCY RATE** |
| 20,000 | 0.0% |
| **RENTABLE AREA** | **YEAR OF CONSTRUCTION** |
| 17,400 | 2019 |
| **OWNERSHIP** | **APPRAISED VALUE** |
| 100% | EUR 92,200,000 |


# QBC 7

COUNTRY / CITY

AUSTRIA / VIENNA

ASSET CLASS

PARKING

PARKING LOTS

727

YEAR OF CONSTRUCTION

2020

OWNERSHIP

100%

APPRAISED VALUE

EUR 17,800,000

VIENNA | GARAGE IN QUARTIER BELVEDERE

- Location close to the city centre
- Service for electric or hybrid vehicles: Wallboxes available for charging


# SALZ 4

| COUNTRY / CITY | ASSET CLASS |
| --- | --- |
| GERMANY / DRESDEN | HOTEL |
| **BUILDING AREA** | **VACANCY RATE** |
| 15,600 | 0.0% |
| **ROOMS** | **YEAR OF CONSTRUCTION** |
| 180 | 2010 |
| **OWNERSHIP** | **APPRAISED VALUE** |
| 100% | EUR 44,800,000 |

DRESDEN | HOTEL IN HISTORIC DISTRICT

— LEED Gold certificate

— The hotel is leased to Meliá Hotels International.

# STRAL 3

| COUNTRY / CITY | ASSET CLASS |
|---|---|
| GERMANY / BERLIN | HOTEL |
| BUILDING AREA | VACANCY RATE |
| 28,000 | 0.0% |
| ROOMS | YEAR OF CONSTRUCTION |
| 304 | 2010 |
| OWNERSHIP | APPRAISED VALUE |
| 89.9% | EUR 85,900,000 |

BERLIN | HOTEL ON THE RIVER SPREE

- The hotel is leased to NH Hotel Group.

# WORK LIFE CENTER

| | |
|---|---|
| COUNTRY / CITY<br>GERMANY / HAMBURG | ASSET CLASS<br>OFFICE & RETAIL |
| BUILDING AREA<br>14,000 | VACANCY RATE<br>14.6% |
| RENTABLE AREA<br>12,700 | YEAR OF CONSTRUCTION<br>2017 |
| OWNERSHIP<br>94% | APPRAISED VALUE<br>EUR 80,100,000 |

HAMBURG | HISTORIC BUILDING WITH MODERN OFFICES

- LEED Gold certificate
- Major tenants are Performance Media Deutschland, Fitness First Germany and specialist recruitment firm Robert Walters.

# CITY GATE

COUNTRY / CITY
GERMANY / STUTTGART

ASSET CLASS
OFFICE & RETAIL

BUILDING AREA
26,500

VACANCY RATE
4.7%

RENTABLE AREA
17,200

YEAR OF CONSTRUCTION
2016

OWNERSHIP
94%

APPRAISED VALUE
EUR 119,800,000

STUTTGART | OFFICE & RETAIL BUILDING IN THE CITY CENTRE

- CityGate has a DGNB Platinum certificate.
- Major tenants are Rödl und Partner GmbH, Wirtschaftsprüfungs- und Steuerberatungsgesellschaft and Dreiss Patentanwälte PartG mbH as well as the state of Baden-Württemberg

Interview with

# TOMASZ DUKALA

Board Member at EPH European Property Holdings

"The European Central Bank's interest rate cuts are revitalising investor sentiment."

"Modern, sustainable office spaces and hotels remain resilient asset classes with strong, long-term potential."

"ESG-compliant properties are not just a trend – they are a key factor for sustainable investment success and value retention."

## How do you assess the current real estate market?

The property market faced major challenges in 2024, including a weakening economy, geopolitical uncertainties, and persistently high interest rates. The high costs of financing dampened investment activity in many areas and slowed down construction. However, there are some signs of relief: The interest rate reductions by the European Central Bank (ECB) have provided an important boost to the market, leading to a more positive outlook among investors. In March 2025, the ECB lowered interest rates in the eurozone for the sixth consecutive time. This move has the potential to revitalise the market as lower interest rates make debt financing more attractive once again. However, it's not necessarily that we should expect much larger rate cuts soon, which could signal to investors that the market has already adjusted. Furthermore, the ongoing slump in the construction sector is resulting in a limited supply of new developments, thereby increasing demand for existing properties.

## What investment opportunities are emerging in today's evolving market?

Now could indeed be a good time to start looking for suitable investment opportunities. Institutional investors are already re-entering the market, and activity is picking up again. Certain asset classes have proven resilient even in challenging market phases, and we continue to see strong potential in them. One such asset class is modern, sustainable, high-quality office space in major European cities. Demand for these properties remains robust, while new supply is limited. This creates attractive investment opportunities.

Furthermore, the hotel sector continues to benefit from Europe's thriving tourism industry, making it another promising investment segment. The dynamic recovery of the tourism industry offers significant opportunities for long-term investors. Despite geopolitical tensions and economic uncertainties, hotels in strong locations have proven to be resilient and are increasingly attracting investors looking to reposition their portfolios with high-yield assets. This is why our portfolio also includes hotels in Berlin and Dresden and, from 2024, a site on Lake Geneva.

However, acquiring properties alone is not sufficient to unlock their full potential. Long-term value preservation requires professional and, above all, proactive asset management. At EPH, we place great emphasis on this aspect, ensuring that our approach to asset management is both strategic and hands-on.

## Why are ESG-compliant properties becoming increasingly important for long-term investment success?

ESG factors play a critical role in this context – not only from an environmental perspective or as a response to regulatory pressures, but also due to their potential to generate strong returns and ensure stable value retention. In a rapidly evolving market environment, ESG-compliant properties are increasingly becoming the preferred asset class for both investors and tenants. By contrast, non-sustainable properties face the risk of becoming less attractive, increasing the likelihood of depreciation. It is evident that ESG-compliant properties are not merely a short-term trend but a key element in sustainable investment success and resilient, forward-thinking strategies.

# EUROPEAN PRIME OFFICE MARKET

In 2024, the European prime office market remained resilient in the face of economic headwinds. According to BNP Paribas Real Estate, total office take-up in the 18 key European cities reached 7.96 million sqm, aligning with 2023 levels. Prime rents maintained their upward trend, fuelled by demand for premium office space and limited high-quality supply. Central Paris saw a 12% increase, Brussels led with +14%, while Central London and Amsterdam recorded +7% growth. The highest prime rents were reported in London (EUR 2,069/sqm/year), Frankfurt (€1,200/sqm/year), and Paris (EUR 720/sqm/year). Vacancy rates varied significantly, with premium districts maintaining low availability – 2.9% in Munich CBD, 3.5% in Paris CBD, and 3.7% in Madrid CBD – while peripheral office areas faced rising vacancies. Looking ahead, demand for prime office space is expected to remain strong. The widening gap between prime and average rents highlights a growing preference for centrally located, high-quality assets.[1]

## OFFICE MARKET GERMANY

Germany's office markets have largely resisted the country's weak economic trend, showing signs of stabilisation and recovery since mid-2024. According to BNP Paribas Real Estate, office take-up has been steadily increasing quarter by quarter, reaching 2.66 million sqm in Berlin, Düsseldorf, Essen, Frankfurt, Hamburg, Cologne, Leipzig, and Munich – a 2% increase from the previous year's level. Prime rents continue to rise due to strong demand for premium spaces, despite limited supply. Munich remains the most expensive market at EUR 53.50/sqm (+9% YoY), followed by Frankfurt (EUR 49.00/sqm) and Berlin (EUR 45.00/sqm). Hamburg's prime rent remained stable at EUR 36.00/sqm. As 2025 progresses, economic confidence is expected to strengthen, leading to further increases in rents and a peak in vacancy rates.[2] Office investments in 2024 amounted to EUR 5.2 billion, marking a year-on-year decrease of nearly 13%. However, signs suggest the market has bottomed out, and improving investor sentiment should boost transaction volumes. The return to office work is also expected to further bolster investment activity. Net prime yields in Germany's top markets average 4.36%, with Munich at 4.20%, followed by Berlin and Hamburg at 4.25%.[3]

## VIENNA OFFICE MARKET

According to CBRE, prime office rents in Vienna remained stable at EUR 28.00/sqm/month and prime office yields at 5.00% in the fourth quarter of 2024. Take-up amounted to 160,000 sqm in 2024, marking a 9% decrease from the previous year. The Vienna office market is currently facing a shortage of supply, with only 22,000 sqm of newly built office space being completed in decentralised locations, while 48,000 sqm in Vienna's CBD was refurbished. A large proportion of the space has already been pre-let. The vacancy rate was 3.4% in the fourth quarter of 2024, which is low compared to other European markets.[4] The Vienna office investment market performed positively, with a total of €1.9bn invested in 2024, representing a 7% increase from the previous year.[5]

[1] REVIEW - OFFICE MARKETS IN EUROPE - Q4 2024 | BNP Paribas Real Estate
[2] Büroimmobilienmarkt Deutschland Q4 2024 | BNP Paribas Real Estate
[3] Büroimmobilien-Investmentmarkt Deutschland Q4 2024 | BNP Paribas Real Estate
[4] Wien Büromarkt Figures Q4 2024 | CBRE Austria
[5] Österreich Investment Figures Q4 2024 | CBRE Austria

# Global Tourism Rebounds in 2024

In 2024, global tourism nearly returned to pre-pandemic levels, with 1.4 billion international arrivals, as reported by the World Tourism Organization (UN Tourism). This represents an 11% increase compared to 2023. Looking ahead, international tourist arrivals are projected to grow by 3% to 5% in 2025. Despite geopolitical tensions and economic uncertainties, Europe – the world's largest tourist destination – has demonstrated remarkable resilience. The region welcomed 747 million international visitors in 2024, surpassing 2019 levels by 1% and recording a 5% increase from 2023, driven by strong intra-regional demand.[1]

## GERMAN MARKET

Germany, in particular, experienced a record-breaking year in 2024, according to the Federal Statistical Office (Destatis). The number of overnight stays reached an all-time high of 496.1 million, reflecting a 1.9% increase from 2023.[2] Investment in the German hotel market also showed positive momentum. BNP Paribas Real Estate reported a total transaction volume of approximately EUR 1.4 billion in 2024, marking a 5% increase from the previous year. Berlin played a key role in this growth, accounting for an above-average market share of 27% with transactions totalling over EUR 380 million. Strong market fundamentals in Germany continue to support investments, with overnight stays largely surpassing pre-pandemic levels, and occupancy rates on the rise. This trend is is being driven by both the return of business travellers and a surge in private travel. Given the sustained high demand for travel within the country, improving consumer sentiment, and anticipated wage increases, the accommodation market is poised for further growth. In addition, the ongoing strength of the user market and a slowdown in new hotel construction are further shaping market dynamics.[3]

## SWISS MARKET

A similar trend was observed in Switzerland, where the Federal Statistical Office (FSO) reported that the Swiss hotel industry also achieved a new record, with 42.8 million overnight stays in 2024 – an increase of 2.6% compared to the previous year. Notably, demand from international guests surged by 5.1% to reach 22.0 million overnight stays, the highest level in 50 years. The Zurich region saw the largest absolute increase compared to 2023 (+344,000; +4.9%), followed by Geneva (+234,000; +6.6%).[4]

[1] https://www.unwto.org/news/international-tourism-recovers-pre-pandemic-levels-in-2024
[2] https://www.destatis.de/DE/Presse/Pressemitteilungen/2025/02/PD25_053_45412.html
[3] Hotelimmobilien-Investmentmarkt Deutschland Q4 2024 | BNP Paribas Real Estate
[4] https://www.bfs.admin.ch/bfs/de/home/statistiken/tourismus/beherbergung/hotellerie.assetdetail.34307640.html

# DIRECTORS AND MANAGEMENT

## BOARD OF DIRECTORS

### VERA CHRISTODOULOU

born 1967, Cypriot

Executive Member
(since July 2023)

Mrs. Vera Christodoulou is, in addition to her board membership at EPH, Managing Director and Board Member of several subsidiaries of EPH. She is specialized in corporate governance, operations and communications. She has over 20 years of professional experience in client relations, business development, compliance and communications. Mrs. Christodoulou worked in various management positions for Linebrook limited, Eurasia Capital, Mars Capital and DCS Group in Cyprus. Mrs. Christodoulou graduated from the University of Lwivska Polytechnika Ukraine in 1989 with a masters degree in System Engineering.

Vera Christodoulou has been appointed as a Board Member on 26th July 2023.

### MICHAEL CUTHBERT

born 1956, English

Non-Executive Member
(since April 2013)

Mr. Michael Cuthbert is a corporate strategy consultant and advisor having previously worked for two of the leading law firms in London, Slaughter and May and subsequently Clifford Chance. He was a partner of Clifford Chance for almost 24 years and was one of its the Regional Managing Partners and a member of its global management committee.

## TOMASZ DUKALA

born 1974, Polish

Executive Member
(since April 2013)

Mr. Tomasz Dukala is an entrepreneur and board member in several commercial real estate organisations. He leads EPH's transaction team and supports acquisitions and funding strategies. From 2007 to 2011 he worked at Morgan Stanley, Real Estate Investment Banking Division as a Senior Coverage Officer across territories in Europe. Before that Mr. Dukala served as a National Director at Jones Lang LaSalle Capital Markets Department. He started his career at Pricewaterhouse-Coopers Corporate Finance Department. Mr. Dukala is a CFA charter holder.

## OLGA MELNIKOVA

born 1968, Russian

Executive Member
(since April 2013)

Mrs. Olga Melnikova is specializes in the strategic planning of legal support through internal legal experts and external advisers in local and international legal environments. Besides, she provides legal support and structuring for real estate transactions in. Mrs. Melnikova graduated from Moscow State University of Railway Engineering in 1991 with a degree in Engineering and Mathematics.

## GUSTAV STENBOLT

born 1957, Norwegian

Executive Member
(since March 2003)

Mr. Gustav Stenbolt is Chairman of the Board of Directors of Swiss listed Valartis Group and was Group CEO from 2007 to 2015. From 2004 to 2007, he was Chief Executive Officer of Jelmoli Holding AG. In 1996 Mr. Stenbolt founded MCT Group, one of the predecessors of Valartis Group, offering institutional asset management services focused on Eastern Europe and the CIS countries. From 2004 to 2007 he was president of the executive committee of Jelmoli Holding AG, by then one of the leading department stores and real estate companies in Switzerland. Gustav Stenbolt graduated from the University of Fribourg, Switzerland with a degree in Economics.

## GERRIT STRAUB

born 1966, Swiss

Non-Executive Member
(since July 2023)

Mr. Straub is an experienced and reputable Swiss lawyer working with Klein Rechtsanwälte since 1999 focusing on Real Estate and Swiss Tax Law. He holds a degree from the University of Bern, Switzerland.

Gerrit Straub has been appointed as a Board Member on 26th July 2023.

# MANAGEMENT COMMITEE

## ANNA BERNHART

born 1982, Austrian

Management Committee Member
(since October 2023)

Mrs. Anna Bernhart is supporting EPH in several functions since more than 10 years. She is specialized in corporate finance, M&A, investor relations and operational management. She is working for EPH's advisor Valartis Group since more than 15 years after starting her career with PricewaterhouseCoopers' Advisory Service business. Mrs. Bernhart graduated from Vienna University of Economics and Business in 2005 with a masters degree.

## VERA CHRISTODOULOU

born 1967, Cypriot

Management Committee Member
(since April 2015)

Mrs. Vera Christodoulou is, in addition to her board membership at EPH, Managing Director and Board Member of several subsidiaries of EPH. She is specialized in corporate governance, operations and communications. She has over 20 years of professional experience in client relations, business development, compliance and communications. Mrs. Christodoulou worked in various management positions for Linebrook limited, Eurasia Capital, Mars Capital and DCS Group in Cyprus. Mrs. Christodoulou graduated from the University of Lwivska Polytechnika Ukraine in 1989 with a masters degree in System Engineering.

## MICHALIS CONSTANTINIDES

born 1979, Cypriot

Management Committee Member
(resigned November 2024)

Mr. Michael Constantinides holds a Masters degree of Laws in International Commercial Law. He is a qualified Barrister and also a Fellow Chartered Accountant. He has more than 20 years of hands-on experience in senior and leadership roles in a Big Four accounting firm and top tier multinational law and corporate firms in Cyprus and the UK. He has also taught Corporate and Business Law at a local University.

## MARIOS PHEDONOS

born 1982, Cypriot

Management Committee Member
(since February 2022)

Mr. Marios Phedonos is the Managing Director of Axion Audit, Tax & Assurance Limited. He has an extensive knowledge of the IFRS and ISAs specialised on financial audits of international clients, business consulting services and strategic planning. He holds a degree in Accounting from the European University Cyprus and the Certification from the Cyprus Securities and Exchange Commission (CySec). Marios Phedonos is a fellow Member of the Association of Chartered Certified Accountants (ACCA) and a member of the Institute of Certified Public Accountants of Cyprus (ICPAC).

## OLGA MELNIKOVA

born 1967, Russian

Management Committee Member
(since September 2013)

Mrs. Olga Melnikova is specialized in the strategic planning of legal support through internal legal experts and external advisers in local and international legal environments. Besides, she provides legal support and structuring for real estate transactions. Mrs. Melnikova graduated from Moscow State University of Railway Engineering in 1991 with a degree in Engineering and Mathematics.

## CHRISTINA SPYROU-KATRAS

born 1972, Cypriot

Management Committee Member
(since February 2022)

Mrs. Christina Spyrou-Katras is, in addition to her management membership at EPH, managing director of several subsidiaries of Valartis Group and EPH. She is specialised in client relations and administrations working for Valartis and EPH since 18 years. Christina Spyrou-Katras was Branch Manager of Marcuard Cook & Cie S.A handling the administration for the client's accounts. She moved to Cyprus in 1997 after she had left Goldman Sachs in Toronto, Canada. She holds a degree in Computer Programming from Centennial College (Toronto,Canada).

# SUSTAINABILITY REPORT

As a property company, we recognise our responsibilities to our employees, the environment, and society as a whole. Our primary objective is to maintain the long-term value of our property portfolio, while at the same time fulfilling our duty to protect the environment and improve the general well-being of people. While sustainability criteria have long been a factor in assessing the quality of EPH's property portfolio, we have further strengthened our commitment to sustainability by undertaking an assessment of sustainability practices across the entire Group, with a particular focus on our property portfolio. We carried out an initial assessment in 2022 and drafted a strategy to internalise the values and integrate sustainability into the Company's business practices, particularly within the core business of acquiring and leasing high-quality real estate. The strategy is based on three key pillars: Environmental, Social, and Governance (ESG). For each pillar, we have set long-term goals and targets to measure our progress and increase transparency. This report focuses on our initial assessment and the steps we have taken to enhance our sustainability efforts. It does not include the more detailed analysis currently being conducted.

## MISSION AND PRINCIPLES

At EPH, our objective is to invest in high-quality commercial real estate with a focus on long-term stability and income generation. This predominantly includes existing properties with green building certificates in Europe that provide capital appreciation and dividend income. Our business activities are guided by seven key principles which address environmental, social and economic concerns.

7

principles for sustainable action

1. We integrate economic, environmental, and social considerations to ensure the sustainable management of our properties.
2. We are committed to implementing a comprehensive strategy to safeguard the environment, enhance energy efficiency, and minimise our carbon footprint.
3. We pursue certifications such as DGNB, LEED or BREEAM to ensure buildings meet rigorous sustainability standards and promote marketability.
4. We focus on long-term value growth, capital preservation, and stable returns, all while carefully considering the impact of our business activities on people and the environment.
5. We conduct regular assessments of our properties to evaluate our sustainability performance.
6. We adhere to the principles of value-driven, sustainable corporate management supported by a corporate governance culture.
7. Transparent and responsible corporate governance is paramount in strengthening the trust of our tenants, investors, and stakeholders and creating long-term value.

# THE JOURNEY TO OUR ESG STRATEGY

In 2022, we conducted an initial materiality assessment and analysed the 17 Sustainable Development Goals (SDGs) set by the United Nations (UN). This analysis allowed us to gain a deep understanding of the goals and their associated targets, enabling us to understand the overarching themes and objectives of each goal, as well as how they relate to each other.


Source: https://www.un.org/sustainabledevelopment
(The graphic and icons are used for information purposes only. The content of this publication has not been approved by the United Nations and does not reflect the views of the United Nations or its officials or Member States.)

We determined which SDGs, based on their thematic focus and objectives, are most relevant to us and where we can have an impact as a real estate company.

As a result, we have selected four specific SDGs where we know we can make the most substantial impact, above all SDG 13.


We support the well-being of our employees and our tenants. Our modern properties fulfil the highest quality standards and offer a pleasant working environment.

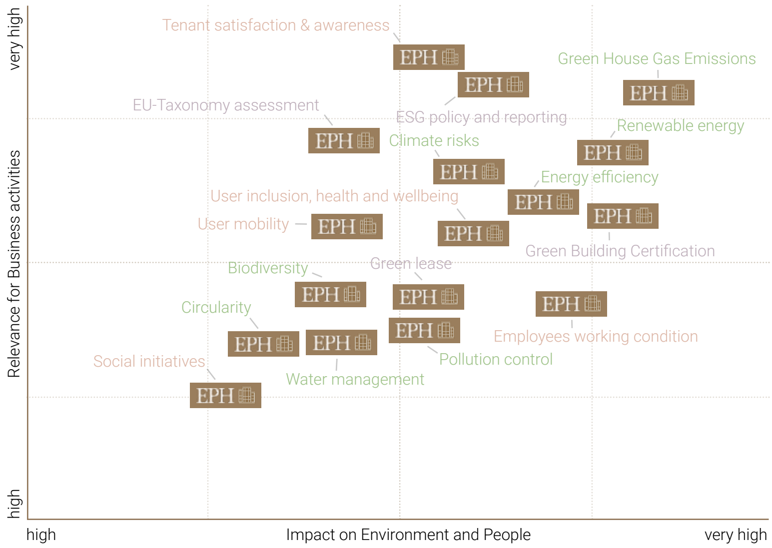

We use green electricity for the general supply of energy to all our buildings, and we aim to continue increasing our overall energy efficiency.


We are working towards a detailed measurement and monitoring system for energy consumption and the responsible use of resources is a top priority for EPH.


As a property portfolio holder, we are very aware of our role in promoting climate protection. Hence our focus on Sustainable Development Goal 13: Climate Action. The properties under our management are at the forefront of our efforts to contribute to a more sustainable future.

These topics were then prioritised based on their environmental and societal impacts, as well as their relevance to EPH's business operations. These material topics form the basis of our sustainability strategy.

# MATERIAL TOPICS MATRIX




**EPH**

| | |
|---|---|
| E | ● Greenhouse gas emissions |
| | ● Renewable energy (strategy) |
| | ● Energy efficiency (strategy) |
| | ● Climate risks |
| | ○ Circularity |
| | ○ Pollution control |
| | ○ Biodiversity |
| | ○ Water management |
| S | ● Tenant satisfaction & awareness |
| | ● Employees working conditions |
| | ● User inclusion, health & wellbeing |
| | ○ User mobility |
| | ○ Social initiatives |
| G | ● ESG policy & reporting |
| | ● Green Building Certification |
| | ○ Green lease |
| | ○ EU-Taxonomy assessment |

● Priority 1 ○ Priority 2

EPH EUROPEAN PROPERTY HOLDINGS DREES & SOMMER

**Interview with Anna Bernhart,** Management Member,
EPH European Property Holdings

## What makes sustainability such a critical factor in the current real estate market?

The challenge lies in satisfying the growing expectations of tenants while also meeting increasingly stringent ESG regulations. Today's tenants are no longer content with merely functional office space; they demand flexibility, exceptional user experiences, and alignment with their own sustainability goals. As a result, sustainable spaces are becoming more sought after, while outdated properties are losing their appeal. And sustainable real estate not only offers lower operating costs, but also higher occupancy rates and more stable cash flow, making it a key factor in long-term profitability and stability.

## What hurdles do property owners face in meeting regulatory requirements?

There are several, mainly due to the need for comprehensive reporting frameworks to assess properties and collect consumption data. For instance, in order to comply with the Corporate Sustainability Reporting Directive (CSRD), companies must conduct a double materiality assessment, a complex process to identify relevant sustainability topics.

On a more detailed level: In Germany for example, commercial property owners face the challenge of demonstrating the sustainability of their buildings. The EU Taxonomy Regulation requires buildings built before 31 December 2020 to either have an energy efficiency rating of Class A or rank within the top 15% of the national or regional building stock in terms of primary energy consumption. However, Germany lacks both, the necessary legislative definitions to calculate energy efficiency Class A for commercial properties and a publicly accessible database to determine the top 15% benchmark. The implementation of such a database in Germany is not expected until 2027. However, market assessments are already available, such as the study by Drees & Sommer in collaboration with the Association of German Pfandbrief Banks.

## How can property owners prepare for the regulatory challenges?

Property owners can best prepare by early and proactively addressing sustainability requirements, implementing appropriate reporting mechanisms and ensuring transparency across their portfolios. A key step is the collecting and analysis of energy consumption data, which allows accurate property classification and the development of targeted strategies to enhance energy efficiency and decrease $CO_2$ emissions. However, obtaining relevant data remains a challenge. Green leases, in which tenants agree to share consumption data, can facilitate this process. Finally, establishing transparent analysis is critical not only to meet regulatory requirements, but also for long-term competitiveness.

## What steps has EPH already taken to meet future reporting requirements?

At EPH, we understand the necessity in aligning our real estate portfolios with evolving sustainability regulations. With the reporting requirements of the CSRD in mind, we are preparing to start reporting in 2026 for the 2025 financial year. Our primary focus has been on aligning with the CSRD as well as EU Taxonomy while enhancing our internal processes for transparent and reliable sustainability reporting. This has involved conducting comprehensive portfolio assessments, improving data collection, and integrating advanced technologies such as smart metering.

## How does EPH ensure the credibility and accuracy of its sustainability efforts?

Our 2025 sustainability strategy represents a crucial step in embedding ESG principles into our corporate framework. By implementing robust data collection systems, conducting a comprehensive double materiality assessment, and aligning our financial reporting with the EU Taxonomy, we are laying the foundation for long-term sustainability compliance. To guarantee credibility and technical accuracy, we collaborate with industry-leading experts. BDO supports us with double materiality analysis, CSRD compliance, and EU Taxonomy alignment, while Drees & Sommer provides technical support. Their insights help us navigate the evolving regulatory landscape and refine our technical infrastructure.

# OUR ESG STRATEGY

## ENVIRONMENT

### ADAPTING TO CLIMATE CHANGE

We aim to improve the process of adapting to current and expected climate change and its impacts.

EPH has conducted thorough climate risk assessments on a property-by-property basis to evaluate the impact of climate risk on our properties and the potential measures that can be taken.

### MINIMISING GREENHOUSE GAS EMISSIONS

We aim to reduce our carbon footprint by improving energy efficiency in all our properties and prioritising the use of renewable energy sources.

We have implemented cutting-edge technology such as smart building systems to generate live data that will provide a basis for future analysis and action. We have also installed renewable energy in all buildings in general areas and encouraged tenants to follow our example.

## SOCIAL

### EMPLOYEE WELL-BEING AND EQUALITY

Our employees are essential to the success of our business and we are committed to their wellbeing, safety and equal treatment. Promoting equality is fundamental to our culture and we aim to create an environment where everyone has equal opportunities.

Our commitment to gender equality is reflected in the proportion of women in senior positions, with two women on our six-member Board of Directors and four of the five positions on our Management Committee held by women.

### TENANT SATISFACTION AND AWARENESS

We are committed to providing the highest levels of quality and a pleasant working environment for our tenants, and to raising awareness of sustainable practices within our properties.

We regularly engage with our tenants via newsletters, events and personal dialogues and have sufficient and accessible channels for the expression of their opinions, concerns and wishes.

### HEALTH AND SAFETY STANDARDS

We prioritise the health and safety of our employees, tenants, and building users.

The well-being of those who interact with our properties is central to us, We conduct regular inspections, and ensure that all facilities are maintained to the highest safety standard.

## GOVERNANCE

### RESPONSIBLE BEHAVIOR AND INTEGRITY

We are committed to responsible, value-orientated management and control at all levels of our company. Compliance with ethical, social, environmental, and legal requirements is of paramount importance to us, and we are committed to transparency in all of these areas.

Our business activities are guided by the principles of responsible and ethical corporate governance. To ensure that these principles are upheld, we have developed a code of conduct that embodies the core values of our corporate governance.

### PREVENTING CORRUPTION AND BRIBERY

We take a zero-tolerance policy to fraud.

We have implemented a series of guidelines and procedures which raise awareness of potential fraud risks and establish adequate controls to prevent fraud.

# 2025 and beyond - Let's take it to the next level!

Environmental protection, energy efficiency, fair treatment of employees and sound corporate governance have always been fundamental to our approach to long-term value creation. Since 2022, we have been laying the foundations to document and transparently report on our sustainability efforts.

This year, we have partnered with BDO to conduct a Double Materiality Analysis (DMA) to get a fundamental understanding of our value chain and a deeper understanding of how external factors affect our company's financial performance. It will also help us to understand how our operations can impact the environment and society. The DMA considers two interrelated perspectives:

1 **Financial Materiality (Outside-In):** How external factors such as market trends, regulatory requirements, and societal expectations can influence a company's business performance.

2 **Impact Materiality (Inside-Out):** How a company's activities can influence environmental, social, and governance aspects, including climate change, biodiversity, and human rights.

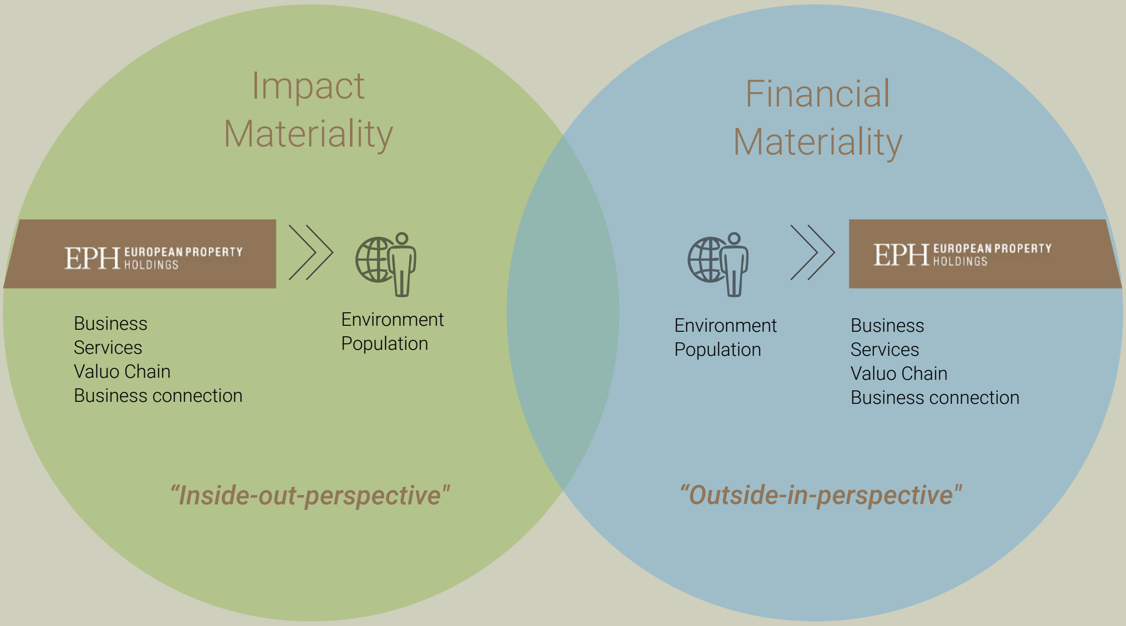
By integrating both dimensions, companies can develop a comprehensive understanding of their role in sustainability and risk management. This approach promotes transparency, facilitates informed decision-making for stakeholders and aligns with global sustainability goals, including the UN Sustainable Development Goals (SDGs).

For EPH, the DMA is an essential tool to enhance our understanding of sustainability impacts and business risks, ensuring that our reporting reflects both our environmental responsibility and long-term value creation.

— **Impact Materiality:** Assessing how EPH's operations affect the environment and society.

— **Financial Materiality:** Identifying how environmental and social factors influence EPH's financial stability and strategic planning.

By applying this methodology, EPH ensures that its sustainability reporting is valuable, supporting a transition towards a more resilient and responsible business model, with a positive impact on the environment, society, and the economy.




## CONCLUSION

2025 marks a decisive step in embedding ESG principles into our corporate framework. By implementing robust data collection systems and conducting a comprehensive DMA, we are strengthening our foundation for responsible business growth.Through meticulous planning and strategic partnerships, EPH is committed not only to achieving transparency in sustainability but also to making a meaningful contribution to a more sustainable and resilient built environment.

# "Active Tenant Management as a key to stability"

**Interview with Katrin Neuhaus,** Head of Asset Management VLR Germany GmbH, EPH's long-standing and exclusive asset manager.

## How has the role of asset management evolved in today's market environment?

In today's dynamic and challenging market, asset management demands a fresh and innovative approach – this applies not only to acquiring new leases, but also in the management of existing ones. Even prime office space requires proactive tenant management and effective communication channels to identify and respond to tenants' changing needs. This helps to minimise turnover, stabilise rental income and protect the long-term value of assets.

## Why is tenant engagement so crucial in asset management?

Tenant engagement is the cornerstone of effective asset management. By maintaining regular and personal contact with our tenants, we can identify emerging trends, address concerns proactively, and collaborate on effective solutions. Satisfied tenants translate to lower vacancy rates, longer lease terms, and a more resilient portfolio overall. At EPH, we see asset management as more than just routine administrative tasks; it's about cultivating strong partnerships with tenants that yield mutual benefits. Through ongoing dialogue and a deep understanding of tenants' long-term business plans, we can provide flexible solutions that ensure both tenant satisfaction and the stability of our portfolio.

## How have tenant requirements changed?

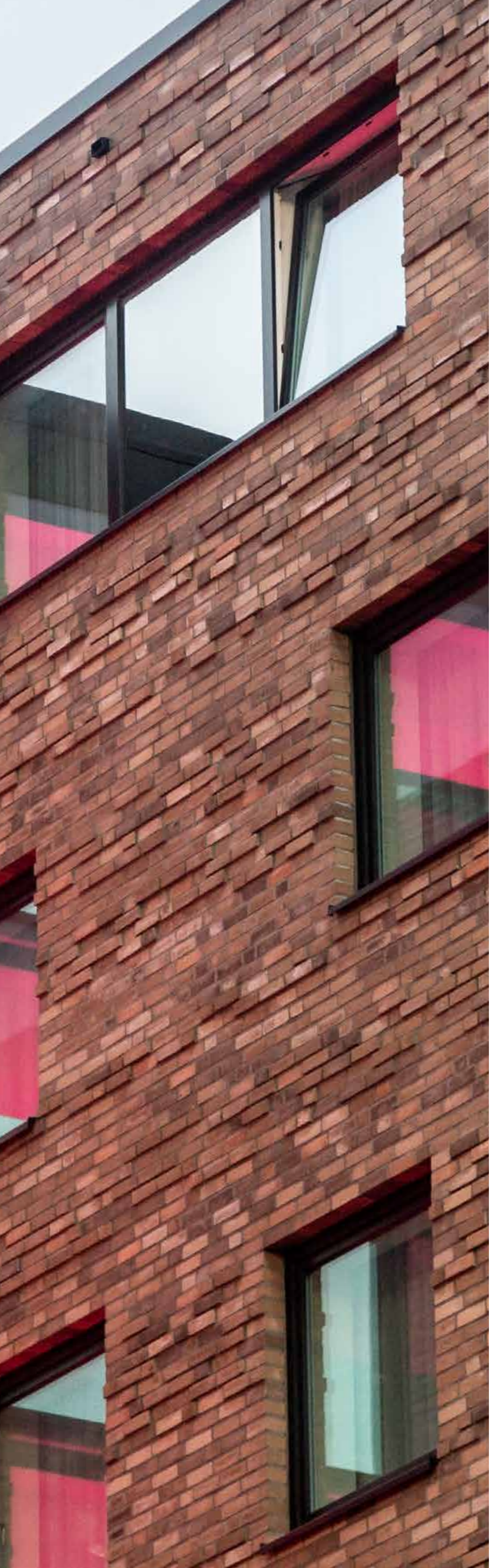
Tenant expectations continue to evolve, driven by shifts in work culture, technological advancements, and changing societal values. Today, tenants want environments that not only foster collaboration and productivity, but also promote the health and well-being of their employees. Moreover, sustainability has become an increasingly important consideration for tenants, with many now prioritising green building certifications, energy efficiency, and responsible waste management practices. At EPH, we recognise these changes and work closely with our tenants to ensure their needs are met, while also promoting long-term sustainability of our properties.

## What is the role of asset management in achieving ESG compliance?

Asset managers play a crucial role in achieving ESG (Environmental, Social, and Governance) compliance – in terms of assessing properties, collecting and analysing consumption data as a basis for ESG reporting. By maintaining direct communication with tenants, asset managers can raise awareness of ESG measures and help tenants understand the value of sustainable practices, not only for the property itself but also for them. Encouraging tenants to help optimise the energy efficiency of our properties can lead to reduced operating costs, lower CO2 emissions, and create a more attractive working environment for their employees.

But first, it is important to provide tenants with clear and transparent information about the status quo, how green the property is, what sustainability issues and measures are pending, what specific green initiatives are planned and, of course, how this is relevant to them as tenants. This fosters trust and understanding for specific measures. For instance, we want to encourage tenants to share their consumption data with us so that we can identify potential savings and collaborate on finding solutions.

# CORPORATE GOVERNANCE



# CORPORATE GOVERNANCE

The Corporate Governance of EPH European Property Holdings PLC (until 7 February 2022 "EPH European Property Holdings Limited") ("EPH" or "Company") is based on the Corporate Governance Guidelines of the SIX Swiss Exchange that entered into force on 01 January 2023.

The Corporate Governance refers to the facts as of the balance sheet date (31 December 2024). Significant changes which have taken place between the balance sheet and the date of publication (29 April 2025) will be explicitly stated.

## 1. GROUP STRUCTURE & SHAREHOLDERS

### 1.1 GROUP STRUCTURE

EPH European Property Holdings PLC operates as a real estate holding company which owns its assets directly, or through subsidiaries. A list of significant companies showing the Company's subsidiaries and otherwise affiliated companies, percentage ownership, and domiciliation can be found on pages 41 ff of the Annual Report. Information on segment reporting and further explanations can be found in the notes to the consolidated financial statements, Note 3.

The Board of Directors is responsible for the business affairs of the Company in accordance with the Company's Memorandum and Articles of Association. The Board of Directors supervises the Company's management and the activities of the Management Committee. The Board of Directors and the Management Committee are assisted in the management of the Company by Valartis Group and its subsidiaries (together "Valartis" or "Advisor"). More information on the duties of each of the bodies can be found on page 46 ff of this Corporate Governance Report.

The shares of the Company are traded on the SIX Swiss Exchange.
As of 31 December 2024, the Company's market capitalization was EUR 288.18 million.

Symbol: EPH
Swiss security number: 117016316 (until 7 February 2022: 1673866)
ISIN number: CY0109992111 (until 7 February 2022: VGG290991014)

None of the Company's subsidiaries or holdings are listed companies.
Significant group companies fully consolidated in the financial statements of the Company are:

| Full company name | Registered office | Issued Share Capital | Ownership % |
|---|---|---|---|
| Andorian Beteiligungsverwaltungs GmbH | Am Belvedere 4, 1100 Vienna, Austria | EUR 35,000 | 100% held by Lexworth Finance Limited |
| Asura Holding S.a.r.l. | 23, rue des Jardiniers 835 Luxembourg, Luxembourg | EUR 1,012,000 | 100% held by EPH |
| City Gate Stuttgart GmbH | Friedrich-Ebert-Anlage 56, 60325 Frankfurt, Germany | EUR 25,000 | 94% held by Ferran Limited |
| Ferran Limited | Monis Machaira 18, Office 101 3020 Limassol, Cyprus | EUR 21,000 (21,000 ordinary shares of EUR 1 each) | 100% held by EPH |
| Lexworth Finance Limited | Monis Machaira 18, Office 101 3020 Limassol, Cyprus | EUR 2,000 | 99.95% held by EPH and 0.05% held by T&A Services Ltd. |
| Obewan Beteiligungsverwaltungs GmbH | Esslinger Hauptstraße 188B/Haus 4, 1220 Vienna, Austria | EUR 35,000 | 100% held by Lexworth Finance Ltd. |
| Obewan GmbH & Co KG | Esslinger Hauptstraße 188B/Haus 4, 1220 Vienna, Austria | EUR 500 | 100% held by Ophuchus Beteiligungs-verwaltungs GmbH |
| Ophuchus Beteiligungsverwaltungs GmbH | Esslinger Hauptstraße 188B/Haus 4, 1220 Vienna, Austria | EUR 35,000 | 100% held by Obewan Beteiligungsver-waltungs GmbH |
| QBC Alpha SP Immomanagement GmbH | Esslinger Hauptstraße 188B/Haus 4 1220 Vienna, Austria | EUR 35,000 | 100% held by QBC 1,2,7 Holding GmbH |
| QBC BT IV Alpha GmbH | Esslinger Hauptstraße 188B/Haus 4 1220 Vienna, Austria | EUR 120,000 | 100% held by Andorian Beteiligungs verwaltungs GmbH |
| QBC BT IV Beta GmbH | Esslinger Hauptstraße 188B/Haus 4 1220 Vienna, Austria | EUR 60,000 | 100% held by Andorian Beteiligungs verwaltungs GmbH |
| QBC BT IV Epsilon GmbH | Esslinger Hauptstraße 188B/Haus 4 1220 Vienna, Austria | EUR 60,000 | 100% held by Andorian Beteiligungs verwaltungs GmbH |
| QBC Immobilien GmbH | Esslinger Hauptstraße 188B/Haus 4 1220 Vienna, Austria | EUR 60,000 | 100% held by QBC 1,2,7 Holding GmbH |
| QBC Immobilien GmbH & Co Alpha KG | Esslinger Hauptstraße 188B/Haus 4 1220 Vienna, Austria | EUR 10,000 | 94% held by QBC 1,2,7 Holding GmbH and 6% held by QBC Alpha SP Immo-management GmbH |
| QBC Immobilien GmbH&Co Delta KG | Esslinger Hauptstraße 188B/Haus 4 1220 Vienna, Austria | EUR 10,000 | 94% held by QBC BT IV Alpha GmbH and 6% by QBC BT IV Beta GmbH |
| QBC Immobilien GmbH & Co Omega KG | Esslinger Hauptstraße 188B/Haus 4 1220 Vienna, Austria | EUR 10,000 | 94% held by QBC 1,2,7 Holding GmbH and 6% held by QBC Omega SP Im-momanagement GmbH |
| QBC Immobilien GmbH & Co Zeta KG | Esslinger Hauptstraße 188B/Haus 4 1220 Vienna, Austria | EUR 9,400 | 94% held by QBC 1,2,7 Holding GmbH and 6% held by QBC Immobilien GmbH |
| QBC Omega SP Immomanagement GmbH | Esslinger Hauptstraße 188B/Haus 4 1220 Vienna, Austria | EUR 35,000 | 100% held by QBC 1,2,7 Holding GmbH |
| QBC 1,2,7 Holding GmbH | Esslinger Hauptstraße 188B/Haus 4 1220 Vienna, Austria | EUR 35,000 | 100% held by Lexworth Finance Ltd. |

| Full company name | Registered office | Issued Share Capital | Ownership % |
|---|---|---|---|
| Ramses Immobilien Gesellschaft mbH & Co KG | Esslinger Hauptstraße 188B/Haus 4 1220 Vienna, Austria | EUR 500 | 89.9% held by Ophuchus Beteiligungs-verwaltungs GmbH 10.1% held by Obewan GmbH & Co KG |
| SA3 Media S.a.r.l. | 23, rue des Jardiniers 835 Luxembourg,Luxembourg | EUR 3,512,500 | 89.9% held by Lexworth Finance Limited |
| Setford Limited | Monis Machaira 18, Office 101 3020 Limassol, Cyprus | EUR 20,000 (20,000 ordinary shares of EUR 1 each) | 100% held by EPH |
| SG4 Dresden GmbH & Co KG | Friedrich-Ebert-Anlage 56, 60325 Frankfurt, Germany | EUR 1,000 | 100% held by SG4 Dresden Holding GmbH |
| SG4 Dresden Holding GmbH | Friedrich-Ebert-Anlage 56, 60325 Frankfurt, Germany | EUR 25,000 | 100% held by Asura Holding S.a.r.l. |
| SG4 Dresden Management GmbH | Friedrich-Ebert-Anlage 56, 60325 Frankfurt, Germany | EUR 25,000 | 100% held by SG4 Dresden Holding GmbH |
| Société de l'Hôtel des Trois Couronnes, à Vevey, SA (acquired January 2024) | Rue d'Italie 49, 1800 Vevey | CHF 8'250'000 | 100% held by EPH |
| T&A Services Limited (liquidated in April 2024) | Luna Tower, Waterfront Drive, Road Town, Tortola, VG1110, British Virgin Islands | US$ 5 | 100% held by EPH (as of January 2024) |
| WLC Hamburg GmbH | Friedrich-Ebert-Anlage 56, 60325 Frankfurt, Germany | EUR 25,000 | 94% held by Setford Limited |

### 1.2 SIGNIFICANT SHAREHOLDERS

On 31 December 2024 and on the reporting date, EPH had 14,409,022 ordinary shares in issue carrying voting rights.

On 31 December 2024, CAIAC Fund Management AG's Aurora Value Fund held 8,648,103 shares equalling to 60.02% of the nominal capital and voting rights of the Company. In addition, Aurora Value Fund held call options with third parties for 1,070,000 shares in the Company, equalling 7.43%. Real Estate Portfolio Fund managed by One Funds AG held 2,700,000 shares in the Company, equalling 18.70% of shares in issue and Lionshare Opportunities Fund also managed by One Funds AG held 913,156 shares in issue, equalling 6.34%. Valartis Property Holdings Ltd. held 710,000 shares in the Company, equalling 4.93% of shares in issue with a put-option towards Aurora Value Fund.

When informed by shareholders that their ownership stakes have exceeded or fallen below the levels of 3%, 5%, 10%, 15%, 20%, 25%, 33 1/3%, 50% or 66 2/3% of shares in issue, the Company publishes the disclosure in a press release in accordance with the requirements of SIX Swiss Exchange Regulations. Historical press releases can be found on the Company's website at https://europeanpropertyholdings.com/investors/news/.

For an overview of the disclosures in the reporting period, please refer to the website of SIX Exchange Regulation (https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/).

### 1.3 CROSS-SHAREHOLDINGS

There are no cross-shareholdings.

# 2. CAPITAL STRUCTURE

### 2.1 CAPITAL

The Company's Memorandum and Articles of Association latest amended on 9 June 2022 are published on the Company's website (https://europeanpropertyholdings.com/) and provide for an authorised capital which entitles the Board of Directors to issue a total of 21,000,000 registered ordinary shares of a nominal value of EUR 0.93 each and 1,000,000 registered Series A shares with a nominal value of EUR 0.93 each. As of 31 December 2024, and the reporting date the Company's issued share capital consists of 14,409,022 ordinary shares. Note 24 "Shareholders' Equity" to the Company's Financial Statements contains a detailed description of the Company's capital structure.

A change in the Company's authorized capital must be approved by a resolution of a General Meeting of Shareholders. There is neither a maximum to the authorized capital nor a limit to the authorization period to carry out an increase in capital defined by the Company's Memorandum and Articles of Association.

Shares and other Securities may be issued at such times, to such persons, for such consideration and on such terms as the Board of Directors may determine by resolution - subject to requirements stated in the Company's Memorandum & Articles of Association. Subject to the provisions of Cyprus Law and any direction to the contrary that may be given by a resolution sanctioning the increase of share capital, all new shares proposed to be issued (whether unissued shares in the original capital or new shares in the increased capital) in consideration of cash or in kind must be offered in the first instance to the Shareholders on a certain date as determined by the Board of Directors and in proportion to their participation in the share capital of the company. Each Member will have up to 14 days following the dispatch date of the notice of the offer, which notice will identify the proposed terms and conditions of the offer, to notify the Company of its desire to exercise its pre-emption right on the same terms and conditions proposed in the notice. The Company may by ordinary resolution of a general meeting, before the issue of any new shares, withdraw the Shareholders' pre-emption rights as to the issue of such new shares if the Board of Directors furnish at the general meeting a written report that describes the reasons in favour of the disapplication of the Shareholders' pre-emption rights and provides information to support the proposed price of the new shares. The status of the authorized capital is detailed in Note 24 to the Company's Financial Statements.

### 2.2 CAPITAL BAND AND CONDITIONAL CAPITAL

The Shareholders have not authorized the Board of Directors to increase or decrease the authorized capital in its own discretion. The power to increase or decrease the authorized capital remains with the Shareholders.

According to Cyprus law the Company's Memorandum and Articles of Association do not foresee a conditional capital, therefore a capital increase by the exercise of options or conversion of rights must also be covered by authorized capital.

### 2.3 CHANGES IN CAPITAL

| Number of shares | 31.12.2024 | 31.12.2023 | 31.12.2022 |
|---|---|---|---|
| Authorised | 21,000,000 | 21,000,000 | 21,000,000 |
| Issued | 14'409'022 | 14'409'022 | 14'409'022 |
| Treasury shares/ Shares held by the Company | 3,198 | 93'954 | 90'887 |
| Issued and outstanding | 14,405,824 | 14,315,068 | 14,318,135 |

On 09 June 2022, the Annual General Meeting of the Company approved the conversion of the currency of the share capital of the Company from USD to EUR. Therefore, since 9th June 2022 one share of an original nominal value of USD 1 has a nominal value of EUR 0.93.

As of 31 December 2024, the Company's issued share capital is equal to EUR 13,400,390,46 divided into 14,409,022 ordinary shares with a nominal value of EUR 0.93 each. Note 24 "Shareholders' Equity" to the Company's Financial Statements contains a detailed description of the Company's capital structure. There have been no further changes to the authorised capital.

In 2024, the Company has sold 92'557 and purchased 1'801 treasury shares on the public market.

### 2.4 SHARES AND PARTICIPATION CERTIFICATES

| | |
|---|---|
| Number of shares in issue | 14,409,022 ordinary shares |
| Share category | Registered ordinary shares |
| Nominal value | EUR 0.93 |

Each ordinary share has one vote and is entitled to dividends. The voting right and the right to receive dividends is disapplied in relation to the ordinary shares that are held by the Company.

Series A shares have equal economic and dividend rights like ordinary shares, but do not have voting rights. No Series A shares are in issue as of 31 December 2024 and the reporting date.

The Company has not issued any participation certificates.

### 2.5 DIVIDEND-RIGHT CERTIFICATES

The Company has not issued any dividend-right certificates.

### 2.6 LIMITATIONS ON TRANSFERABILITY AND NOMINEE REGISTRATIONS

There are no limitations on transferability of fully paid ordinary shares. Series A shares can only be transferred with the prior written consent of the Company's Board of Directors.

### 2.7 CONVERTIBLE BONDS AND OPTIONS

Neither the Company nor any of its subsidiaries have outstanding convertible bonds and / or options in issue.

# 3. BOARD OF DIRECTORS

### 3.1 MEMBERS OF THE BOARD OF DIRECTORS

Composition of the Board of Directors as of 31 December 2024 and biographies of the board members can be found in the "Directors and Management" section of the Annual Report, starting on page 26. As of the reporting date, the Board of Directors comprises 6 members.

Board Members who are part of the management committee of EPH, operationally involved in the business of EPH or employees of Valartis, which supports the Company's daily management, are designated as Executive Board Members. Due to their position within EPH or Valartis, they may be informed of, or involved in, company matters which are not necessarily board matters and may not involve the full Board of Directors.

Due to their involvement in the Company's operations Olga Melnikova, Vera Christodoulou, Tomasz Dukala and Gustav Stenbolt are Executive Board Members. The other Board Members are designated as Non-Executive Board Members. Olga Melnikova and Vera Christodoulou are members of the Management Committee and involved in the daily management of the Company. Tomasz Dukala is supporting the Company with advice regarding potential investment opportunities, negotiating respective potential acquisitions and supporting the Company's public relations. Gustav Stenbolt is Chairman of the Board of Valartis Group AG.

None of the Company's other Non-Executive Board Members have significant business connections with, or have served in other roles within the Company, its subsidiaries or affiliated companies, or Valartis Group at any time in the past.

The Board of Directors consists of 2 female and 4 male members resulting in a female quota of 33%.

### 3.2 OTHER ACTIVITIES AND VESTED INTERESTS

Except for the mentioned and described activities in the biographies of each Board Member, none of the Company's Board Members serve in governing or supervisory bodies with relevance to the Company, nor do they represent Swiss or foreign interest groups. None of the Company's Board Members hold political posts or serve official governmental or regulatory functions.

### 3.3 NUMBER OF PERMITTED ACTIVITIES

There are no provisions in the Memorandum & Articles of Association of the Company with regard to the number of permitted activities of a Board Member.

### 3.4 ELECTIONS AND TERMS OF OFFICE

The Board Members are elected individually by the General Meeting of Shareholders. According to the Memorandum & Articles of Association of the Company the maximum term for election is three years. Upon expiration of a Board Member's term re-election is allowed. Michael Cuthbert, Tomasz Dukala, Olga Melnikova and Gustav Stenbolt were re-elected at the Annual General Meeting held on 9 June 2022. Vera Christodoulou and Gerrit Straub were elected for the first time at the Annual General Meeting held on 30 August 2023.

### 3.5 INTERNAL ORGANISATIONAL STRUCTURE

#### 3.5.1 Allocation of tasks within the Board of Directors

On 7 March 2022, the Board of Directors passed a resolution forming a Management Committee which as of 31 December 2024 consists of two Board Members and three Non-Board Members. No committees other than the Management Committee have been formed.

#### 3.5.2 Members list, tasks and area of responsibility for each committee of the Board of Directors

Details on the Management Committee can be found below 4.1. of this Corporate Governance Report starting on page 47.

#### 3.5.3 Work methods of the Board of Directors

The Board of Directors shall meet as often as necessary during any given year. Duration of the meetings depends on the list of items on the agenda. Board meetings may be attended by the Management Committee members and the Advisor, who brief the Board of Directors with regards to Company developments within their area of responsibility. In order to support the ordinary course of the daily business, the Board of Directors may also decide on written resolutions. Board of Directors meetings took place 4 times in 2024.

### 3.6 DEFINITION OF AREAS OF RESPONSIBILITY

The Board of Directors is responsible for the business affairs of the Company in accordance with the Company's Memorandum and Articles of Association. The Board of Directors supervises the Company's management and the activities of the Management Committee, the Advisor and is responsible for company investments. The Board of Directors has ultimate responsibility for the issue of the necessary directives and regulations and approval of the investment strategy as laid down in the Investment Guidelines which can be found on the Company's homepage.

The most important exclusive duties of the Board of Directors are:

- Supervision and control of the Company's bodies and periodic review of corporate objectives
- Appointment of Directors (where no approval by Shareholders is required) & Appointment/Removal of Management Committee Members and defining its authorities and powers as well as defining remuneration of Management Committee Members and Directors
- Appointment of the Corporate Secretary
- Appointment of additional officers / signatories / attorneys of the Company and defining its authorities and powers
- The content and resolutions to be adopted by the AGM or EGM as well as their execution and Notices for such meetings

The most important duties decided together with the Management Committee (dual approval) are:

- Transactions concerning third party debt financing and asset acquisitions & sale of assets or companies of EPH Group with a value of above EUR 5 million
- Share issuances and equity injections on the Company level
- Approval of stand-alone and consolidated financial results (financial statements) of the Company

Certain aspects of the daily management of the Company have been delegated to the Management Committee and to the Advisor.

### 3.7 INFORMATION AND CONTROL INSTRUMENTS

In its capacity as the highest supervisory body, the Board of Directors bears responsibility for all risks of the group.

EPH's Board of Directors monitors the exercise of the competencies transferred to the Management Committee and the Advisor. At the meetings of the Board of Directors, the Management Committee and the Advisor present the most important topics as well as the financial development of the Company and its assets. The Management Committee and the Advisor report on the key risks the Company faces, such as the status of projects or that cash flows may not meet development or operational budgets. The Board of Directors may also ask to engage third parties to review transactions and results at any time.

The Management Committee is responsible for the implementation of processes and control principles and ensures compliance. A key component is the design and further development of the internal control system which is intended to address identified risks through appropriate, stringent control measures and minimise their probability of occurrence. As such, the Management Committee has implemented policies which focus on the most important key processes within the group. These outline not only the processes but also reporting to the management. If necessary, such reports are forwarded to the Board of Directors.

# 4. MANAGEMENT

### 4.1 MANAGEMENT COMMITTEE

#### 4.1.1 Members of the Management Committee

In accordance with the Company's Memorandum and Articles of Association, the Management Committee was elected by a board resolution dated 07 March 2022.

In November 2024, Michalis Constantinides resigned as Management Committee Member with immediate effect.

Composition of the Management Committee as of 31 December 2024, and biographies of the members can be found in the "Directors and Management" section of the Annual Report, starting on page 26.

The Management Committee consists of five persons and is responsible for taking certain operative decisions and will take such decisions by majority vote within its authorities and any resolution passed by the Board of Directors.

The Management Committee has the authority to conclude defined transactions without consultation of the Board of Directors.

Apart from matters which are decided by dual approval by the Board of Directors and the Management Committee and are described below 3.6 the most important duties of the Management Committee are:

- Annual budgets for EPH and each of its subsidiaries as well as the quarterly control of such budgets
- Third party debt financing involving the Company and/or any of its subsidiaries, and asset or company acquisitions & sales of EPH Group up to EUR 5 million
- Conclusion of any amendments to agreements to which the Company and/or any of its subsidiaries are party to, including share purchase agreements
- Non-Disclosure Agreements, Letter of Intents or Memorandums of Understanding regarding potential acquisitions by the Company and/or its subsidiaries
- Compliance procedures, anti-money laundering directives, sanction policies and other work processes
- Share issuances & equity injections or other matters on a subsidiary level
- Standard lease terms and standard lease agreements per asset
- Recommendation of auditors to the Board of Directors and Shareholders of the Company
- Balance confirmation in the course of the audit on a subsidiary level
- Engagement Letters and/or contracts with service providers to the Company whose fees have been pre-approved in the Company's annual budget
- Bank account opening forms

The Management Committee shall meet in the Republic of Cyprus on a regular basis, each month and may adopt decisions by majority votes.

The Management Committee consists of 4 female and 1 male members resulting in a female quota of 80%.

#### 4.1.2 Other activities and vested interests

Olga Melnikova and Vera Christodoulou, who are members of the Management Committee, also serve as members of the Board of Directors of the Company. Except for the mentioned, none of the members of the Management Committee serve in governing or supervisory bodies with relevance to the Company, nor do they represent Swiss or foreign interest groups. None of the Management Committee members hold political posts or serve official governmental or regulatory functions.

#### 4.1.3 Number of permitted activities

There are no provisions in the Memorandum & Articles of Association of the Company with regard to the number of permitted activities of a Management Committee Member.

### 4.2 ADVISOR

Valartis Group AG, and its subsidiaries (together "Valartis") provides on a daily basis various advisory service to the Company. In 2023, the agreement with Valartis was re-negotiated and is in its new form effective from 1 May 2023. The current agreement expires on 1 January 2027.

Valartis is supporting and giving advice in regard to the day-to-day business of EPH. The scope of services covered includes among others asset management services for the properties City Gate, Work Life Center, STRAL 3, SALZ 4, QBC 1,4,2 and 7 and Lass1. In addition to leasing, regular reporting and administration of the Company's properties, the services provided by Valartis also relate to corporate administrative, financial management, directorships in subsidiaries and investor relations services. In addition, Valartis has appointed one Management Committee member, Anna Bernhart

Valartis regularly reports to the Board of Directors and the Management Committee which monitor the activities closely. Valartis is only authorized to act within agreed budgets of the respective subsidiaries and within the scope of the respective property management agreements. Within its scope Valartis suggests measures to be considered by the Board of Directors or the Management Committee.

# 5. COMPENSATIONS, SHARE-HOLDINGS & LOANS

### 5.1 CONTENT AND METHOD OF DETERMINING THE COMPENSATION AND SHAREHOLDING PROGRAMS

Members of the Board of Directors are compensated for serving on the Board of Directors. The annual fee per board member is agreed at EUR 46,500. The current compensation level will remain in effect until the Board of Directors votes to amend it.

Tomasz Dukala is supporting the Company with advisory services especially in the sphere of acquisitions of new assets and receives an additional annual compensation. Vera Christodoulou is apart from a board member also part of the Management Committee and director at different Group subsidiaries. Christine Spyrou-Katras, in addition to being a member of the Management Committee, is director at different Group subsidiaries and Secretary to the Company. Their annual compensation reflects these responsibilities and duties. Gustav Stenbolt and Anna Bernhart do not receive a separate compensation for their memberships as it is covered in the agreement between the Company and Valartis.

The compensation of the Management Committee members is decided by the Board of Directors and dependent on the services provided to the Company by each member.

| Name of Member | Function | Cash Remuneration |
|---|---|---|
| Anna Bernhart | MC Member | Covered by the agreement with Valartis |
| Vera Christodoulou | Executive Board & MC Member | EUR 102,305 |
| Michalis Constantinides | MC Member | EUR 12,000 |
| Michael Cuthbert | Non-Executive Board Member | EUR 46,500 |
| Tomasz Dukala | Non-Executive Board Member | EUR 76,500 |
| Olga Melnikova | Executive Board & MC Member | EUR 46,500 |
| Marios Phedonos | MC Member | EUR 10,000 |
| Christina Spyrou-Katras | MC Member | EUR 46,000 |
| Gustav Stenbolt | Executive Board Member | Covered by the agreement with Valartis |
| Gerrit Straub | Non-Executive Board Member | EUR 46,500 |

The Board of Directors and Management Committee do not receive any performance-oriented remuneration. There is no employee benefit program in place. There are no payments in respect to pension or social security. There are no loans granted to members of the Board of Directors or the Management Committee.

In December 2020, Valartis Group AG, whose majority owner is Gustav Stenbolt, acquired 4.93% of the total issued shares during the Company's share capital increase. Apart from that, the members of the Board of Directors, the Management Committee, the Advisor and parties closely linked to them held no shares in the Company. Please also refer to 1.2 Significant Shareholders of this Corporate Governance section.

The overall advisory fee under the Real Estate Advisory Agreement with Valartis consists of separate payments for each of the specific services provided. Under the Real Estate Advisory Agreement, in 2024 the advisory fee in respect to property management, administration, investor relations and administrative services amounted to approximately EUR 1.9 million. For 2025, the annual fee is expected to remain at EUR 1.9 million. Additional services like corporate finance services (e.g., for structuring of financing and acquisition of assets), advice on sustainability matters, property management of additional assets and the management of additional development projects is not included in the services under the Real Estate Advisory Agreement. In 2024, the Advisor received additional fees of a) EUR 100,000 for the acquisition of the hotel property Trois Couronnes, b) EUR 20,000 for advice on sustainability matters, and c) EUR 75,000 for the setup of procceses and procedures.

In addition to the above-described fees, the Advisor, Board Members and Management Committee Members shall be entitled to receive compensation based on full reimbursement of all reasonable costs and expenses incurred by them on behalf of the Company and its subsidiaries.

# 6. SHAREHOLDERS' PARTICIPATION

### 6.1 VOTING-RIGHTS AND REPRESENTATION RESTRICTIONS

Ordinary shares entitle the holder to one vote per share. Holders of ordinary shares may exercise their voting rights provided they have duly paid all sum due or any calls made on the shares. Series A shares have equal economic and dividend rights like ordinary shares, but do not have voting rights. The voting right and the right to receive dividends is disapplied in relation to the ordinary shares that are held by the Company. In order to exercise their voting right, or participate in the Meeting of Shareholders, shareholders must be entered into the shareholder register. The shareholder register is maintained and administrated by Computershare Schweiz AG, Baslerstrasse 90, CH-4601 Olten and may be found also at the Company's registered office.

At a Meeting of Shareholders, a shareholder may participate in person or may be represented by a proxy who may speak and vote on behalf of the shareholder. The instrument appointing a proxy shall be produced at the place designated for the Meeting of Shareholders before the time for holding the meeting at which the person named in such instrument proposes to vote. The notice of the Meeting of Shareholders may specify an alternative or additional place or time at which the proxy shall be presented.

The Memorandum & Articles of Association of the Company do not foresee any other restrictions to voting rights or grant any exceptions to institutional proxies.

### 6.2 STATUTORY QUORUMS

A Meeting of Shareholders is duly constituted if, at the commencement of the meeting, there are three or more Shareholders present in person or by proxy who together represent more than fifty per cent of the issued share capital of the Company carrying a voting right.

Matters of the Shareholders' meetings are decided by:

1. An ordinary resolution, that is passed by a simple majority of votes cast by persons who are present and entitled to vote. An ordinary resolution is required, for example, for the removal of a director and the removal of an auditor (in respect of these resolutions, a special notice period of 28 days is required).
2. A special resolution, which requires a notice period of not less than 21 days, specifying the intention to propose the resolution as a special resolution, that is passed by a majority of 75% of the votes cast by persons who are present and entitled to vote at a general meeting. A special resolution is called in respect of the following matters:

- Alteration of the Memorandum and Articles of Association of the Company;
- Any change in the name of the Company;
- Calling up any of the share capital that is unpaid;
- To pay interest out of capital when shares of the Company are issued for raising money, to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a lengthened period;
- Reduction of share capital, extinguish or reduce the liability on any of its shares in respect of share capital not paid up, cancel any paid-up share capital which is lost or unrepresented by available assets, pay off any paid-up share capital which is in excess of the wants of the Company, cancel paid up share capital by the creation of a reserve subject to the court's confirmation;
- Declaration by the Company that the affairs shall be investigated by an investigator appointed by the Council of Ministers;
- Alteration to the Memorandum to render unlimited liability to its directors or managers, or of any managing director, if provisions are included in the Articles of Association of the Company;
- If provisions are included in the Articles of Association of the Company or by any agreement entered into between any person and the Company for empowering a director or manager of the Company to assign his/her office as such to another person, any assignment of office made in pursuance of the said provision shall, notwithstanding anything to the contrary, contained in the said provisions, be of no effect unless and until it is approved by a special resolution of the Company;
- Making a compromise with creditors;
- Resolution to wind up the Company by the court or voluntarily;
- When a Company is proposed to be, or is in the course of being, would up voluntarily, and the business or property is proposed to be transferred or sold to another company, the liquidator may accept shares, policies or other interests in the transferee Company or enter into an agreement to participate in profits or receive any other benefit from the transferee Company for distribution among the members of the transferor Company as consideration for sale of property of the Company if sanctioned by special resolution.

3. An extraordinary resolution, that is passed by a majority of 75% of the votes cast by persons who are present and entitled to vote at a general meeting of which notice specifying the intention to propose the resolution as an extraordinary resolution has been duly given. An extraordinary resolution is called in respect of the following matters:

- Resolution that the Company cannot due to its liabilities continue its business, and that it is advisable to wind up;
- Permitting the liquidator to exercise the powers given by section 233(1)(d), (e) and (f) of Companies Laws, Cap. 113 in the case of members' voluntary winding up;
- Any arrangement entered into between the Company about to be or in the course of being, would up and its creditors shall be sanctioned by an extraordinary resolution and on the creditors if acceded to by ¾ in number and value of the creditors;
- The disposition of the books and papers of the Company in the case that the Company is wound up and is about to be dissolved.

### 6.3 CONVOCATION OF THE GENERAL MEETING OF SHAREHOLDERS

As per the Memorandum & Articles of Association, the Annual General Meeting of Shareholders shall be held at such time and place in Cyprus as the Directors shall determine. The exact location of the Meeting of Shareholders shall be specified in the notice of the meeting. The Directors by duly passed decision of the Board of Directors may decide to convene a Shareholders Meeting. The Directors convening a meeting shall give not less than 21 days' notice for an Annual General Meeting and not less than 14 days' notice for any other Shareholder meeting to those Shareholders whose names on a specific date specified in the notice appear as Shareholders in the register of shareholders of the Company and are entitled to vote at the meeting and to the other directors.The Directors may at any time convene an Extraordinary General Meeting, and Extraordinary General Meetings shall also be convened on such requisition, or in default, may be convened by such requisitions, as provided by section 126 of the Companies Laws, Cap. 113 of the laws of the Republic of Cyprus. If at any time there are not sufficient Directors capable of acting to form a quorum, any two Directors or any Shareholder of the Company holding 50% of the Company's issued shares which have a right to vote, may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meeting may be convened by the Directors.

### 6.4 INCLUSION OF ITEMS ON THE AGENDA

The Board of Directors and the Management Committee determine the agenda for the General Meetings. Shareholders can request that an item is added or included on the agenda. Such agenda points are to be discussed at the upcoming meeting.

### 6.5 ENTRIES INTO THE SHARE REGISTER

For the purpose of determining which Shareholders are entitled to vote at a General Meeting, the Board of Directors shall determine by reference to the Shareholders of the Company who are included in the Company's register of Shareholders by 5 p.m. (Central European Time) of the fifth business day following the date of the notice issued for the convening of a meeting.

## 7. CHANGES OF CONTROL & DEFENSE MEASURES

### 7.1 DUTY TO MAKE AN OFFER

The Company's Memorandum and Articles of Association do not provide for rules on takeover (opting up or opting out).

### 7.2 CLAUSES ON CHANGES OF CONTROL

Neither the Company's Memorandum & Articles of Association, nor existing agreements between the Company and its joint venture partners include clauses benefiting members of the Board of Directors, Management Committee, or the Advisor in case of change of control.

## 8. AUDITING BODY

### 8.1 DURATION OF THE MANDATE AND TERM OF OFFICE OF THE LEAD AUDITOR

The Company's auditor is appointed each year at the General Meeting of Shareholders.

Deloitte AG, Zurich has been appointed auditor of the Company in June 2018. Since then, the lead auditor is Mr. Marcel Meyer. Based on Cyprus law, the Company has additionally appointed LIS Primus Audit and Tax Ltd. which audits the Company's statements for Cyprus.

### 8.2 AUDITING FEES

Fees (excluding expenses and VAT) paid to Deloitte AG, for audit of the Company's 31 December 2023 financial statements, and audit-related work, totalled EUR 345,000. Fees (excluding expenses and VAT) paid or to be paid to Deloitte AG for audit of the Company's 31 December 2024 financial statements and review of the 30 June 2024 interim financial statements are estimated at a total of EUR 360,000.

Fees (excluding expenses and VAT) paid to LIS Primus Audit and Tax Ltd. for audit of the Company's consolidated and stand-alone financial statements for the year ended 31 December 2023 for Cyprus statutory purposes amounted to EUR 34,000. Fees (excluding expenses and VAT) to be paid to LIS Primus Audit and Tax Ltd. for audit of the Company's consolidated and stand-alone financial statements for the year ended 31 December 2024 for Cyprus statutory purposes amounted are estimated at EUR 37,000.

### 8.3 ADDITIONAL FEES

In 2023, Deloitte AG supported the Company with professional services in connection with tax advice and the acquisition of Trois Couronnes in terms of transaction structuring and charged additional fees of US$ 2,500 and CHF 23,000 (out of this amount CHF 21,000 was invoiced and paid in 2024). In 2024, LIS Primus Audit and Tax Ltd. supported the Company with auditing of the Cyprus subsidiaries and tax advice charging additional fees of EUR 33,380. The amounts are net of VAT and out-of-pocket expenses.

### 8.4 INFORMATIONAL INSTRUMENTS PERTAINING TO AN EXTERNAL AUDIT

The Board of Directors is responsible for the supervision and control of the external audit. Prior to board approval of the Company's audited financial statements, the lead auditor presents the findings of the audit process to the full Board of Directors and addresses any questions and concerns. The audit opinion is signed only after the Board of Directors has formally approved the annual financial statements.

In accordance with the Company's Memorandum and Articles of Association as of 7 February 2022, the Company's audited financial statements must be approved by the Management Committee followed by a board approval.

## 9. INFORMATION POLICY

Audit reports are published on an annual basis for the reporting period ending 31 December latest by 30 April. In addition, the Company publishes unaudited interim financial information for the period ended 30 June which are reviewed by the auditor latest by 30 September. The actual dates for each year can be found on the Company's webpage: https://europeanpropertyholdings.com/about/company.php. The Annual General Meeting of the Company takes place each year in June in Cyprus. In 2025, the Annual General Meeting takes place on 17 June 2025.

Interested parties can request all press releases and other communication from the Company be sent to their email address by visiting https://europeanpropertyholdings.com.

All historical financial statements and press releases, and the Company's Memorandum and Articles of Association and Investment Guidelines are available on the Company's website https://europeanpropertyholdings.com.

## 10. QUIET PERIODS

Management and employees who are involved in the preparation of the financial statements are restricted to sell or buy shares (or trade in any other financial instruments of the company) four weeks before publication of the annual and half-year financial statements. As soon as aware of any fact which are defined to be inside information, the Board of Directors, Management and other employees are restricted from any trading. In case necessary, black-out periods will be defined for specific periods and until disclosure to the market.

Furthermore, the Board of Directors and Management Committee members are responsible for not using price sensitive information when trading in Group shares.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# EXTERNAL REPORTS

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**REPORT OF THE INDEPENDENT AUDITOR**
To the Board of Directors of
**EPH European Property Holdings PLC, Nicosia, Republic of Cyprus**

## Report on the Audit of the Consolidated Financial Statements

*Opinion*
We have audited the consolidated financial statements of EPH European Property Holdings PLC (the Company) and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements (pages 72 to 141) 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 IFRS Accounting Standards and art. 17 of the Directive on Financial Reporting (DFR) of the SIX Swiss Exchange.

*Basis for Opinion*
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the "*Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*" section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, as well as those of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), 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.

Deloitte.

EPH European Property Holdings PLC
Report of the independent auditor
for the year ended
31 December 2024

*Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Property acquisition (Société de l'Hôtel des Trois Couronnes)**

| Key audit matter | How the scope of our audit responded to the key audit matter |
|---|---|
| As described in note 4 – On 16 January 2024, the Company acquired 2,200 registered shares with par value of CHF 3,750 each in Société de l'Hôtel des Trois Couronnes, à Vevey, SA. The shares represent 100% of the entity's share capital. The seller is an entity under common control with Valartis Group.<br><br>The property has been acquired on market terms. The agreed purchase price amounted to CHF 48.76 million (EUR 52.11 million).<br><br>The business combination is accounted for in accordance with IFRS 3.<br><br>The accounting for the company's acquisition is a key audit matter due to the accounting complexity of the transaction, and the level of audit effort involved.<br><br>This includes significant judgement by the Board of Directors regarding classification of this transaction, probability of execution and presentation in the consolidated financial statements. | In auditing the acquisition of Société de l'Hôtel des Trois Couronnes, we performed the following audit procedures:<br><br>• To obtain an understanding of the transaction, we read the sale and purchase agreements between the entities involved;<br><br>• We involved internal IFRS specialists in accounting to challenge the conclusions reached by the Board of Directors. Our specialists assessed the Group's conclusions against the requirements of the relevant accounting standards (IFRS 3, IAS 16 and IAS40), including interpretation guidance and authoritative support;<br><br>• We involved internal valuation specialists to review the purchase price allocation of the acquisition and performed an analysis of the key assumptions used in the independent valuation report of the hotel as at the date of acquisition on January 16, 2024;<br><br>• We verified the adequacy and completeness of the presentation in the consolidated financial statements and relevant disclosures (note 4) including the verification of the mathematical accuracy of calculations and consistency.<br><br>Based on the procedures performed above, we obtained sufficient audit evidence to address the risks of incorrect accounting treatment, valuation and presentation and disclosure of the acquisition of Société de l'Hôtel des Trois Couronnes. |

Deloitte.

EPH European Property Holdings PLC
Report of the independent auditor
for the year ended
31 December 2024

**Valuation of investment properties**

| Key audit matter | How the scope of our audit responded to the key audit matter |
|---|---|
| As described in note 5 – Investment properties, the carrying values of investment properties for the Group as at 31 December 2024 were EUR 760 million.<br><br>The fair value adjustment recorded in net profit before tax in respect of investment properties for the Group amounted to EUR -24.2 million.<br><br>We considered the valuation of the investment properties to be significant to the audit because the determination of fair value involves significant judgement by the Board of Directors and the use of external valuation experts.<br><br>Fair value is determined by external independent valuation specialists using valuation techniques such as a capitalised income value method (discounted cash flow method) since the subject property can be classified as income generating property.<br><br>Valuation techniques for investment properties are subjective in nature and involve various key assumptions regarding pricing factors. These key assumptions include future rental cash inflows, capitalisation rates and discount rates. The use of different valuation techniques and assumptions could produce significantly different estimates of fair value.<br><br>When possible, fair value is determined based on recent real estate transactions with similar characteristics and location of the valued properties.<br><br>There is a risk that fair value of investment property is determined incorrectly given the complexity of the assumptions used in the valuation (e.g., rental rate or macroeconomic factors). | We performed the following procedures:<br>• We gained an understanding of the internal controls in place over the valuation process of investment properties;<br>• We involved internal valuation specialists to assist with the audit of the valuation of the investment properties (i.e., by verifying the validity of the methodology and its application as well as challenging the key assumptions) due to their experience and knowledge of the local markets. We assessed the key assumptions included in the valuation;<br>• We evaluated the external specialist's independence, objectivity, qualification and the methodology used by them for the valuation;<br>• We reconciled significant data like rent roll applied in the valuation model with supporting documentation and confirmed mathematical accuracy of the models;<br>• We also verified the adequacy of disclosures of key assumptions. The disclosures on the fair value of investment properties are included in note 6 to the consolidated financial statements.<br><br>Based on the procedures performed above, we obtained sufficient audit evidence to address the risk of incorrect valuation of investment properties. |

*Our application of materiality*
We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality for the group to be EUR 5,000,000 (2023: EUR 5,010,000), which is below 1% of equity (below 1% of equity in prior year).

We agreed with the Board of Directors that we would report to the Board all audit differences in excess of EUR 250,000 (2023: EUR 250,500) as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Board of Directors on disclosure matters that we identified when assessing the overall presentation of the financial statements.

*Other Information*
The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, and our auditor's reports thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Board of Directors' Responsibilities for the Consolidated Financial Statements*
The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with IFRS Accounting Standards and art. 17 of the Directive on Financial Reporting (DFR) of the SIX Swiss Exchange, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

EPH European Property Holdings PLC
Report of the independent auditor
for the year ended
31 December 2024

*Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

**Deloitte AG**

| | |
|---|---|
| Marcel Meyer<br>Auditor in charge | Mathieu Valette |

Zürich, 29 April 2025

*PwC Advisory Services GmbH*
*Donau-City-Straße 7*
*1220 Vienna*
*Austria*

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RAMSES Immobilien Gesellschaft m.b.H. & Co KG
Ms Anna Bernhart
Esslinger Hauptstraße 188 B/Haus 4
1220 Vienna
Austria

March 28, 2025

***Assessment of Fair Value of the property Lassallestraße 1 in Vienna***

Dear Ms. Bernhart,

based on our agreement (hereinafter "agreement" or "engagement letter") as of December 9, 2022, and the confirmation of order as of January 17, 2025, RAMSES Immobilien Gesellschaft m.b.H. & Co KG ("Ramses" or "you") has mandated PwC Advisory Services GmbH, Vienna to ascertain the Fair Value of the Property "Lassallestraße 1", Lassallestraße 1, 1020 Vienna, KG 01657 EZ 5914 as of December 31, 2024.

The PwC Advisory Terms of Business (as amended 6 April 2011; see Attachment) were the basis for providing our services and for our responsibility, also in relation to third parties. We particularly draw your attention to our limitations of liability.

The valuation was to serve IFRS accounting purposes in compliance with the International Financial Reporting Standard IFRS 13 issued by International Accounting Standards Board (IASB).

IFRS 13 defines Fair Value as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date".

We have summarized the assumptions, estimations and conclusions made in our valuation, and our opinion of Fair Value of the Property in our Report dated March 28, 2025.

According to the engagement letter signed by you, the Report was exclusively prepared for you in accordance with the engagement letter and the therein determined purposes for reporting. The Report is confidential and shall therefore not be passed in whole or in part to any third party and shall not in whole or in part be published or referred to in a public document, the internet or any other public media. Duties of care and liabilities on the part of PwC towards third parties are excluded.

Yours faithfully

PwC Advisory Services GmbH

ppa. Olena Chekmezova

Dr. Matthias Eicher

PwC Advisory Services GmbH
Donau-City-Straße 7
1220 Vienna
Austria

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QBC Immobilien GmbH & Co Omega KG
Ms Anna Bernhart
Esslinger Hauptstraße 188 B/Haus 4
1220 Vienna

March 28, 2025

***Assessment of Fair Value of the property QBC 1 in Vienna***

Dear Ms. Bernhart,

based on our agreement (hereinafter "agreement" or "engagement letter") as of June 23, 2021 and the confirmation of order as of January 17, 2025, QBC Immobilien GmbH & Co Omega KG ("QBC" or "you") has mandated PwC Advisory Services GmbH, Vienna to ascertain the Fair Value of the Property "QBC1", 1100 Wien, KG 01101 Favoriten EZ 3758 as of December 31, 2024.

The PwC Advisory Terms of Business (as amended 6 April 2011; see Attachment) were the basis for providing our services and for our responsibility, also in relation to third parties. We particularly draw your attention to our limitations of liability.

The valuation was to serve IFRS accounting purposes in compliance with the International Financial Reporting Standard IFRS 13 issued by International Accounting Standards Board (IASB).

IFRS 13 defines Fair Value as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date".

We have summarized the assumptions, estimations and conclusions made in our valuation, and our opinion of Fair Value of the Property in our Report dated March 28, 2025.

According to the engagement letter signed by you, the Report was exclusively prepared for you in accordance with the engagement letter and the therein determined purposes for reporting. The Report is confidential and shall therefore not be passed in whole or in part to any third party and shall not in whole or in part be published or referred to in a public document, the Internet or any other public media. Duties of care and liabilities on the part of PwC towards third parties are excluded.

Yours faithfully

PwC Advisory Services GmbH

ppa. Olena Chekmezova Dr. Matthias Eicher

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Donau-City-Straße 7
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QBC Immobilien GmbH & Co Alpha KG
Ms Anna Bernhart
Esslinger Hauptstraße 188 B/Haus 4
1220 Vienna

March 28, 2025

***Assessment of Fair Value of the property QBC 2 in Vienna***

Dear Ms. Bernhart,

based on our agreement (hereinafter "agreement" or "engagement letter") as of June 23, 2021 and the confirmation of orders as of January 17, 2025, QBC Immobilien GmbH & Co Alpha KG ("QBC" or "you") has mandated PwC Advisory Services GmbH, Vienna to ascertain the Fair Value of the Property "QBC2", 1100 Wien, KG 01101 Favoriten, EZ 3632 as of December 31, 2024.

The PwC Advisory Terms of Business (as amended 6 April 2011; see Attachment) were the basis for providing our services and for our responsibility, also in relation to third parties. We particularly draw your attention to our limitations of liability.

The valuation was to serve IFRS accounting purposes in compliance with the International Financial Reporting Standard IFRS 13 issued by International Accounting Standards Board (IASB).

IFRS 13 defines Fair Value as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date".

We have summarized the assumptions, estimations and conclusions made in our valuation, and our opinion of Fair Value of the Property in our Report dated March 28, 2025.

According to the engagement letter signed by you, the Report was exclusively prepared for you in accordance with the engagement letter and the therein determined purposes for reporting. The Report is confidential and shall therefore not be passed in whole or in part to any third party and shall not in whole or in part be published or referred to in a public document, the internet or any other public media. Duties of care and liabilities on the part of PwC towards third parties are excluded.

Yours faithfully

PwC Advisory Services GmbH

ppa. Olena Chekmezova Dr. Matthias Eicher

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*Donau-City-Straße 7*
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QBC Immobilien GmbH & Co Delta KG
Ms Anna Bernhart
Esslinger Hauptstraße 188 B/Haus 4
1220 Vienna
Austria

March 28, 2025

***Assessment of Fair Value of the property QBC 4 in Vienna***

Dear Ms. Bernhart,

based on our agreement (hereinafter "agreement" or "engagement letter") as of November 22, 2021 and the confirmation of orders as of January 17, 2025, QBC Immobilien GmbH & Co Delta KG ("QBC" or "you") has mandated PwC Advisory Services GmbH, Vienna to ascertain the Fair Value of the Property "QBC4", Karl-Popper-Straße 4, 1100 Vienna, KG 01101 EZ 3667 as of December 31, 2025.

The PwC Advisory Terms of Business (as amended 6 April 2011; see Attachment) were the basis for providing our services and for our responsibility, also in relation to third parties. We particularly draw your attention to our limitations of liability.

The valuation was to serve IFRS accounting purposes in compliance with the International Financial Reporting Standard IFRS 13 issued by International Accounting Standards Board (IASB).

IFRS 13 defines Fair Value as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date".

We have summarized the assumptions, estimations and conclusions made in our valuation, and our opinion of Fair Value of the Property in our Report dated March 28, 2025.

According to the engagement letter signed by you, the Report was exclusively prepared for you in accordance with the engagement letter and the therein determined purposes for reporting. The Report is confidential and shall therefore not be passed in whole or in part to any third party and shall not in whole or in part be published or referred to in a public document, the internet or any other public media. Duties of care and liabilities on the part of PwC towards third parties are excluded.

Yours faithfully

PwC Advisory Services GmbH

ppa. Olena Chekmezova

Dr. Matthias Eicher

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*Donau-City-Straße 7*
*1220 Vienna*
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QBC Immobilien GmbH & Co Zeta KG
Ms Anna Bernhart
Esslinger Hauptstraße 188 B/Haus 4
1220 Vienna

March 28, 2025

***Assessment of Fair Value of the property QBC 7 in Vienna***

Dear Ms. Bernhart,

based on our agreement (hereinafter "agreement" or "engagement letter") as of November 22, 2021 and the confirmation of orders as of January 17, 2025, QBC Immobilien GmbH & Co Zeta KG ("QBC" or "you") has mandated PwC Advisory Services GmbH, Vienna to ascertain the Fair Value of the Property "QBC7", 1100 Wien, KG 01101 Favoriten, EZ 3660 as of December 31, 2025.

The PwC Advisory Terms of Business (as amended 6 April 2011; see Attachment) were the basis for providing our services and for our responsibility, also in relation to third parties. We particularly draw your attention to our limitations of liability.

The valuation was to serve IFRS accounting purposes in compliance with the International Financial Reporting Standard IFRS 13 issued by International Accounting Standards Board (IASB).

IFRS 13 defines Fair Value as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date".

We have summarized the assumptions, estimations and conclusions made in our valuation, and our opinion of Fair Value of the Property in our Report dated March 28, 2025.

According to the engagement letter signed by you, the Report was exclusively prepared for you in accordance with the engagement letter and the therein determined purposes for reporting. The Report is confidential and shall therefore not be passed in whole or in part to any third party and shall not in whole or in part be published or referred to in a public document, the Internet or any other public media. Duties of care and liabilities on the part of PwC towards third parties are excluded.

Yours faithfully

PwC Advisory Services GmbH

ppa. Olena Chekmezova                Dr. Matthias Eicher

PricewaterhouseCoopers GmbH
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PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft
Kapelle-Ufer 4, 10117 Berlin

SG4 Dresden GmbH & Co. KG
Mr Adi Bikić and Mr Roman Brück
Friedrich-Ebert-Anlage 56
60325 Frankfurt am Main
Germany

9 April 2025
DKa/JSa

***Assessment of Fair Value of the property "Innside by Melia", Salzgasse 4 in Dresden***

Dear Mr. Bikić, Dear Mr. Brück,

You have first mandated PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Berlin to ascertain the Fair Value of the hotel property "Innside by Melia", Salzgasse 4 in 01067 Dresden as at 31 December 2020.

After the initial valuation, we provided regular bi-annual updates as of 30 June and 31 December of each year, and recently, you engaged us to update the Fair Value assessment of the subject property as of 31 December 2024.

The valuation was to serve IFRS accounting purposes in compliance with the International Financial Reporting Standard IFRS 13 issued by International Accounting Standards Board (IASB).

IFRS 13 defines Fair Value as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date".

We have summarized the assumptions, estimations and conclusions made in our valuation, and our opinion of Fair Value of the Property in our Report dated 3 March 2025.

According to the engagement letter signed by you, the Report is confidential and shall therefore not be passed in whole or in part to any third party and shall not in whole or in part be published or referred to in a public document, the Internet or any other public media.

Yours faithfully

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Kadel　　　ppa. Sacchi

Dirk Kadel　　　Julia Sacchi

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

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Kapelle-Ufer 4, 10117 Berlin

SA3 Media S.à r.l.
Ms. Carole Sassel and Mr. Fernand Sassel
7, route d´Esch
1470 Luxemburg
Luxemburg

9 April 2025
DKa/JSa

***Assessment of Fair Value of the property nhow in Berlin, Stralauer Allee 3***

Dear Ms. Sassel, Dear Mr. Sassel,

You have first mandated PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Berlin to ascertain the Fair Value of the hotel property nhow Berlin at Stralauer Allee 3 in 10245 Berlin as at 30 June 2020.

After the initial valuation, we provided regular bi-annual updates as of 30 June and 31 December of each year, and recently, you engaged us to update the Fair Value assessment of the subject property as of 31 December 2024.

The valuation was to serve IFRS accounting purposes in compliance with the International Financial Reporting Standard IFRS 13 issued by International Accounting Standards Board (IASB).

IFRS 13 defines Fair Value as “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date”.

We have summarized the assumptions, estimations and conclusions made in our valuation, and our opinion of Fair Value of the Property in our Report dated 3 March 2025.

According to the engagement letter signed by you, the Report is confidential and shall therefore not be passed in whole or in part to any third party and shall not in whole or in part be published or referred to in a public document, the Internet or any other public media.

Yours faithfully

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Dirk Kadel

Julia Sacchi

*PricewaterhouseCoopers GmbH*
*Wirtschaftsprüfungsgesellschaft*

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PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft
Kapelle-Ufer 4, 10117 Berlin

WLC Hamburg GmbH
Mr Adi Bikić and Mr Roman Brück
Friedrich-Ebert-Anlage 56
60325 Frankfurt

9 April 2025
DKa/JSa

***Assessment of Fair Value of the property Work Life Center in Hamburg***

Dear Mr Bikić, Dear Mr Brück,

You have first mandated PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Berlin to ascertain the Fair Value of the Property “Work Life Center” at Gorch-Fock-Wall 1a in 20354 Hamburg as at 31 December 2017.

After the initial valuation, we provided regular bi-annual updates as of 30 June and 31 December of each year, and recently, you engaged us to update the Fair Value assessment of the subject property as of 31 December 2024.

The valuation at hand is to serve IFRS accounting purposes in compliance with the International Financial Reporting Standard IFRS 13 issued by International Accounting Standards Board (IASB).

IFRS 13 defines Fair Value as “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date”.

We have summarized the assumptions, estimations and conclusions made in our valuation, and our opinion of Fair Value of the Property in our Report dated 9 April 2025.

According to the engagement letter signed by you, the Report is confidential and shall therefore not be passed in whole or in part to any third party and shall not in whole or in part be published or referred to in a public document, the Internet or any other public media.

Yours faithfully

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Kadel                ppa. Sacchi

Dirk Kadel                Julia Sacchi

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft
Kapelle-Ufer 4, 10117 Berlin

City Gate Stuttgart GmbH
Mr Adi Bikić and Mr Roman Brück
Friedrich-Ebert-Anlage 56
60325 Frankfurt

*PricewaterhouseCoopers GmbH*
*Wirtschaftsprüfungsgesellschaft*

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*julia.sacchi@pwc.com*

9 April 2025
DKa/JSa

***Assessment of Fair Value of the property City Gate Stuttgart***

Dear Mr. Bikić, Dear Mr. Brück,

You have first mandated PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Berlin to ascertain the Fair Value of the Property "City Gate Stuttgart" at Friedrichstraße/Kriegsbergstraße/Arnulf-Klett-Platz crossing as at 31 December 2016.

After the initial valuation, we provided regular bi-annual updates as of 30 June and 31 December of each year, and recently, you engaged us to update the Fair Value assessment of the subject property as of 31 December 2024.

The valuation at hand is to serve IFRS accounting purposes in compliance with the International Financial Reporting Standard IFRS 13 issued by International Accounting Standards Board (IASB).

IFRS 13.9 defines Fair Value as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date".

We have summarized the assumptions, estimations and conclusions made in our valuation, and our opinion of Fair Value of the Property in our Report dated 9 April 2025.

According to the engagement letter signed by you, the Report is confidential and shall therefore not be passed in whole or in part to any third party and shall not in whole or in part be published or referred to in a public document, the Internet or any other public media.

Yours faithfully
PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Kadel | ppa. Sacchi

Dirk Kadel | Julia Sacchi


INNSIDE®
BY MELIÁ
Salzgasse

# FINANCIAL REPORT

| in EUR | Note * | 31.12.2024 | 31.12.2023 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Investment properties | 5, 6 | 759,932,437 | 783,672,437 |
| Property, plant and equipment | 7 | 51,739,372 | – |
| Goodwill | 8 | 28,046,231 | 23,516,444 |
| Loans and accounts receivable | 9 | 50,202,161 | 74,412,609 |
| Deferred tax assets | 22 | 4,903,091 | 5,005,796 |
| Furniture and equipment | 7 | 6,540 | 9,276 |
| **Total non-current assets** | | **894,829,832** | **886,616,562** |
| **Current assets** | | | |
| Inventory | | 357,410 | – |
| Accounts receivable | 9 | 882,221 | 5,316,023 |
| Prepayments | | 859,535 | 812,735 |
| Prepaid taxes | | 558,911 | 410,205 |
| Cash & cash equivalents | 10 | 81,300,883 | 80,066,732 |
| **Total current assets** | | **83,958,960** | **86,605,695** |
| **Total assets** | | **978,788,792** | **973,222,257** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Borrowings | 12 | 431,796,959 | 269,574,287 |
| Deferred tax liabilities | 22 | 29,328,870 | 26,414,181 |
| Net defined benefit liability | 14 | 1,026,703 | – |
| Other non-current liabilities | 13 | 1,884,430 | 1,906,886 |
| **Total non-current liabilities** | | **464,036,962** | **297,895,354** |
| **Current liabilities** | | | |
| Accounts payable and accrued expenses | 13 | 2,777,270 | 2,412,609 |
| Advances received | | 1,475,932 | 427,421 |
| Taxes payable | | 1,023,907 | 1,425,688 |
| Borrowings | 12 | 9,245,540 | 170,119,074 |
| **Total current liabilities** | | **14,522,649** | **174,384,792** |
| **Equity** | | | |
| Share capital | | 13,400,390 | 13,400,390 |
| Share premium | | 668,715,693 | 668,715,693 |
| Treasury shares | | – 75,827 | – 2,375,899 |
| Accumulated deficit | | – 190,641,921 | – 187,327,080 |
| Other reserves | | – 24,318 | – 137,632 |
| Cumulative translation adjustment | | 675,966 | 753,876 |
| **Shareholders' equity attributable to the holders of the Company** | **24** | **492,049,983** | **493,029,348** |
| Non-controlling interest | | 8,179,198 | 7,912,763 |
| **Total equity** | | **500,229,181** | **500,942,111** |
| **Total equity and liabilities** | | **978,788,792** | **973,222,257** |
| Number of shares outstanding | | 14,405,824 | 14,316,390 |
| Net asset value per share | | 34.16 | 34.44 |

* The Notes are an integral part of these Consolidated Financial Statements.

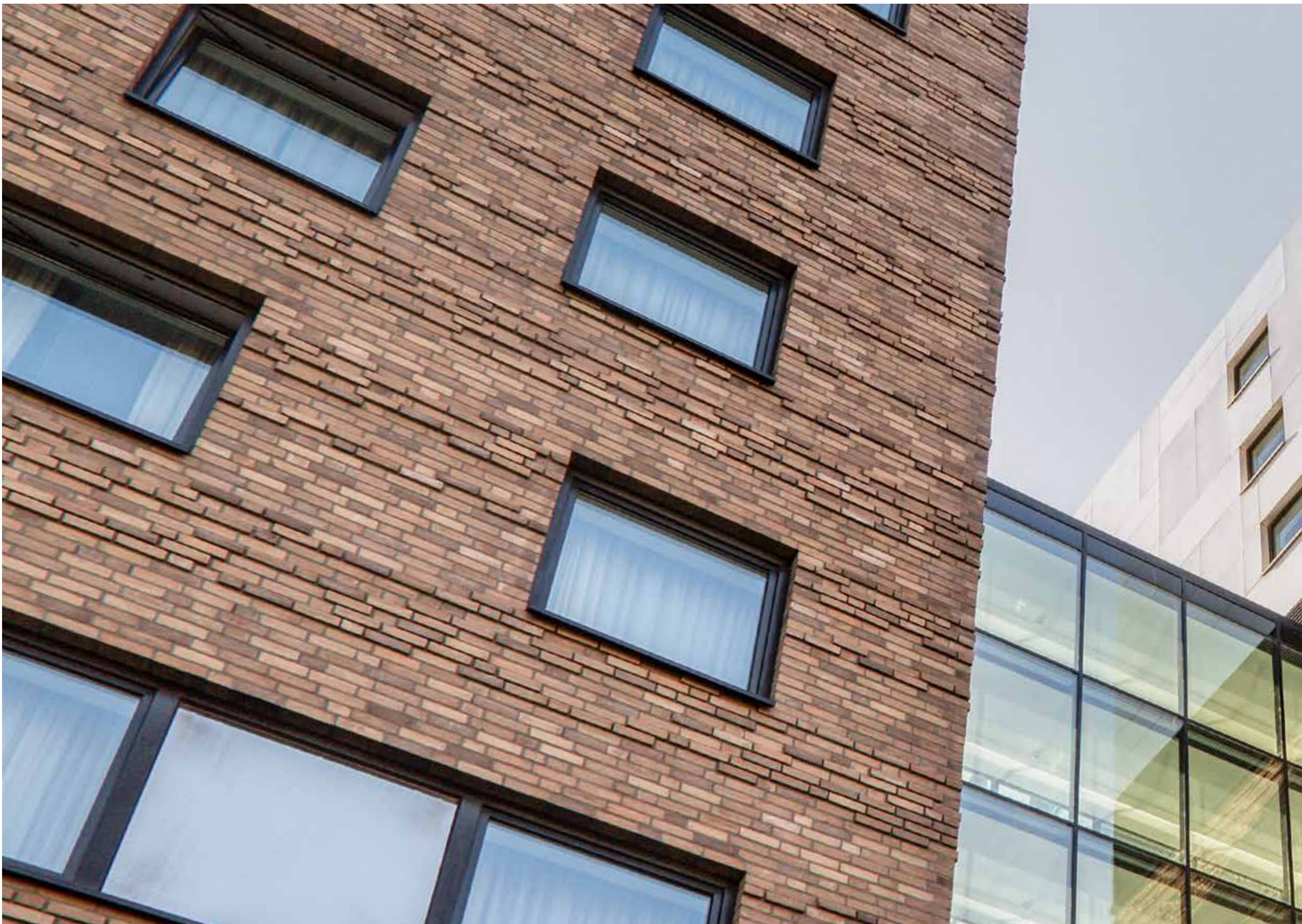
| in EUR | Note * | for year ended 31.12.2024 | 31.12.2023 |
|---|---|---|---|
| **Continuing operations** | | | |
| **Rental income** | | | |
| Gross rental income | 15 | 36,847,758 | 33,985,311 |
| Service charge income | 15 | 7,895,281 | 10,461,708 |
| Property operating and maintenance expenses | 15 | – 9,634,368 | – 11,850,508 |
| **Net rental income** | | **35,108,671** | **32,596,511** |
| **Revenue and operating costs of hotel property** | | | |
| Revenue | 16 | 10,240,896 | – |
| Cost | 16 | – 11,242,206 | – |
| **Net operating loss of hotel property** | | **– 1,001,310** | **–** |
| Management fees | 25 | – 1,924,013 | – 1,671,074 |
| Administrative expenses | 17 | – 4,012,060 | – 3,283,324 |
| Impairment allowance allowance for loans and receivables | 9 | 5,031,400 | 10,622,645 |
| Other income | 18 | 994,002 | 2,554,623 |
| Other expenses | 19 | – 1,912,975 | – 1,207,728 |
| Revaluation of investment properties | 5, 6 | – 24,200,345 | – 115,726,518 |
| **Net operating gain/(loss)** | | **8,083,370** | **– 76,114,865** |
| Finance income | 20 | 2,892,475 | 20,762,235 |
| Finance cost | 21 | – 17,183,753 | – 15,277,751 |
| Net foreign exchange gain/(loss) | | 1,994,826 | – 1,742,696 |
| **Loss before tax** | | **– 4,213,082** | **– 72,373,077** |
| Income taxes | 22 | 1,182,530 | 13,340,561 |
| **Net loss from continuing operations** | | **– 3,030,552** | **– 59,032,516** |
| Net loss from discontinued operations (attributable to equity holders of the Company) | 11 | – | – 103,266,531 |
| **Total loss for the year** | | **– 3,030,552** | **– 162,299,047** |
| Attributable to: | | | |
| Equity holders of the Company | | – 3,314,841 | – 160,253,960 |
| Non-controlling interest | | 284,289 | – 2,045,087 |
| **Earnings per share for loss from continuing operations attributable to equity holders of the Company during the period** | | | |
| Weighted average number of outstanding shares | 23 | 14,387,380 | 14,317,616 |
| Basic and diluted | 23 | – 0.23 | – 3.98 |

* The Notes are an integral part of these Consolidated Financial Statements.

| | | for year ended | |
|---|---|---|---|
| in EUR | Note* | 31.12.2024 | 31.12.2023 |
| **Net loss profit for the period** | | **– 3,030,552** | **– 162,299,047** |
| **Other comprehensive gain/(loss)** | | | |
| Items that may be reclassified subsequently to profit or loss: | | | |
| Changes in fair value of financial assets at fair value through other comprehensive income | | 176,775 | – 93,190 |
| Loss on currency translation differences | | – 77,910 | – 25,888,127 |
| Income tax relating to these items | | – | – 6,036 |
| Currency translation differences reclassified to profit or loss upon disposal of discontinued operations | 11 | – | 162,743,942 |
| **Net other comprehensive (loss)/gain that may be reclassified subsequently to profit or loss** | | **98,865** | **136,756,589** |
| Items that will not be reclassified subsequently to profit or loss: | | | |
| Remeasurement of the net defined benefit liability | 14 | – 94,443 | – |
| Income tax relating to these items | | 13,128 | – |
| Net other comprehensive (loss)/gain that will not be reclassified subsequently to profit or loss | | – 81,315 | – |
| **Total comprehensive (loss)/gain for the period** | | **– 3,013,002** | **– 25,542,458** |
| Attributable to: | | | |
| Equity holders of the Company | | – 3,279,437 | – 23,507,394 |
| Non-controlling interest | | 266,435 | – 2,035,064 |

* The Notes are an integral part of these Consolidated Financial Statements.

| in EUR | Share capital | Share premium | Treasury shares | Accumulated deficit |
|---|---|---|---|---|
| **Balance as at 31.12.2022** | **13,400,390** | **668,715,693** | **– 2,295,952** | **– 27,073,120** |
| | | | | |
| | | | | |
| Net loss for the period | – | – | – | – 160,253,960 |
| Other comprehensive gain/(loss) | – | – | – | – |
| Total comprehensive gain/(loss) for the period | – | – | – | – 160,253,960 |
| Acquisition of treasury shares, net of sale (acquired 88.966 EUR, sold 9.019 EUR) | – | – | – 79,947 | – |
| **Balance as at 31.12.2023** | **13,400,390** | **668,715,693** | **– 2,375,899** | **– 187,327,080** |
| Net (loss)/profit for the period | – | – | – | – 3,314,841 |
| Other comprehensive gain/(loss) | – | – | – | – |
| Total comprehensive gain/(loss) for the period | – | – | – | – 3,314,841 |
| Sale of treasury shares, net of acquisition | – | – | 2,300,072 | – |
| **Balance as at 31.12.2024** | **13,400,390** | **668,715,693** | **– 75,827** | **– 190,641,921** |



| Other reserves | Cumulative translation adjustment | Shareholders' equity attributable to the holders of the Company | Non-controlling interest | Total equity |
|---|---|---|---|---|
| **– 28,383** | **– 136,101,939** | **516,616,689** | **9,947,827** | **526,564,516** |
| | | | | |
| | | | | |
| – | – | – 160,253,960 | – 2,045,087 | – 162,299,047 |
| – 109,249 | 136,855,815 | 136,746,566 | 10,023 | 136,756,589 |
| – 109,249 | 136,855,815 | – 23,507,394 | – 2,035,064 | – 25,542,458 |
| – | – | – 79,947 | – | – 79,947 |
| **– 137,632** | **753,876** | **493,029,348** | **7,912,763** | **500,942,111** |
| – | – | – 3,314,841 | 284,289 | – 3,030,552 |
| 113,314 | – 77,910 | 35,404 | – 17,854 | 17,550 |
| 113,314 | – 77,910 | – 3,279,437 | 266,435 | – 3,013,002 |
| – | – | 2,300,072 | – | 2,300,072 |
| **– 24,318** | **675,966** | **492,049,983** | **8,179,198** | **500,229,181** |

| | | for year ended | |
|---|---|---|---|
| in EUR | Note * | 31.12.2024 | 31/12/2023 |
| **Cash flows from operating activities** | | | |
| Net loss for the period | | – 3,030,552 | – 162,299,047 |
| Net foreign exchange (loss)/gain | | – 1,994,826 | 29,024,439 |
| Revaluation of investment properties | 5 | 24,200,345 | 89,909,698 |
| Impairment allowance for loans and receivables | 9 | – 5,031,400 | – 10,622,645 |
| Impairment of goodwill | 19 | 1,009,332 | 436,028 |
| Other non-cash expenses | | 144,299 | 144,073 |
| Impairment allowance/(Release of impairment allowance) for Eurobonds | 19 | 57,716 | – 88,533 |
| Loss incurred on sale of subsidiary | 11 | – | 101,453,432 |
| Depreciation | | 1,447,426 | 3,081 |
| Gain on early termination of interest rate SWAP | 20 | – | – 18,211,782 |
| Interest income | 20 | – 2,892,475 | – 2,728,831 |
| Finance costs | 21 | 17,183,753 | 18,672,717 |
| Income related to acquisitions of properties in prior periods | 18 | – | – 2,171,625 |
| Income tax benefit | 22 | – 1,182,530 | – 6,164,719 |
| **Cash generated from operations before movements in working capital** | | **29,911,088** | **37,356,286** |
| **Movements in working capital** | | | |
| Increase/(decrease) in accounts payable and other liabilities | | 1,274,317 | – 642,482 |
| Decrease in accounts receivable and other receivables | | 1,400,977 | 1,267,199 |
| Increase in inventory | | 46,633 | – |
| **Cash generated from operations** | | **32,633,015** | **37,981,003** |
| Release from restricted cash of tenant deposits | | – | – |
| Interest income received | | 843,999 | 1,930,634 |
| Income tax paid | | – 1,416,775 | – 2,643,076 |
| **Net cash generated from operating activities** | | **32,060,239** | **37,268,561** |
| **Cash flows from investing activities** | | | |
| Acquisitions of business, net of cash acquired | 4 | – 51,848,217 | – |
| Purchases of investment properties | | – 540,193 | – 2,219,889 |
| Purchases of fixed assets | 7 | – 670,410 | – |
| Repayments of loans given | 9 | 32,498,750 | 31,448,228 |
| Disposal of subsidiary | 11 | – | – 6,588,900 |
| Placement of cash deposits with banks (>3 months), net | 9 | 2,200,000 | – 2,200,000 |
| Loans granted | | – | – 1,335,647 |
| **Net cash (used in)/ generated from investing activities** | | **– 18,360,070** | **19,103,792** |
| **Cash flows from financing activities** | | | |
| Interest paid | | – 13,545,563 | – 17,480,793 |
| Proceeds from borrowings | | 443,419 | 3,735,517 |
| Repayment of borrowings | | – 1,135,626 | – 181,305,271 |
| Proceeds from early termination of interest rate SWAP | | – | 18,211,782 |
| Proceeds from sale of treasury shares | 24 | 2,344,896 | 9,019 |
| Acquisition of treasury shares | | – 44,824 | – 88,966 |
| Bank fee for early termination of loan | | – | – 790,000 |
| **Net cash used in financing activities** | | **– 11,937,698** | **– 177,708,712** |
| **Net change in cash & cash equivalents** | | **1,762,471** | **– 121,336,359** |
| Cash & cash equivalents at the beginning of the period | | 80,066,628 | 202,563,857 |
| Effects of exchange rate changes on the cash flows | | – 528,806 | – 1,160,870 |
| **Cash & cash equivalents at the end of the period** | **10** | **81,300,293** | **80,066,628** |

* The Notes are an integral part of these Consolidated Financial Statements.

Notes to the statement of cash flow

1. Cash flows for the year ended 31 December 2023 included both continued and discontinued operations. Disclosure of cash flows of discontinued operations is given in Note 11.2
2. Non-cash transactions: Changes in liabilities arising from financing activities, including non-cash transactions, are disclosed in Note 12.4. Changes in financial assets arising from investing activities, including non-cash transactions, are disclosed in Notes 9.1 and 9.2.

# 1. CORPORATE INFORMATION

EPH European Property Holdings PLC (former "EPH European Property Holdings Limited" (26 June 2020 – 7 February 2022) and "Eastern Property Holdings Ltd." (from foundation up to June 2020)) (the "Company", "EPH") is a limited liability company incorporated and domiciled in Cyprus (before 7 February 2022, in British Virgin Islands) whose shares are publicly traded on the SIX Swiss Exchange. The registered office is located at Monis Machaira 18, Office 101, 3020 Limassol, Cyprus. The consolidated financial statements of EPH European Property Holdings PLC and its subsidiaries (together the "Group") for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the Board of Directors on 29 April 2025.

The principal activities of the Group are described in Note 3.

The Company was founded in 2003 with the intention to invest in the Russian real estate market. In 2016, EPH acquired its first property outside Russia. In the following years, the company continued its westward expansion and strengthened its real estate portfolio through further acquisitions in Germany and Austria. In June 2020, the Company changed its name to EPH European Property Holdings to underline its geographic shift and its intensive expansion phase across European real estate markets. On 7 February 2022, the Company re-domiciled to Cyprus as EPH European Property Holdings PLC.

On 19 April 2023, the Company sold its Russian portfolio. After sale, the Group continues to build up its presence in the Western Europe. On 16 January 2024, the Group acquired the 5-star hotel Trois Couronnes in the town of Vevey, one of the main centres of the Swiss Riviera. Apart from the acquisition of the historic hotel property, EPH acquired the hotel operations with approximately 70 full-time employees. Moreover, it is not only the acquisition of an operative business but the strategic decision to expand the portfolio with a value-add property which is planned to be redeveloped in the coming years.

# 2. ACCOUNTING POLICIES

## 2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and SIX Swiss Exchange Regulations on financial reporting. The consolidated financial statements have been prepared on a historical cost basis, except for investment properties and some categories of financial assets and liabilities. The consolidated financial statements are presented in Euro ("EUR").

## 2.2 Going concern basis

The consolidated financial statements have been prepared on a going concern basis. The Group incurred a loss of EUR 3.03 million for the year ended 31 December 2024 (EUR 162.3 million). As of that date, the Group's current assets exceeded its current liabilities by EUR 69.44 million (as of 31 December 2023 current liabilities exceeded current assets by EUR 87.78 million). The loss incurred in 2023 was mainly attributable to the reclassification of the cumulative loss on exchange differences of EUR 162.74 million and negative fair value adjustment for investment property of EUR 115.73 million. Thus, during 2024 the Groups' financial position and performance demonstrated significant improvement.

Reclassification of the cumulative loss on exchange differences related to the disposal group. It had been accumulated in the separate component of equity ('Cumulative translation adjustment'). Upon completion of the sale of disposal group in 2023 (Note 11), it was reclassified from equity to profit or loss statement.

Negative correction of the fair value of the investment property reflected expectations of the market participants for the growth in cost of capital.

The maturities of the bonds issued by the Company in prior years for the amount of EUR 167.43 million had been successfully extended for 5 years from May 2024 to May 2029 (EUR 122.18 million (ISIN CH1177348302)) and from December 2024 to December 2029 (EUR 45.25 million (ISIN CH1177348310)).

Considering above and the high quality and performance of the European portfolio and successful experience in the past, the management is confident that the Group will be able to meet its obligations as they fall due and to continue as a going concern. Based on these grounds, the financial statements are prepared on a going concern basis.

## 2. 3 Basis of consolidation

### Subsidiaries

The consolidated financial statements comprise the financial statements of the Group as of 31 December 2024. Control over subsidiaries is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, it has:

– Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
– Exposure, or rights, to variable returns from its involvement with the investee
– The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

– The contractual arrangement with the other vote holders of the investee
– Rights arising from other contractual arrangements
– The Group's voting rights and potential voting rights.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of financial position, statement of profit or loss and statement of comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions are eliminated in full. Non-controlling interests represent the portion of comprehensive income and net assets not held by the Group and are presented separately in the consolidated statement of profit or loss and within the consolidated statement of changes in equity in the consolidated statement of financial position, separately from parent shareholders' 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 parent company. When the group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable IFRS Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments when applicable, or the cost on initial recognition of an investment in an associate or a joint venture. The Group's structure is given in the Corporate Governance part of the annual report.

### 2.4 Functional and presentation currency

The functional currency of the Company, from 1 January 2022, is Euro ("EUR"). The functional currency of the Group's subsidiaries is Euro ("EUR") and Swiss franc ("CHF") (for the Swiss hotel property 3C). Russia domiciled subsidiaries, that were sold in April 2023 (Note 11), had the Russian Ruble ("RUB") as a functional currency. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in EUR.

### Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions or valuation where items valued at fair value are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the consolidated statement of profit or loss. The Group uses the following official rates of exchange, as determined by the Swiss National Bank (for 1 EUR):

| | 31.12.2024 | | 31.12.2023 |
|---|---|---|---|
| | US$ | CHF | US$ |
| closing rate | 1.0421 | 0.9419 | 1.1048 |
| average rate | 1.0800 | 0.9530 | 1.0828 |

For translation of business combination (Note 4) in the reporting period and translation of profit or loss and disposal of the Russian segment in the previous period (Note 11), the Group used the following rates:

| | 16.01.2024 | 19.04.2023 | |
|---|---|---|---|
| | CHF | RUB | US$ |
| rate at the date | 0.9356 | 89.2548 | 1.0988 |
| average rate 1.01.2023 - 19.04.2023 | NA | 82.0266 | 1.0827 |

### Translation of consolidated financial statements

The results and financial position of all Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that financial position;
- income and expenses for each consolidated statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income or expenses.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings that qualify as quasi-equity loans, are taken to other comprehensive income. When the foreign operation is sold, such exchange differences are recognised in the consolidated statement of profit or loss.

Goodwill and fair value adjustment arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

## 2.5 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

### 2.5.1 New and Amended standards and interpretations

New standards, amendments and improvements to standards set out below became effective 1 January 2024 and did not have any impact or did not have a material impact on the Group's financial statements, if not indicated other:

– Amendments to IAS 1: Classification of Liabilities as Current and Non-current; Non-current Liabilities with Covenants, effective 1 January 2024;
– Amendments to IFRS 16: Lease Liability in a Sale and Leaseback, effective 1 January 2024;
– Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements, effective 1 January 2024.

### Standards issued but not yet effective

In 2024, the Group did not early adopt any new or amended standards and does not plan to early adopt any of the issued, but not yet effective standards:

– Amendments to IAS 21: Lack of Exchangeability, effective 1 January 2025;
– IFRS 18: Presentation and Disclosure in Financial Statements, effective 1 January 2027;
– IFRS 9/IFRS 7 Amendments to the Classification and Measurement of Financial Instruments, effective 1 January 2026;
– Annual Improvements to IFRS Accounting Standards—Volume 11 which makes minor amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10;
– IFRS 19 Subsidiaries without Public Accountability: Disclosures, effective 1 January 2026.

## 2.6 Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. Although management believes that the assumption and estimates used in these consolidated financial statements are appropriate, any unforeseeable changes in these assumptions could impact the net assets, financial position and results of operations.

### 2.6.1 Critical judgements in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements.

### Property lease classification - the Group as a Lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of this property and accounts for the contracts as operating leases.

### 2.6.2 Critical estimates and assumptions

### Valuation of Investment property

### Expected credit loss for loans and receivables from the former Russian segment

Expected credit loss is defined as weighted average of credit losses with the respective risks of a default occurring as the weights. A credit loss is defined as the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). An entity shall estimate cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument. The cash flows that are considered shall include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. There is a presumption that the expected life of a financial instrument can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the expected life of a financial instrument, the entity shall use the remaining contractual term of the financial instrument. The standard IFRS 9, that regulates accounting for impairment of financial assets, provides only a general definition of ECL and does not require a concrete methodology for calculating ECL to be applied in practice. The most common approach is to calculate ECL as the sum of the marginal future expected losses in each period following the reporting date. Future losses are estimated using Probability of Default (PD), Loss Given Default (LGD) and Exposure at default (EAD). This approach allows to leverage existing models and risk parameters, as PD, EAD and LGD are commonly used for risk management and for other regulatory requirements (IRB). For financial instruments for which there is insufficient information to calculate the probability of default, calculation of ECL directly based on the discounted cash flow method may be more applicable. For the loans and receivables from the former Russian segment, information to calculate PD is not sufficient, as there is no historical data on defaults of similar instruments, on the base of which the probability of default could be calculated. Therefore, the discounted cash flow method was applied to calculate ECL, because the Company has information about forecasted cash flows. Final ECL is determined as the probability-weighted average of ECLs calculated for two alternatively possible basic scenarios and several stress-test scenarios that take into account both positive and negative changes in the basic scenarios. Basic scenarios are given 50% in total; negative and positive scenarios are given by 25% evenly.

Credit risk at the reporting date was determined at stage 2 due to the latest macroeconimic developments in Russia, including depreciation of RUB; increase in discount rate of the Central bank; growth of the national budget deficit; unclear prospects of the conflict in Ukraine. Estimated credit loss allowance for a financial instrument at this stage is equal to lifetime expected credit losses and amounts to EUR 6.59 million as of 31 December 2024 (31 December 2023: EUR 11.98 million). Had the weight of the negative scenarios been higher/lower by 20%, ECL would have been greater/lower by EUR 0.66 million (2023: EUR 0.48 million). Consequently, the Group would have recognized additionally (loss)/gain on impairment allowance for EUR 0.66 million. Detailed information on loans and receivables is given in Note 9.

### Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded.

The Group recognises liabilities, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such liabilities is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax liabilities in the period in which such determination is made.

## 2.7 Summary of significant accounting policies

### 2.7.1 Investment property

Investment property comprises completed property and property under construction or redevelopment held to earn rentals or for capital appreciation or both. Land plot, on which the property is constructed, held under a lease is classified as investment property when the definition of an investment property is met. The lease obligation is recognised under IFRS 16 at the present value of the lease payments that are not paid at that date.

Investment property is measured initially at cost including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and initial leasing commissions incurred to ensure that the property is operational. The carrying amount also includes the costs for replacing parts of an existing Investment property at the time when the cost is incurred if the recognition criteria are met. Subsequent to initial recognition, investment property is stated at fair value. Gains or losses arising from changes in the fair values are included in the consolidated statement of profit or loss in the year in which they arise. Investment property is derecognised when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of investment property are recognised in the consolidated statement of profit or loss in the year of retirement or disposal. Gains or losses on the disposal of investment property are determined as the difference between net disposal proceeds and the carrying value of the asset.

Fair value is the price that would be received in case of a sale of the investment property in an orderly transaction between market participants at the measurement date. The fair value of the investment property is determined by professional third party appraisers at each balance sheet date, acquisition date and date of disposal using recognized valuation techniques and the principle of IFRS 13.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect to the property. The appraisers determine the value of the Group's real estate holdings in currency used in the lease contracts of each property (EUR).

The external appraisal specialists have been commissioned by the Group to perform valuations of its real estate holdings. The results of the valuations have been reviewed and approved by the Board of Directors as representing the fair values at the reporting date.

### 2.7.2 Property, plant and equipment

Property, plant and equipment (also 'PPE', 'fixed assets') are tangible items that:
(a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
(b) are expected to be used during more than one period.

An owner-managed property is classified as owner-occupied property (PPE), rather than investment property, when auxiliary services provided to tenants are significant to the arrangement as a whole. A hotel property, which rents its rooms and delivers hospitality services to guests as a significant proportion of the whole price, and is managed by employees, classifies as PPE accounted for under IAS 16 Property, plant and equipment. An item of PPE is initially recognized at cost. An item of PPE acquired in a business combination is initially recognized at its acquisition-date fair value, which serves in subsequent accounting as its cost. After recognition, the asset is carried at its cost less any accumulated depreciation and any accumulated impairment losses.

The PPE are classified according to their use and nature: building and free-hold land; other fixed assets, including machinery, equipment, furniture and fixtures, decoration elements etc. Each asset is depreciated over its useful life using straight-line method that results in a constant charge over the useful life if the asset's residual value does not change. Each part of an item of the assets with a cost that is significant in relation to the total cost of the item is depreciated separately. The residual value and the useful life of fixed assets shall be reviewed at least at each financial year-end and, if expectations differ from previous estimates, the change(s) shall be accounted for as a change in an accounting estimate in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The useful life of an asset is defined in terms of the asset's expected utility to the entity.

Remaining useful life for main groups of fixed assets is determined as follows as of 31 December 2024:
- Building – 40 years;
- Other fixed assets – 2.5 – 10 years.

Depreciation charge is recognized in statement of profit or loss, sub-section Revenue and operating costs of hotel property, line Cost. Depreciation charge of office equipment and furniture is recognised in line Other expenses in statement of profit or loss.

### 2.7.3 Impairment of property, plant and equipment
At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

### 2.7.4 Assets classified as held for sale and liabilities directly associated with assets classified as held for sale (disposal group)
Investment property and other assets directly associated with disposal group is transferred to non-current assets held for sale when it is expected that the carrying amount will be recovered principally through sale rather than from continuing use. For this to be the case, the property must be available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such property and its sale must be highly probable.

Disposal group is measured at the lower of its carrying amount and fair value less costs to sell. Assets and liabilities constituting disposal group are presented separately as current items in the statement of financial position. On reclassification, investment property that is measured at fair value continues to be so measured.

### 2.7.5 Property acquisition and business combinations
Where a property is acquired, via corporate acquisitions or otherwise, management considers the substance of the assets and activities of the acquired entity to determine whether the acquisition represents the acquisition of a business. The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property. More specifically, consideration is made of the extent to which substantive processes are acquired.

If acquired set of activities does not have an output (i.e. revenue), the process (or group of processes) is substantive only if:
- it is critical to the ability to develop or convert an acquired input or inputs into outputs; and
- the inputs acquired include both an organised workforce that has the necessary skills, knowledge, or experience to perform that process (or group of processes) and other inputs that the organised workforce could develop or convert into outputs.

If acquired set of activities has an output, the process (or group of processes) shall be considered substantive if, when applied to an acquired input or inputs, it:

– is critical to the ability to continue producing outputs, and the inputs ac quired include an organised workforce with the necessary skills, knowledge, or experience to perform that process; or
– significantly contributes to the ability to continue producing outputs and:
    - is considered unique or scarce; or
    - cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Where such acquisitions are not judged to be an acquisition of a business, they are not treated as business combinations. Rather, the cost to acquire the corporate entity is allocated between the identifiable assets and liabilities of the entity based on their relative fair values at the acquisition date. Accordingly, no goodwill or additional deferred taxation arises.

### 2.7.5.1 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in the consolidated statement of profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date.

If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss. The goodwill is not deductible for income tax purposes.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Goodwill is tested for impairment at least annually, where there is an indica- tor that it is impaired or where there is an indicator that the CGU(s) to which it is allocated is impaired. Where the impairment indicator relates to specific CGUs, those CGUs are tested for impairment separately before testing the group of CGUs and the goodwill together.

Where a property acquisition meets the definition of a business, the entity should apply IAS 12, and it might need to recognise a deferred tax liability on acquisition and the corresponding goodwill. An impairment test for such goodwill is performed using fair value less costs of disposal. The carrying value of a CGU under the fair value less costs of disposal method includes the deferred tax liabilities.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

### 2.7.6 Financial assets

#### Classification

The Group's financial assets (loans, receivables and cash and cash equivalents) are classified as subsequently measured at amortised cost based on the following criteria:

- the financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group has following categories of financial assets under this business model:

- Receivables result from transactions that are within scope of IFRS 16 Leases (collectible on rental revenue), IFRS 15 Revenue from Contracts with Customers (collectibles on service charge fee and sales of properties) and IFRS 9 (receivables on deferred consideration on disposal of the former subsidiaries, held-to-maturity bank deposits with maturity over 3 months and cash on bank accounts restricted for use for different reasons);
- Cash and cash equivalents that include cash in-hand, cash at bank and in transit between bank accounts, short-term deposits with an original maturity of three months or less. Bank overdrafts are shown separately in the current liabilities on the statement of financial position. These items are accounted for in accordance with IFRS 9.

The Group's financial assets are classified as financial assets subsequently measured at fair value through other comprehensive income ("FVOCI)" if both of the following conditions are met based on the following criteria:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group has Eurobonds of third parties that meet the criteria and are measured at FVOCI.

#### Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

#### Measurement

At initial recognition, the group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Subsequently, receivables and cash and cash equivalents are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss in the consolidated statement of profit or loss and presented in other income or expense. Impairment losses are presented as separate line item in Profit or loss in the consolidated statement of profit or loss. The group recognizes the changes in the fair value of Eurobonds in Other comprehensive income. These changes are accumulated within the Other reserve within equity. The group transfers amounts from this reserve to retained earnings when the relevant asset is derecognised. Cash flows from interest income received are classified as operating activity in the consolidated statement of cash flows.

#### Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For receivables resulting from transactions in the scope of IFRS 15 and IFRS 16, the group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. These receivables have been determined to have low credit risk.

For Eurobonds, the Group generally assumes that fair value (market price) at the reporting period correctly reflects credit risk of the asset. Management measures the loss allowance for specific Eurobonds at an amount equal to the lifetime expected credit losses, if management identified that the credit risk on them has increased significantly since initial recognition. The impairment allowance for Eurobonds is recognised in profit or loss (in aggregate with other items in line 'Other expenses' ('Other income' for release of the impairment allowance) or as a separate line 'Impairment allowance', depending on materiality of the amount) and reduces the fair value loss otherwise recognised in other comprehensive income. The impairment allowance does not reduce the carrying amount of the asset in the statement of financial position. The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### 2.7.7 Financial liabilities

#### Classification, initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss. All financial liabilities are recognised initially at fair value minus transaction costs that are directly attributable to issue of the financial liability. The Group's financial liabilities include trade and other payables and accrued expenses, tenant deposits and borrowings including own bonds issued. At the date of recognition, financial liabilities are irrevocably designated as measured at FVTPL if it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. All Group's financial liabilities meet criteria for being accounted for as subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit or loss. Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

#### Derecognition

A financial liability is derecognised when it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

#### Classification of interest expense in the statement of cash flows

Cash flows from interest expense paid are classified as financing activity in the consolidated statement of cash flows. Cash flows from interest expense, capitalized in cost of investment property, are classified as investing activity in the consolidated statement of cash flows.

### 2.7.8 Current income tax

Current Income Tax Assets and Liabilities are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals, internal and external, supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

### 2.7.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes purchase price and expenses that have been incurred in bringing the inventories to their present location. Cost is calculated using the weighted average cost method. Net realisable value is the estimated selling price in the ordinary course of business less any directly attributable selling expenses. Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date.

### 2.7.10 Deferred income tax

Deferred Income Tax is provided using the liability method on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, with the following exceptions:

- Where the temporary taxable difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, joint operations and associates where the timing of the reversal of the temporary differences can be controlled by the parent, operator or investor, respectively, and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred Income Tax Assets are recognised only to the extent that it is probable that taxable profits will be available against which deductible temporary differences, carried forward tax credits or tax losses can be utilised. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities. In determining the expected manner of realisation of an investment property measured at fair value, a rebuttable presumption exists that its carrying amount will be recovered through the sale. Deferred Income Tax Assets and Liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

### 2.7.11 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Group as a Lessee

The operations in which the Group acts as a lessee are insignificant.

#### Group as a Lessor

Refer to accounting policies on rental income in Note 2.7.12.

#### Rent receivables

Rent receivables are recognised at their original invoiced value except where the time value of money is material, in which case rent receivables are recognised at fair value and subsequently measured at amortised cost. Refer to accounting policies on financial assets in this note.

#### Tenant deposits

Tenant deposits are initially recognised at fair value and subsequently measured at amortised cost. Any difference between the initial fair value and the nominal amount is included as a component of operating lease income and recognised on a straight-line basis over the lease term. Refer also to accounting policies on financial liabilities in Note 2.7.7.

### 2.7.12 Revenue recognition

The Group's key sources of income include:

- Rental income;
- Services to tenants including management charges and other expenses recoverable from tenants; and
- Revenue from hospitality services.

The accounting for each of these elements is discussed below.

#### Rental income

The Group earns revenue from acting as a lessor in operating leases which do not transfer substantially all of the risks and rewards incidental to ownership of an investment property. Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature, except for contingent rental income which is recognised when it arises. Initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense over the lease term on the same basis as the lease income. Lease incentives that are paid or payable to the lessee are deducted from lease payments. Accordingly, tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the term of the lease. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the Group is reasonably certain that the tenant will exercise that option. The initial direct costs and tenant lease incentives are presented in the line item 'Investment property' in the statement of financial position. Amounts received from tenants to terminate leases or to compensate for dilapidations are recognized as gain or loss, respectively, in the statement of profit or loss when the right to receive them arises.

#### Revenue from services to tenants

The Group recovers direct expenses arising on exploitation and maintenance of the investment property through fixed and variable (i.e. tied to the actual utility costs) service charge fee. Service charge revenue is recognised when a performance obligation is satisfied, which occurs when control of a service transfers to the customer. Since the customer receives and consumes the benefits of the services as the Group performs these services, the control transfers to the customer over time. Based on this criterion, revenue is recognized over time using the input method to measure progress of the performance that is when the recoverable costs are incurred. Service charges are included gross of the related costs in revenue, as the management considers that the Group acts as principal in this respect. For practical reasons, the Group recognises the service charge income in the statement of profit or loss at the last date of every month. The Group arranges for third parties to provide certain of these services to its tenants. The Group concluded that it acts as a principal in relation to these services as it controls the specified services before transferring them to the customer. Therefore, the Group records revenue on a gross basis.

#### Revenue from hospitality services

Revenue from hospitality services comprise of the following types:

- Accommodation: room charge, that includes room rent and standard service package (room cleaning etc.), charged for specific requests of guests;
- Restaurant: sales of goods of the restaurant, both produced and re-sold;
- SPA: SPA services and goods for resale;
- Other income, such as income for providing space and hospitality services on public events and other minor revenues.

Prices are usually fixed. Revenue from services is recognized when the services are rendered. Rent component is not separated from the service component and is recognized at the same time, that is as the guest checks-out from the room. Revenue from the sale of goods is recognized at a point in time when it is delivered to the customer. Payment of the transaction price is due immediately when the services are provided and/or goods are delivered, so that no financial component is present in the transaction. The Group does not operate any customer loyalty programme, neither provide for a right of return on a regular basis. Costs, incurred in respect of delivery of services and sale of goods, are recognized in the statement of profit or loss in the same period with corresponding revenues. Salary, social charges and other short-term employee benefits are recognized on a monthly basis. Depreciation charge is recognized in accordance with the policy described above in section Property, plant and equipment. Materials and consumables, including products for re-sale and those used in production of goods, are expensed at a point in time when respective goods are sold or services are delivered. Utility expenses are recognized on a monthly basis. Other operating costs (repair and maintenance, services of third parties etc.) are recognized when incurred. Revenues and costs (direct and production overheads) from hospitality services are presented in the statement of profit or loss in lines Revenue and Cost in sub-section Revenue and operating costs of hotel property.

### 2.7.13 Other income and expense

Other income and expense include income and expense that are derived from activities not directly related to the main focus of business and/or has irregular nature.

### 2.7.14 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

### 2.7.15 Defined benefit plans

The newly acquired Swiss subsidiary Société de l'Hôtel des Trois Couronnes makes contributions for its employees to a pension plan that provides benefits in the event of death, disability and retirement and falls into category of a defined benefit plan as defined by IAS 19 Employee Benefits. In the case of defined benefit plans, the period costs are determined by an independent recognized actuary. The benefits provided by these plans are generally based on the years of insurance, age, and pensionable salary. The net liability or net asset for each defined benefit plan is measured on the basis of the present value of the pension obligations determined using the projected unit credit method and the present value of the plan asset and reported in the statement of financial position. These calculations are carried out annually by the actuary based on the estimated future benefits based on the years of service. If the calculation shows an over-funding, the net asset to be recorded is limited to the present value of the economic benefit. Remeasurements comprising actuarial gains and losses, the effect of the asset ceiling (if applicable) and the return on plan assets (excluding interest) are recognised immediately in the statement of financial position with a charge or credit to other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income are not reclassified. Past service cost is recognised in profit or loss when the plan amendment or curtailment occurs, or when the Group recognises related restructuring costs or termination benefits, if earlier. Gains or losses on settlement of a defined benefit plan are recognised when the settlement occurs. Net interest is calculated by applying a discount rate to the net defined benefit liability or asset.

All expenses related to defined benefit plans are recorded through the statement of profit or loss as employee benefits, presented in line Cost of sub-section Revenue and operating costs of hotel property.

The Group does not exercise the option to recognize contributions from employees or third parties as a reduction in the service cost in the period in which the related service is rendered.

Defined benefit costs are split into three categories:

– service costs, which includes current service cost, past service cost and gains and losses on curtailments and settlements;
– net interest expense or income;
– remeasurements.

The Group recognises service costs within profit or loss as cost of sales and administrative expenses. Net interest expense or income is recognised within finance costs (note 14).

# 3. SEGMENT INFORMATION

The Chief Operating Decision Maker of the Group has been identified as the Management Committee, which has been given responsibility for allocating the Group's resources between its various assets.

### 3.1 Operating segments

An operating segment is a part of the Group that conducts operations from which it can generate revenues and incur costs and for which independent financial information is available. The division into operating segments is based on the parts of the operations that are followed up by the Management Committee, also known as a management approach. An operating segment is followed up by the company's Chief Operating Decision Maker in order to evaluate the earnings and be able to allocate resources to it. Operating profit is the earnings measurement against which the follow-up is conducted. The operating segments' earnings, assets and liabilities include directly attributable items as well as items that can be allocated in a reasonable and reliable manner. Unallocated costs, if any, relate to Group-wide functions.

In January 2024, the Group acquired hotel property in operation, 3C (Note 4). The hotel has a team of about seventy employees. They run daily operations which include accommodation services, restaurant and SPA and other services. The assets and liabilities of the hotel and its operations have been identified as a separate segment "Hospitality".

In the prior Group's financial statements, all other business activities (mainly unallocated corporate income and costs) and non-reportable business segments were combined and disclosed as "Other segments" category. In the current financial statements, these operations are allocated to "Rental Properties" segment, as there are no other segments in the previous period and none of these operations relate to "Hospitality" segment in the reporting period. The information for the prior period was restated such that the balances and operations of "Other segments" category were reclassified to "Rental Properties" segment. Description of the operating segments is given below.

### 2024 and 2023

"Rental Properties" consist of (excluding discontinued operations):

– 94% of two commercial properties City Gate in Stuttgart and Work Life Center in Hamburg, 89.9% of commercial property STRAL 3 in Berlin and 100% of commercial property SALZ 4 in Dresden;
– 100% of the commercial properties QBC 4, QBC 1,2,7, LASS 1 in Vienna.

Rental Properties generate rental income and incur expenses primarily for maintenance and building operations. They are predominantly comprised of office space or hotel space (STRAL3 and SALZ 4), though most of them have space dedicated to retail. The Rental Properties segment generates product or service-based recurring revenues by providing commercial premises, for which rental income is received.

Generally, gross and net rents for the Segment are reflected as such in both the consolidated statement of profit or loss and accounts presented by segment.

In prior years the Company issued bonds to finance acquisitions of rental properties; therefore, these bonds as well as the interest accrued for them are presented in Rental Properties segment.

"Hospitality" consists of the hotel acquired in 2024 (note 4).

### 3.2 Revenues of the segments

Information provided to the Management Committee is measured in a manner consistent with that in the consolidated financial statements. Revenue of the Group by operating activities for the periods is given below.

| | for year ended 31.12.2024 | | |
|---|---|---|---|
| in EUR | Rental properties | Hospitality | Total |
| Gross rental income | 36,847,758 | – | 36,847,758 |
| Other rental expenses | – 1,739,087 | – | – 1,739,087 |
| Net rental income | 35,108,671 | – | 35,108,671 |
| Revenue from hospitality services | – | 10,240,896 | 10,240,896 |
| Operating costs of hospitality services | – | – 11,242,206 | – 11,242,206 |
| Operating loss from hospitality services | – | – 1,001,310 | – 1,001,310 |
| Finance income | 2,892,475 | – | 2,892,475 |
| Net foreign exchange loss | 1,988,260 | 6,566 | 1,994,826 |
| Revaluation of investment properties | – 24,200,345 | – | – 24,200,345 |
| Finance costs | – 17,055,310 | – 128,443 | – 17,183,753 |
| Income tax benefit | 1,074,636 | 107,894 | 1,182,530 |
| Other expenses, net of income | – 1,136,542 | – 687,104 | – 1,823,646 |
| **Net profit/ (loss) for the period** | **– 1,328,155** | **– 1,702,397** | **– 3,030,552** |

| | for year ended 31.12.2023 | | |
|---|---|---|---|
| in EUR | Rental properties | Reconciliation adjustment: reclassification of discontinued operation | Total |
| Gross rental income | 45,286,071 | – 11,300,760 | 33,985,311 |
| Other rental expenses | – 2,049,322 | 660,522 | – 1,388,800 |
| Net rental income | 43,236,749 | – 10,640,238 | 32,596,511 |
| Finance income | 20,940,613 | – 178,378 | 20,762,235 |
| Net foreign exchange loss | – 29,024,439 | 27,281,743 | – 1,742,696 |
| Revaluation of investment properties | – 89,909,698 | – 25,816,820 | – 115,726,518 |
| Finance costs | – 18,672,717 | 3,394,966 | – 15,277,751 |
| Net loss from sale of subsidiaries | – 101,453,432 | 101,453,432 | – |
| Income tax expense | 6,164,719 | 7,175,842 | 13,340,561 |
| Other income, net of expenses | 6,419,158 | 595,984 | 7,015,142 |
| Net loss from discontinued operations | – | – 103,266,531 | – 103,266,531 |
| **Net profit/ (loss) for the period** | **– 162,299,047** | **–** | **– 162,299,047** |

### 3.3 Assets and liabilities of the segments

The Management Committee also assesses the performance of operating segments based on the results of valuation of the respective assets. The summary of significant assets and liabilities is presented below.

| | Assets and liabilities valuation as of 31.12.2024 | | |
|---|---|---|---|
| in EUR | Rental Properties | Hospitality | Total |
| Investment properties | 759,932,437 | – | 759,932,437 |
| Fixed assets | – | 51,739,372 | 51,739,372 |
| Goodwill | 22,507,113 | 5,539,118 | 28,046,231 |
| Cash & cash equivalents | 81,154,414 | 146,469 | 81,300,883 |
| Other Assets | 57,215,539 | 554,330 | 57,769,869 |
| **Total Assets** | **920,809,503** | **57,979,289** | **978,788,792** |
| **Total Liabilities** | **471,454,068** | **7,105,543** | **478,559,611** |

| | Assets and liabilities valuation as of 31.12.2023 | |
|---|---|---|
| in EUR | Rental Properties | Total |
| Investment properties | 783,672,437 | 783,672,437 |
| Goodwill | 23,516,444 | 23,516,444 |
| Cash & cash equivalents | 80,066,732 | 80,066,732 |
| Other Assets | 85,966,644 | 85,966,644 |
| **Total Assets** | **973,222,257** | **973,222,257** |
| **Total Liabilities** | **472,280,146** | **472,280,146** |

### 3.4 Geographical information

Geographical information on Group's revenues and significant non-financial assets is given below.

| in EUR | Germany | Austria | Switzerland | Total |
|---|---|---|---|---|
| **For year ended 31.12.2024** | | | | |
| Gross rental income | 15,600,617 | 21,247,142 | – | 36,847,759 |
| Net rental income | 14,030,824 | 21,077,844 | – | 35,108,668 |
| Hospitality business revenue | – | – | 10,240,896 | 10,240,896 |
| Hospitality business operating expenses | – | – | – 11,242,206 | – 11,242,206 |
| **As of 31.12.2024** | | | | |
| Carrying amount of: | | | | |
| Investment property | 329,732,437 | 430,200,001 | – | 759,932,438 |
| Fixed assets | 6,540 | – | 51,739,372 | 51,745,912 |
| Goodwill | 13,524,839 | 8,982,273 | 5,539,118 | 28,046,230 |
| **Total significant assets** | **343,263,816** | **439,182,274** | **57,278,490** | **839,724,580** |

| in EUR | Russia | Germany | Austria | Reclassification of segment Russia | Total |
|---|---|---|---|---|---|
| **For year ended 31.12.2023** | | | | | |
| Gross rental income | 11,300,760 | 15,124,753 | 18,860,558 | – 11,300,760 | 33,985,311 |
| Net rental income | 10,640,238 | 14,081,848 | 18,514,663 | – 10,640,238 | 32,596,511 |
| Revenues of discontinued operations | | | | 10,640,238 | 10,640,238 |
| **As of 31.12.2023** | | | | | |
| Carrying amount of: | | | | | |
| Investment property | – | 329,532,437 | 454,140,000 | – | 783,672,437 |
| Goodwill | – | 13,524,839 | 9,991,605 | – | 23,516,444 |
| **Total significant assets** | **–** | **343,057,276** | **464,131,605** | **–** | **807,188,881** |

### 3.5 Major customers

Information on major customers of segments "Rental Properties" is given in Note 15.2.

# 4. BUSINESS COMBINATION

On 16 January 2024, the Company acquired 2200 registered shares with par value of CHF 3,750 each in Société de l'Hôtel des Trois Couronnes, à Vevey, SA. The Shares represent 100% of the entity's share capital. The seller is a related party of Valartis Group. The entity owns the 5* Hotel Des Trois Couronnes ("3C"). The Hotel currently features 71 guest rooms (3 single, 43 doubles and 25 suites, a restaurant, one bar/restaurant, 7 conference rooms, and a spa (which includes an indoor pool, sauna, hammam, 9 treatment rooms, a fitness centre). The property extends over 6 floors (including lake-level floor, a ground floor and 4 room storeys). The historic property was originally developed in 1842 on the foundations of a medieval castle. The property has been acquired on market terms. The acquired assets and liabilities constitute a business that is run directly by the Group itself and are accounted for in accordance with IFRS 3 using the acquisition method, based on the following considerations. The acquired set has outputs (revenues from room rents and hospitality services) and includes both inputs (tangible fixed assets, competent team of full-time employees), and processes (strategic and operating management in place and ability to obtain access to necessary resources). The organised workforce has necessary skills, knowledge, or experience to perform processes (i.e., operational and resource management processes associated with operating the acquired hotel) that are substantive because they are critical to the ability to continue producing outputs when applied to the acquired inputs.

The fair values of the identifiable assets and liabilities of the acquired business as of the date of acquisition is given below (translated at rate 0.9356 CHF/EUR ):

| in EUR | at acquisition date |
|---|---|
| Assets | |
| PPE | 52,939,290 |
| Trade and other receivables | 441,126 |
| Other assets | 335,215 |
| Cash and cash equivalents | 253,869 |
| **Total assets** | **53,969,500** |
| Liabilities | |
| Deferred tax liabilities | 4,713,030 |
| Borrowings provided by the former shareholder | 32,217,538 |
| Other borrowings | 335,207 |
| Accounts payable and accrued expenses | 2,275,135 |
| **Total liabilities** | **39,540,910** |
| **Total identifiable net assets at fair value** | **14,428,590** |
| **Total identifiable net assets at fair value** | **14,428,590** |
| Goodwill arising on acquisition | 5,576,121 |
| Purchase consideration for shares | – 20,004,711 |
| Exchange difference | 9,067 |
| Cash payment for shares | 19,995,644 |
| **Analysis of cash flows on acquisition** | |
| Net cash acquired with the subsidiaries | 253,869 |
| Cash payment for shares | – 19,995,644 |
| Cash settlement of borrowings provided by the former shareholder | – 32,106,442 |
| **Net cash outflow** | **– 51,848,217** |

The agreed purchase price amounted to CHF 48.76 million (EUR 52.11 million) of which

- CHF 30.04 million (EUR 32.11 million) were paid to settle the outstanding amount of the loans payable by 3C to the Sellers, and
- CHF 18.72 million (EUR 20.00 million) were paid for shares.

As of the acquisition date, a deferred tax liability is recognised due to the excess of the fair value of the property over its tax value. Goodwill arises on acquiring an asset via a share deal, where the Group inherits the fiscal basis of the assets. As IFRS require recognition of deferred taxes on a nominal basis, while share transactions are based on market value of these taxes, a difference appeared is reflected in the goodwill for the amount EUR 4.71 million. Remaining part of the goodwill (EUR 0.87 million) is attributable to the workforce, brand recognition and customer loyalty.

None of the goodwill is expected to be deductible for income tax purposes. Acquisition-related costs in the amount of EUR 0.27 million (CHF 0.25 million) are recognised in the statement of profit or loss as incurred and presented in line administrative expenses.

# 5. INVESTMENT PROPERTIES

The balances and movements of investment property on a project and country basis, reconciliation of their carrying amounts to the fair values determined by the independent appraisal and descriptions of the properties are given in the tables below. The fair value of the investment property in operation was determined based on an independent valuation prepared by PWC on 31 December 2024 and 31 December 2023. Refer to Note 6 for details of valuation.

### 5.1 The balances and movements of investment properties

## AUSTRIA

| | | | for year ended 31.12.2024 | | | |
|---|---|---|---|---|---|---|
| in EUR | QBC 4 | QBC 1 | QBC 2 | QBC 7 | LASS 1 | Total Austria |
| Beginning of the period | 98,000,000 | 47,920,000 | 159,960,000 | 18,600,000 | 129,660,000 | 454,140,000 |
| Additions from subsequent expenditure | – | – | – | – | 82,026 | 82,026 |
| Reclassification from receivables | – | – | – | – | – | – |
| Revaluations | – 5,800,000 | – 2,260,000 | – 7,040,000 | – 800,000 | – 8,122,026 | – 24,022,025 |
| **End of the period** | **92,200,000** | **45,660,000** | **152,920,000** | **17,800,000** | **121,620,000** | **430,200,000** |

| | | | for the year ended 31.12.2023 | | | |
|---|---|---|---|---|---|---|
| in EUR | QBC 4 | QBC 1 | QBC 2 | QBC 7 | LASS 1 | Total Austria |
| Beginning of the period | 113,800,000 | 56,120,000 | 187,040,000 | 21,200,000 | 149,426,770 | 527,586,770 |
| Additions from subsequent expenditure | – | – | – | – | 1,964,148 | 1,964,148 |
| Reclassification from receivables | – | – | – | – | 1,777,871 | 1,777,871 |
| Revaluations | – 15,800,000 | – 8,200,000 | – 27,080,000 | – 2,600,000 | – 23,508,789 | – 77,188,789 |
| **End of the period** | **98,000,000** | **47,920,000** | **159,960,000** | **18,600,000** | **129,660,000** | **454,140,000** |

## GERMANY

| | | | for year ended 31.12.2024 | | | |
|---|---|---|---|---|---|---|
| in EUR | City Gate | WLC | STRAL 3 | SALZ 4 | Total Germany | Total Group |
| Beginning of the period | 119,700,000 | 81,500,000 | 84,900,000 | 43,432,437 | 329,532,437 | 783,672,437 |
| Additions from subsequent expenditure | 386,187 | – | – | 71,980 | 458,167 | 540,193 |
| Other | – 18,238 | – 61,610 | – | – | – 79,848 | – 79,848 |
| Revaluations | – 267,949 | – 1,338,390 | 1,000,000 | 428,020 | – 178,319 | – 24,200,345 |
| **End of the period** | **119,800,000** | **80,100,000** | **85,900,000** | **43,932,437** | **329,732,437** | **759,932,437** |

| | | | for the year ended 31.12.2023 | | | |
|---|---|---|---|---|---|---|
| in EUR | City Gate | WLC | STRAL 3 | SALZ 4 | Total Germany | Total Group |
| Beginning of the period | 132,300,000 | 91,700,000 | 94,900,000 | 48,632,437 | 367,532,437 | 895,119,207 |
| Additions from subsequent expenditure | 290,817 | 354,194 | – | – | 645,011 | 2,609,159 |
| Borrowing costs | – | – | – | – | – | 1,777,871 |
| Other | – 46,863 | – 60,419 | – | – | – 107,282 | – 107,282 |
| Revaluations | – 12,843,954 | – 10,493,775 | – 10,000,000 | – 5,200,000 | – 38,537,729 | – 115,726,518 |
| **End of the period** | **119,700,000** | **81,500,000** | **84,900,000** | **43,432,437** | **329,532,437** | **783,672,437** |

| in EUR | for the year ended 31.12.2024 Total | Continuing operations | Discontinued operations |
|---|---|---|---|
| Net loss from revaluation of investment properties | – 24,200,345 | – 24,200,345 | – |
| Net gain due to effect of currency fluctuation on valuation of investment property | – | – | – |
| **Total loss on revaluation of investment property (gross)** | **– 24,200,345** | **– 24,200,345** | **–** |

| in EUR | for the year ended 31.12.2023 Total | Continuing operations | Discontinued operations |
|---|---|---|---|
| Net loss from revaluation of investment properties | – 115,726,518 | – 115,726,518 | – |
| Net gain due to effect of currency fluctuation on valuation of investment property | 25,816,820 | – | 25,816,820 |
| **Total (loss)/gain on revaluation of investment property (gross)** | **– 89,909,698** | **– 115,726,518** | **25,816,820** |

### 5.2 Reconciliation of market value to carrying amount

Reconciliation of market (fair) value of each property to its carrying amount in the statement of financial position as of 31 December 2024 and 31 December 2023 is presented below.

| | as of 31.12.2024 | | |
|---|---|---|---|
| in EUR | Market value as estimated by the external valuer | Deduct receivable on financial guarantees of sellers of property recognised separately | Carrying amount for financial reporting purposes |
| City Gate | 119,800,000 | – | 119,800,000 |
| WLC | 80,100,000 | – | 80,100,000 |
| STRAL 3 | 85,900,000 | – | 85,900,000 |
| SALZ 4 | 44,800,000 | – 867,563 | 43,932,437 |
| QBC 4 | 92,200,000 | – | 92,200,000 |
| QBC 1 | 45,660,000 | – | 45,660,000 |
| QBC 2 | 152,920,000 | – | 152,920,000 |
| QBC 7 | 17,800,000 | – | 17,800,000 |
| LASS 1 | 121,620,000 | – | 121,620,000 |
| Total | 760,800,000 | – 867,563 | 759,932,437 |

| | as of 31.12.2023 | | |
|---|---|---|---|
| in EUR | Market value as estimated by the external valuer | Deduct receivable on financial guarantees of sellers of property recognised separately | Carrying amount for financial reporting purposes |
| City Gate | 119,700,000 | – | 119,700,000 |
| WLC | 81,500,000 | – | 81,500,000 |
| STRAL 3 | 84,900,000 | – | 84,900,000 |
| SALZ 4 | 44,300,000 | – 867,563 | 43,432,437 |
| QBC 4 | 98,000,000 | – | 98,000,000 |
| QBC 1 | 47,920,000 | – | 47,920,000 |
| QBC 2 | 159,960,000 | – | 159,960,000 |
| QBC 7 | 18,600,000 | – | 18,600,000 |
| LASS 1 | 129,660,000 | – | 129,660,000 |
| Total | 784,540,000 | – 867,563 | 783,672,437 |

Receivables for the properties are accounted for and presented in the statement of financial position separately as receivables. The carrying amount of the guarantees is deducted from market value of the investment property to avoid double count.

### 5.3 General information about investment properties

General information for each property is disclosed in the Note 30. As of 31 December 2024 and 2023 the Group had no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

# 6. FAIR VALUE MEASUREMENT

### 6.1. Valuation Method

Valuation of real estate assets involves a significant number of assumptions and judgement calls by the valuers. These variables include but are not limited to: future rent and sale price levels, amount of time needed to rent or sell space, time needed to deliver new construction, best and highest use of an asset or space in an asset, and exchange rates. Varying any of these factors can have a material impact on valuations, and variations in a number of these factors at once can have a significant effect.

When possible, valuers make their assumptions based on available evidence. When such evidence is lacking, which is often the case in the Russian market, assumptions are based on the experience and judgement of the valuer.

Every reporting date the fair value of each Investment Property - except Investment Property under construction and when the fair value is readily available as the acquisition completed near balance sheet date - is determined by independent real estate valuation experts using recognised valuation techniques where the Discounted Cash Flow Method (DCF) within the income approach is used.

The determination of the fair value of Investment Property requires the use of estimates such as future cash flows from assets (including lettings, tenants' profiles, future revenue streams, capital values of fixtures and fittings, plant and machinery, any environmental matters and the overall repair and condition of the property) and discount rates applicable to those assets. Future revenue streams, inter alia, comprises contracted rent (passing rent) and estimated rental income (ERV) after the contract period.

In estimating ERV, the potential impact of future lease incentives to be granted to secure new contracts is taken into consideration. All these estimates are based on local market conditions existing at the reporting date.

For all investment properties that are measured at fair value, the current use of the property is considered the highest and best use.

### Techniques used for valuing investment property

The Discounted Cash Flow Method involves the projection of a series of periodic cash flows either to an operating property or a development property. To these projected cash flow series, an appropriate, market-derived discount rate is applied to achieve an indication of the present value of the income stream associated with the property.

The calculated periodic cash flow is typically estimated as gross rental income less vacancy and collection losses and less operating expenses/outgoings and investment costs. A series of periodic net operating incomes, along with an estimate of the reversion/terminal/exit value (which uses the traditional valuation approach) anticipated at the end of the projection period, are discounted to present value. The aggregate of the net present values equals the market value of the property.

### Investment properties fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of investment properties by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets;
- Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly;
- Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

As of 31 December 2024 and 2023, the Group held the investment properties carried at fair value determined by the Level 3 technique. During the year ending 31 December 2024 and the year ending 31 December 2023, there were no transfers to and from Level 1 and Level 2 fair value measurements.

### 6.2 Summary of valuation assumptions and valuation techniques used to derive Level 3 fair value

The table below presents the following for each investment property:

- The fair value measurement at the end of the reporting period in the currency of valuation;
- A description of the valuation techniques applied;
- Quantitative information about significant unobservable inputs used in the fair value measurement. The range for ERV, given in the table below, does not include ERVs on minor areas (archive etc.). The weighted average figure includes effect of rentals from these areas.

| Property | Fair value as of 31.12.2024, EUR | Valuation technique | Key unobservable inputs | |
|---|---|---|---|---|
| City Gate | 119,800,000 | DCF | ERV | EUR 306 |
| | | | Discount rate | 5.35% |
| | | | Capitalisation rate | 4.70% |
| Work Life Center | 80,100,000 | DCF | ERV | EUR 300 |
| | | | Discount rate | 5.55% |
| | | | Capitalisation rate | 4.55% |
| STRAL 3 | 85,900,000 | DCF | ERV | n.a. |
| | | | Discount rate | 7.00% |
| | | | Capitalisation rate | 5.25% |
| SALZ 4 | 44,800,000 | DCF | ERV | n.a. |
| | | | Discount rate | 7.20% |
| | | | Capitalisation rate | 5.45% |
| QBC 1 | 45,660,000 | DCF | ERV | EUR 239 |
| | | | Discount rate | 5.40% |
| | | | Capitalisation rate | 4.75% |
| QBC 2 | 152,920,000 | DCF | ERV | EUR 239 |
| | | | Discount rate | 5.40% |
| | | | Capitalisation rate | 4.75% |
| QBC 4 | 92,200,000 | DCF | ERV | EUR 248 |
| | | | Discount rate | 5.20% |
| | | | Capitalisation rate | 4.45% |
| QBC 7 | 17,800,000 | DCF | ERV | EUR 1.943 per unit |
| | | | Discount rate | 5.40% |
| | | | Capitalisation rate | 4.75% |
| LASS 1 | 121,620,000 | DCF | ERV | EUR 214 |
| | | | Discount rate | 5.80% |
| | | | Capitalisation rate | 4.95% |

| Property | Fair value as of 31.12.2023, EUR | Valuation technique | Key unobservable inputs | |
|---|---|---|---|---|
| City Gate | 119,700,000 | DCF | ERV | EUR 300 |
| | | | Discount rate | 5.25% |
| | | | Capitalisation rate | 4.60% |
| Work Life Center | 81,500,000 | DCF | ERV | EUR 294 |
| | | | Discount rate | 5.45% |
| | | | Capitalisation rate | 4.45% |
| STRAL 3 | 84,900,000 | DCF | ERV | n.a. |
| | | | Discount rate | 7.00% |
| | | | Capitalisation rate | 5.25% |
| SALZ 4 | 44,300,000 | DCF | ERV | n.a. |
| | | | Discount rate | 7.20% |
| | | | Capitalisation rate | 5.45% |
| QBC 1 | 47,920,000 | DCF | ERV | EUR 235 |
| | | | Discount rate | 5.15% |
| | | | Capitalisation rate | 4.45% |
| QBC 2 | 159,960,000 | DCF | ERV | EUR 234 |
| | | | Discount rate | 5.15% |
| | | | Capitalisation rate | 4.45% |
| QBC 4 | 98,000,000 | DCF | ERV | EUR 228 |
| | | | Discount rate | 4.95% |
| | | | Capitalisation rate | 4.25% |
| QBC 7 | 18,600,000 | DCF | ERV | EUR 1.908 per unit |
| | | | Discount rate | 5.20% |
| | | | Capitalisation rate | 4.50% |
| LASS 1 | 129,660,000 | DCF | ERV | EUR 210 |
| | | | Discount rate | 5.55% |
| | | | Capitalisation rate | 4.65% |

### 6.3 Sensitivity analysis

The significant unobservable inputs used in the fair value measurement categorized within Level 3 of the fair value hierarchy of the entity's portfolios of investment property are:

- ERV
- Discount rate
- Capitalisation rate

Significant increases/(decreases) in the ERV in isolation would result in a significantly higher/(lower) fair value measurement. Significant increases/(decreases) in the discount rate/capitalisation rate in isolation would result in a significantly lower/(higher) fair value measurement.

The table below presents the sensitivity of the valuation of the German and Austrian properties to changes in the most significant unobservable inputs used in the fair value measurement categorized within Level 3.

| 31.12.2024 | Effect on fair value | |
|---|---|---|
| in EUR | Sensitivity used | Effect of value of rental properties |
| Decrease in ERV | 5% | – 22,826,041 |
| Increase in discount rate | 25 bps | – 16,669,582 |
| Increase in capitalisation rate | 25 bps | – 22,818,781 |

| 31.12.2023 | Effect on fair value | |
|---|---|---|
| in EUR | Sensitivity used | Effect of value of rental properties |
| Decrease in ERV | 5% | – 23,595,008 |
| Increase in discount rate | 25 bps | – 17,399,638 |
| Increase in capitalisation rate | 25 bps | – 24,932,839 |

### 6.4 Valuation of investment properties of disposal group

As at the date of disposal, 19 April 2023, the disposal group included all investment properties located in Russia: Berlin House, Geneva House, Hermitage Plaza, Polar Lights and Magistral'naya. They have been accounted for at fair value determined by independent appraisal every half year.

The table below provides summary of the valuation technique and assumptions applied to determine fair value of the properties in valuation performed by appraisals as of 30 June 2022 and relevant for 19 April 2023.

| Property | Fair value | Valuation technique | Key unobservable inputs | Range (Weighted average), per sqm p.a. |
|---|---|---|---|---|
| | | | ERV | US$ 700- US$ 2,864 (US$ 1,276) |
| | | | Discount rate | 12.25% |
| Berlin House | US$ 136,150,000 | DCF | Capitalisation rate | 9.00% |
| | | | ERV | US$ 700 - US$ 2,800 (US$ 875) |
| | | | Discount rate | 12.25% |
| Geneva House | US$ 120,560,000 | DCF | Capitalisation rate | 9.00% |
| | | | ERV | RUB 1,594 - RUB 64,841 (RUB 21,903) |
| | | | Discount rate | 14.75% |
| Polar Lights | RUB 6,597,430,000 | DCF | Capitalisation rate | 10.00% |
| | | | ERV | RUB 2,317 - RUB 129,360 (RUB 32,017) |
| Hermitage | | | Discount rate | 13.75% |
| Plaza | RUB 12,247,150,000 | DCF | Capitalisation rate | 9.25% |
| | | | ERV | RUB 13,900 (RUB 13,900) |
| | | | Discount rate | 16.50% |
| Magistral'naya | RUB 284,320,000 | DCF | Capitalisation rate | 11.00% |

The fair value was determined using Level 3 technique. The significant unobservable inputs used in the fair value measurement categorized within Level 3 of the fair value hierarchy of the entity's portfolios of investment property are:

- ERV
- Discount rate
- Capitalisation rate

Reconciliation of market (fair) value of each property to its carrying amount in the statement of financial as of 19 April 2023 is presented below.

| in EUR | Market value as estimated by the external valuer as of 30 June 2022 at rates on 19 April 2023 | Add land lease obligation recognised separately (in liabilities directly associated with assets classified as held for sale) | Other movements during 1 July 2022 - 19 April 2023, net | Carrying amount for financial reporting purposes as of 19 April 2023 |
|---|---|---|---|---|
| Berlin House | 123,913,481 | 285,372 | – 591 | 124,198,262 |
| Geneva House | 109,724,636 | – | 22,718 | 109,747,354 |
| Polar Lights | 73,916,809 | – | – 48,216 | 73,868,593 |
| Hermitage Plaza | 137,215,590 | – | – 61,048 | 137,154,542 |
| Magistral'naya | 3,185,487 | – | – 13,904 | 3,171,583 |
| **Total** | **447,956,003** | **285,372** | **– 101,041** | **448,140,334** |

# 7. PROPERTY, PLANT AND EQUIPMENT

### 7.1. Property, plant and equipment of hotel 3C

The Group's PPE include building and freehold land under it and other fixture and fittings (combined as "other fixed assets" in the table below) of the acquired subsidiary 3C (note 4). The changes in these fixed assets are disclosed in the table below .

| | Note | for year ended 31.12.2024 | | |
|---|---|---|---|---|
| in EUR | | Land and building | Other fixed assets | Total |
| **Cost** | | | | |
| **Beginning of the period** | | **–** | **–** | **–** |
| Acquisition in business combination | 4 | 51,801,154 | 1,138,136 | 52,939,290 |
| Additions | | 155,993 | 514,417 | 670,410 |
| Disposals | | – 4,151 | – 60,300 | – 64,451 |
| Effect of translation to presentation currency | | – 341,954 | – 2,197 | – 344,151 |
| **End of the period** | | **51,611,042** | **1,590,056** | **53,201,098** |
| **Accumulated depreciation** | | | | |
| **Beginning of the period** | | **–** | **–** | **–** |
| Depreciation charge | 16 | – 1,271,440 | – 173,248 | – 1,444,688 |
| Effect of translation to presentation currency | | – 14,995 | – 2,043 | – 17,038 |
| **End of the period** | | **– 1,286,435** | **– 175,291** | **– 1,461,726** |
| **Net book value** | | | | |
| **Beginnig of the period** | | **–** | **–** | **–** |
| **End of the period** | | **50,324,607** | **1,414,765** | **51,739,372** |

### 7.2. Furniture and equipment

Office furniture and equipment used for administrative purposes by some of the Group's entities are presented in line Furniture and equipment separately from hotel property, described above since it provides for better understanding of the Group's assets structure (31 December 2024: EUR 6,540, 31 December 2023: EUR 9,276).

# 8. GOODWILL

| | | | | | |
|---|---|---|---|---|---|
| | | | for year ended 31.12.2024 | | |
| in EUR | 3C | City Gate | WLC | QBC 4 | Total |
| Goodwill | | | | | |
| Beginning of the period | – | 9,491,068 | 4,033,771 | 9,991,605 | 23,516,444 |
| Business combination (note 4) | 5,576,121 | – | – | – | 5,576,121 |
| Impairment | – | – | – | – 1,009,332 | – 1,009,332 |
| Forex effect | – 37,003 | – | – | – | – 37,003 |
| **End of period** | **5,539,118** | **9,491,068** | **4,033,771** | **8,982,273** | **28,046,230** |

| | | | | |
|---|---|---|---|---|
| | | for the year ended 31.12.2023 | | |
| in EUR | City Gate | WLC | QBC 4 | Total |
| Goodwill | | | | |
| Beginning of the period | 9,491,068 | 4,033,771 | 10,427,633 | 23,952,472 |
| Impairment | – | – | – 436,028 | – 436,028 |
| **End of period** | **9,491,068** | **4,033,771** | **9,991,605** | **23,516,444** |

Goodwill was recognised on the acquisition of properties as given above and represents the advantage of acquired entities' corporate structure optimizing the future income tax expense which can arise from potential property sales. Goodwill is tested for impairment at least annually and when circumstances indicate that the carrying value may be impaired. As of 31 December 2024 and 2023, carrying amount of investment property QBC 4 was lower than its cost of acquisition, respectively, the future income tax expense from potential property sales is lower than amount of the initially recognised goodwill. Respectively, the Group recognized impairment loss for goodwill associated with QBC 4 for the amount of EUR 1.01 million (2023: EUR 0.44 million). For other, 3C, WLC and City Gates properties there are no circumstances indicating that the carrying value of goodwill may be impaired (31 December 2023: impairment loss was nil).

Goodwill arises on acquiring an asset via a share deal, where the Group inherits the fiscal basis of the assets. As IFRS require recognition of deferred taxes on a nominal basis, while share transactions are based on market value of these taxes, a difference appeared is reflected in the goodwill. Therefore, in this case the impairment test consists in a comparison between the accounting value of the Goodwill and the potential tax optimization existing at the date of reporting. The value of key assumptions used reflect historical data from both external and internal sources that include fair values of properties, tax values of properties, tax rates enacted at the reporting date disclosed elsewhere in this report.

# 9. LOANS & ACCOUNT RECEIVABLE

| in EUR | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Non-current loans and accounts receivable | | |
| Loans given to and receivables from the former Russian segment | 46,215,887 | 70,509,379 |
| Receivable from sellers of investment properties | 867,563 | 867,563 |
| Cash security deposits received from tenants | 1,521,966 | 1,523,335 |
| Eurobonds | 1,596,745 | 1,512,332 |
| **Total** | **50,202,161** | **74,412,609** |
| Current accounts receivable | | |
| Rental receivable | 416,496 | 2,099,196 |
| Receivable from sellers of investment properties | 135,000 | 150,000 |
| Receivable from the former Russian segment | 349 | 490,669 |
| Held-to-maturity bank deposits (3-12 months ) | – | 2,200,000 |
| Other receivable | 330,376 | 376,158 |
| **Total** | **882,221** | **5,316,023** |
| **Total loans and accounts receivable** | **51,084,382** | **79,728,632** |

### 9.1 Loans given to and receivables from the former Russian segment

Loans given and receivables from the former Russian segment were recognized in the consolidated statement of financial position upon completion of the sale of disposal group (Note 11). Breakdown of non-current part of these loans and receivables is given below.

| in EUR | 31.12.2024 | 31.12.2023 |
|---|---|---|
| **Non-current loans given and receivables from the former Russian segment** | | |
| Loans given to Redhill Investment Limited | 13,749,783 | 39,129,926 |
| Loans given to Lenbury Enterprises Limited | – | 6,817,191 |
| Receivable from Lenbury Enterprises Limited | 39,060,953 | 36,543,136 |
| **Total, gross basis** | **52,810,736** | **82,490,253** |
| Less: impairment allowance | – 6,594,849 | – 11,980,874 |
| **Total** | **46,215,887** | **70,509,379** |

The table below presents balances and movement of loans for the years ended 31 December 2024 and 2023, split into cash and non-cash categories.

| in EUR | Redhill loan | Lenbury deferred consideration receivable | Lenbury loan | Total |
|---|---|---|---|---|
| **Balance as of 1 January 2024** | **27,149,052** | **36,543,136** | **6,817,191** | **70,509,379** |
| Cash flows: | | | | |
| Repayment of principal | – 26,300,000 | – | – 6,198,750 | – 32,498,750 |
| Repayment of interest | – 113,032 | – | – | – 113,032 |
| Non-cash movements: | | | | |
| Assignment of the loan rights to disposal group and derecognition at disposal date | – | – | – | – |
| Interest accruals | 1,573,990 | 566,480 | 54,804 | 2,195,274 |
| Foreign exchange difference | – | 2,213,888 | – | 2,213,888 |
| Loss on assignment of loan | – 541,100 | – | – | – 541,100 |
| Change in impairment allowance | 11,980,874 | – 6,594,849 | – | 5,386,025 |
| Set-off with the payables to the former Russian segment | – | – 262,552 | – 673,245 | – 935,797 |
| **Balance as of 31 December 2024** | **13,749,783** | **32,466,104** | **–** | **46,215,887** |

| in EUR | Redhill loan | Lenbury deferred consideration receivable | Lenbury loan | Loan to Capital Estate Group Limited | Total |
|---|---|---|---|---|---|
| **Balance as of 1 January 2023** | **38,533,530** | **–** | **–** | **–** | **38,533,530** |
| Cash flows: | | | | | |
| Repayment of principal | – 6,448,228 | – | – 25,000,000 | – | – 31,448,228 |
| Repayment of interest | – 1,753,297 | – | – | – | – 1,753,297 |
| Non-cash movements: | | | | | |
| Recognition in the consolidated accounts at the date of sale of subsidiary | – | 42,264,182 | 31,148,750 | 1,760,655 | 75,173,587 |
| Assignment of the loan rights to disposal group and derecognition at disposal date | – 14,139,139 | – | – | – | – 14,139,139 |
| FV adjustment at the date of recognition | – | – 6,273,690 | – | – | – 6,273,690 |
| Interest accruals | 1,480,096 | 765,038 | 288,112 | – | 2,533,246 |
| Foreign exchange difference | – 1,146,555 | – 212,394 | 380,329 | 41,749 | – 936,871 |
| Change in impairment allowance | 10,622,645 | – | – | – | 10,622,645 |
| Set-off with the loans due to the former Russian segment | – | – | – | – 1,802,404 | – 1,802,404 |
| **Balance as of 31 December 2023** | **27,149,052** | **36,543,136** | **6,817,191** | **–** | **70,509,379** |

Loan given to Redhill Investment Limited ("Redhill") is 4.25% p.a., EUR denominated, maturity term 31 December 2032, with no specific payment schedule. Loan given to Lenbury Enterprises Limited ("Lenbury") is EUR-denominated, due for payment by 31 December 2032, no specific schedule, 3.0% p.a. Receivable from Lenbury arose on sale of shares in the subsidiaries of the disposal group by EPH to Lenbury, executed in 2022, when Lenbury was part of the Group. Receivable is interest-free, US$-denominated, amounting US$ 46.04 (US$ 46.32 million at the date of recognition in the consolidated accounts) with maturity on 31 December 2032 at the latest without specific payment schedule. At recognition, the Company recognized fair value adjustment on the instrument for the amount EUR 6.27 million representing primarily effect of the discounting of the nominal amount of the receivable at market interest rate (Note 11). Loans given to and receivables from Lenbury are secured with the shares and investment property of its subsidiaries.

### Impairment allowance

At the reporting date, despite the fact that the financial position of the borrowers appears stable (no overdue payments, problematic restructurings, stable operating cash flows), taking into account the current macroeconomic situation in the Russian Federation, all of the loans and receivables from the former Russian segment have been determined for Stage 2 of credit risk. The impairment allowance as of 31 December 2024 was determined in the amount EUR 6.59 million (31 December 2023: EUR 11.98 million). The decrease in allowance is caused primarily by significant repayments received from the Russian segment in 2024. Refer to Note 2 for details of estimation of credit loss.

### 9.2. Receivable from the sellers of investment properties

Receivable from the sellers of investment properties represent receivables with the sellers of the properties acquired in 2020.

### 9.3 Eurobonds

Eurobonds of different issuers are owned by subsidiary SA3 Media (property STRAL3). Maturity is 2026 – 2028 year, nominal coupon rates are 2.45 – 3.75%, effective rates are 0.42 – 1.05%. The instruments are measured at fair value through other comprehensive income on a recurring basis, level 1, both on 31 December 2024 and 31 December 2023.

### 9.4. Rental receivable

Cash flows from rental receivables are all due within three to six months.

# 10. CASH & CASH EQUIVALENTS

| in EUR | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Cash at banks | 48,231,097 | 79,266,732 |
| Cash in transit | 50,720 | 100,000 |
| Cash equivalents | 15,493 | – |
| Cash deposits at banks (up to 3 months) | 33,003,573 | 700,000 |
| **Cash and cash equivalents available** | **81,300,883** | **80,066,732** |
| Bank overdrafts | – 590 | – 104 |
| **Total cash and cash equivalents available with bank overdrafts** | **81,300,293** | **80,066,628** |

Bank overdraft is presented in line Current Borrowings in the consolidated statement of financial position.

Cash deposits at banks consists of the deposit at Postbank, VP Bank, Commerzbank, HypoVereinsbank Unicredit AG, Liechtensteinische Landesbank (Österreich) AG, Raiffeisenbank International with one month maturity with interest rate varying from 1.99 to 3.11% p.a.

Balances of cash deposits on bank accounts restricted for immediate use, presented in this note in the previous financial statements, were reclassified to receivables as described in Note 2.7.6.

Reconciliation of balances of cash and cash equivalents to the statement of cash flow is given below:

| in EUR | Note | 31.12.2024 | 31.12.2023 |
|---|---|---|---|
| **Cash and cash equivalents available per statement of financial position** | | **81,300,883** | **80,066,732** |
| Bank overdraft | 10 | – 590 | – 104 |
| **Total cash at the end of the period per statement of cash flow** | | **81,300,293** | **80,066,628** |

# 11. DISCONTINUED OPERATIONS

### 11.1 Description

On 1 November 2022, shareholders granted authority to the Board of Directors to sell the entire Russian portfolio of EPH Group (six investment properties and Arbat residential apartments) including their Russian, Cyprus and German holding companies within the framework of a management buy-out and to structure the respective transactions at terms defined by the Board of Directors and which shall be in the best interest for the Company and its shareholders. Following the resolution of shareholders, as a preparatory step for the transaction, the Company accumulated, via inter-company sale, on the balance sheet of subsidiary Lenbury the shares of the respective subsidiaries holding the Russian portfolio (except for Redhill Investment Ltd.): the Cyprus subsidiaries holding Russian subsidiaries with properties in Russia, and participatory interest in German entities directly owning a property in Russia. The full list of intermediary parents and their subsidiaries that substitute the disposal group is given below (with 100% nominal and effective ownership by the Group as of 19 April 2023, except for Redhill Investment Limited).

| Intermediary parent | Incorporated in | Subsidiary | Incorporation of subsidiary | Property | Commentary |
|---|---|---|---|---|---|
| Lenbury Enterprises Limited | Nicosia, Cyprus | see commentary | see commentary | n/a | Entity holds directly or indirectly 100% shares in the entities down below, except for Redhill |
| Housefar Limited | Nicosia, Cyprus | Inspetstroy LLC | Moscow, Russian Federation | Magistral'naya | |
| Idelisa Limited | Limassol, Cyprus | Philadelphia LLC | Moscow, Russian Federation | n/a | Philadelphia LLC owned land plot Scandinavia, that was sold in 2020 |
| Redhill Investment Limited | Limassol, Cyprus | n/a | n/a | Multi-use Complex Arbat 24&29 | Entity was sold on 12 December 2022. Entity operates with branch in Russia |
| Connecta GmbH & Co. KG | Munich, Germany | n/a | n/a | Berlin House | Entity operates with branch in Russia |
| EPH Real Estate Limited | Nicosia, Cyprus | EPH One LLC | Moscow, Russian Federation | Geneva House | |
| PNL Media Limited | Nicosia, Cyprus | Tengri LLC | Moscow, Russian Federation | Polar Lights | |
| Capital Estate Group Limited | Nicosia, Cyprus | Tizpribor JSC | Moscow, Russian Federation | Hermitage | |
| Tizpribor JSC | Moscow, Russia | TP Invest LLC | Moscow, Russian Federation | n/a | |
| TP Invest LLC | Moscow, Russia | Primary TIZ Ltd. | Limassol, Cyprus | n/a | Primary TIZ Ltd. has been SPV for inter-company finance |
| EPH One LLC (25%); JSC Tizpribor (25%); Tengri LLC (50%) | Moscow, Russia | Vox Investment Ltd. | Mauritius | n/a | Vox Investment Ltd. is a SPV, established in 2022; no operations in 2022 and in the reporting period |

As a partial payment of consideration for the above acquisition Lenbury accepted the debt of the Company under the notes issued in the past years to the Company's shareholders in the amount of EUR 426.1 million – via replacement of the Company's notes by Lenbury's notes. The remaining part of consideration in the amount of USD 46.32 million is payable over 10 years with no specified schedule. On 19 April 2023, the Company sold 100% of shares in Lenbury under a sale and purchase agreement (the 'SPA') with a third party company owned by the Russian management of the Group. The SPA provides for the consideration of US$ 15,000. As a part of the sale, the buyers assumed the Group's liabilities under the notes issued as well as Lenbury's liability to repay the deferred consideration for the acquisition of Russian portfolio as described above. Until full repayment of the deferred consideration, the shares of the subsidiaries and Lenbury itself were pledged and the Russian properties were mortgaged in favour of the Company. All subsidiaries for sale under the SPA were reported as a discontinued operation in the consolidated statement of profit or loss for the year ended 31 December 2023. Financial information relating to the discontinued operation for the year 2023 (the transactions until the date of disposal, 19 April 2023) is presented below.

### 11.2 Financial performance and cash flow information

The information in the tables below is presented excluding inter-company transactions.

| | for the period 1 January 2023 - 19 April 2023 |
|---|---|
| **Rental income** | |
| Gross rental income | 11,300,760 |
| Service charge income | 2,505,792 |
| Property operating and maintenance expenses | – 3,166,314 |
| **Net rental income** | **10,640,238** |
| | |
| Other expenses | – 628,164 |
| Revaluation of investment properties | 25,816,820 |
| Other income | 32,180 |
| **Net operating (loss)/profit from discontinued operation** | **35,861,074** |
| | |
| Interest income | 178,378 |
| Finance cost | – 3,394,966 |
| Net foreign exchange gain/(loss) | – 27,281,743 |
| **Profit/(loss) before tax** | **5,362,743** |
| | |
| Income taxes | – 7,175,842 |
| | |
| **Net loss after income tax of discontinued operations** | **– 1,813,099** |
| Loss on sale of the subsidiary after income tax | – 101,453,432 |
| Net loss for the period from discontinued operations | – 103,266,531 |
| Loss on currency translation differences | – 25,888,127 |
| Reclassification of currency translation differences to profit or loss upon disposal of discontinued operation | 162,743,942 |
| **Other comprehensive gain from discontinued operation** | **136,855,815** |

| in EUR | for the period 1 January 2023 - 19 April 2023 |
|---|---|
| Net cash inflow from operating activities | 5,994,035 |
| Net cash outflow for investing activities | – 15,528,078 |
| including inter-company payment to the parent company EPH PLC for assignment of Redhill loan | – 14,139,144 |
| Net cash inflow from financing activities | 3,720,463 |
| Net decrease in cash generated by the discontinued operations | – 5,813,580 |

### 11.3 Assets and liabilities of disposal group classified as held for sale

The following assets and liabilities were classified as held for sale in relation to the discontinued operation at the date of disposal 19 April 2023. The balances are given excluding inter-company balances.

| in EUR | 19.04.2023 |
|---|---|
| **Assets classified as held for sale** | |
| Investment properties | 448,140,334 |
| Goodwill | 41,521,136 |
| Loans and accounts receivable | 16,977,921 |
| Other assets | 2,399,062 |
| Cash and cash equivalents | 6,588,905 |
| **Total assets of the disposal group held for sale** | **515,627,358** |
| **Liabilities directly associated with assets classified as held for sale** | |
| Borrowings* | 409,902,969 |
| Deferred tax liabilities | 79,306,083 |
| Accounts payable and accrued expenses | 2,972,210 |
| Other liabilities | 18,082,257 |
| **Total liabilities of the disposal group held for sale** | **510,263,519** |
| Net assets of the disposal group | 5,363,839 |

*As of 31 December 2023, the amount of borrowings includes overdraft of EUR 5.

The details of changes in the balances of investment properties on a project basis are presented below:

| | for the period 1 January - 19 April 2023 | | | | | |
|---|---|---|---|---|---|---|
| in EUR | Berlin House | Geneva House | Polar Lights | Hermitage Plaza | Magistral'naya | Total Russia |
| **Beginning of the period** | **128,049,978** | **113,120,235** | **84,771,885** | **157,408,574** | **3,645,630** | **486,996,302** |
| Additions from subsequent expenditure | – | 46,723 | 2,297 | 4,267 | – | 53,287 |
| Other | – 2,776 | – 11,110 | – 2,898 | – 14,378 | – 5,629 | – 36,791 |
| Revaluations | – | – | – | – | – | – |
| Effect of translation to presentation currency | – 3,848,940 | – 3,408,494 | – 10,902,691 | – 20,243,921 | – 468,418 | – 38,872,464 |
| **End of period** | **124,198,262** | **109,747,354** | **73,868,593** | **137,154,542** | **3,171,583** | **448,140,334** |

The effect of translation to presentation currency in the table above for properties Berlin House and Geneva House was presented net with the revaluation gain recognized on these properties for the amount EUR 25.82 million, for the purposes of these presentation.

### 11.4. Details of sale of Russian segment

| in EUR | 19.04.2023 |
|---|---|
| | Disposal of Lenbury |
| Consideration received or receivable: | |
| Cash | 13,775 |
| Loans and receivables given to disposal group | 75,745,441 |
| Loans received from disposal group | – 2,831,177 |
| FV adjustment to the receivables given to disposal group | – 6,273,690 |
| **Total disposal consideration** | **66,654,349** |
| Carrying amount of net assets sold | – 5,363,839 |
| **Gain on sale before income tax and reclassification of CTA** | **61,290,510** |
| Reclassification of CTA | – 162,743,942 |
| Income tax expense | – |
| **Loss on sale after income tax** | **– 101,453,432** |

The carrying amount of assets and liabilities, including balances with the Group, as of the date of sale were as follows:

| in EUR | 19.04.2023 |
|---|---|
| | Lenbury |
| Investment property | 448,140,334 |
| Goodwill | 41,521,136 |
| Loans given to EPH Group | 2,831,177 |
| Loans and accounts receivable | 16,977,921 |
| Inventory | – |
| Other assets | 2,399,063 |
| Cash and cash equivalents | 6,588,905 |
| **Total assets** | **518,458,536** |
| Borrowings | 409,902,969 |
| Borrowings and payables owed to EPH Group | 75,745,441 |
| Payables | 21,054,468 |
| Deferred tax liability | 79,306,083 |
| **Total liabilities** | **586,008,961** |
| **Net liabilities** | **– 67,550,425** |
| **Net liabilities excluding balances with the Group** | **5,363,839** |

Upon disposal, the Group recognized in its consolidated statement of financial position remaining receivables and payables from/to the segment, previously eliminated. Loss on disposal amounted to EUR 101.45 million, net of negative effect from reclassification of accumulated currency translation differences attributable to the entity from CTA reserve for the amount EUR 162.76 million.

# 12. BORROWINGS

| in EUR | 31.12.2024 | 31.12.2023 |
|---|---|---|
| **Borrowings (non-current)** | | |
| Bonds issued | 411,775,000 | 244,350,000 |
| Bank loans | 14,020,772 | 14,888,750 |
| Other loans | 6,001,187 | 10,335,537 |
| **Total** | **431,796,959** | **269,574,287** |
| **Borrowings (current)** | | |
| Bonds issued | 2,748,870 | 167,425,000 |
| Bank loans | 1,112,080 | 1,040,000 |
| Other loans | 5,384,000 | 1,653,970 |
| Bank overdrafts | 590 | 104 |
| **Total** | **9,245,540** | **170,119,074** |
| **Total Borrowings** | **441,042,499** | **439,693,361** |

## 12.1 Bonds

Bonds are measured at amortised cost using the effective interest rate (EIR). Amortised cost is calculated by taking into account transaction costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

| as of 31.12.2024 | Nominal value, EUR | Nominal interest rate | Interest payment date | Maturity date |
|---|---|---|---|---|
| ISIN CH1177844367 (until April 2022 CH0249865368) | 126,700,000 | 4.50% | March and September | Sep 2028 |
| ISIN CH1177348278 (until April 2022 CH0254468074) | 117,650,000 | 4.50% | March and September | Sep 2028 |
| ISIN CH1177348302 (until April 2022 CH0283169123) | 122,175,000 | 3.50% | June and December | May 2029 |
| ISIN CH1177348310 (until April 2022 CH0305765015) | 45,250,000 | 3.00% | June and December | Dec 2029 |
| **Total** | **411,775,000** | | | |

On 8 September 2023, the Group extended maturity and interest rate on bonds with original maturity in September 2023. Effective from 1 October 2023, the bonds for the amount EUR 244.35 million were extended for 5 years (September 2028), the interest rate was changed from 2.0% to 4.5% p.a. The bonds for the amount EUR 122.18 million and EUR 45.25 million were extended for 5 years (May 2029 and December 2029, respectively). The interest rates were increased from 2.25% to 3.5% and 3.00% p.a., respectively.

## 12.2 Bank loans

| in EUR | | | | 31.12.2024 | 31.12.2023 |
|---|---|---|---|---|---|
| **Non-current bank loans** | **currency of issue** | **nominal interest** | **repayment date** | | |
| UniCredit - SALZ4 loan | EUR | 1M EURIBOR +1,05% | Dec. 2029 | 13,868,750 | 14,888,750 |
| UBS Covid loan - 3C | CHF | 1,5% | October 2027 | 152,022 | – |
| **Total** | | | | **14,020,772** | **14,888,750** |
| **Current bank loans** | | | | | |
| UniCredit - SALZ4 loan | EUR | 1M EURIBOR +1,05% | Dec. 2029 | 1,020,000 | 1,040,000 |
| UBS Covid loan - 3C | CHF | 1,5% | October 2027 | 92,080 | – |
| **Total** | | | | **1,112,080** | **1,040,000** |

The UniCredit - SALZ4 loan is secured with the property SALZ 4 (land and building) as well as all its current and future rental receivables. As of 31 December 2024, effective interest rate on SALZ 4 loan is 2.09% (2023: 2.09%).

### 12.3 Other loans

Other loans comprise of the following liabilities:

- Loans from non-controlling shareholders of German subsidiaries of the Group (WLC, City Gate and SA3 Media) with the total carrying amount of EUR 11.39 million, of which EUR 5.38 million is short-term (31 December 2023: EUR 10.97 million, of which EUR 0.63 million was short-term). Interest rates are fixed at 4.26% and 4.5%.

### 12.4 Changes in the balance of borrowings

The changes in the balance of borrowings, excluding overdraft, are given below.

| in EUR | Note | Bonds issued | Bank & other loans | Total |
|---|---|---|---|---|
| **Balance as of 1 January 2024** | | **411,775,000** | **27,918,257** | **439,693,257** |
| Cash flows, net | | – 12,904,715 | – 1,330,627 | – 14,235,342 |
| Non-cash movements: | | | | |
| Interest accruals | | 15,653,585 | 986,641 | 16,640,226 |
| Currency translation adjustment (CTA) | | – | – 115,689 | – 115,689 |
| Acquisition of loans in business combination | | – | 446,303 | 446,303 |
| Set-off with the loans due to the former subsidiaries | | | – 1,386,844 | – 1,386,844 |
| **Balance as of 31 December 2024** | | **414,523,870** | **26,518,041** | **441,041,911** |

| in EUR | Bonds issued | Notes payable | Bank & other loans | Total |
|---|---|---|---|---|
| **Balance as of 1 January 2023** | **414,880,420** | **426,100,000** | **185,432,954** | **1,026,413,374** |
| Cash flows, net | – 13,286,741 | – 30,072,917 | – 151,256,245 | – 194,615,903 |
| Non-cash movements: | | | | |
| Interest accruals | 10,181,321 | 3,292,075 | 3,974,677 | 17,448,073 |
| Foreign exchange difference | – | 33,569,587 | 466,332 | 34,035,919 |
| Currency translation adjustment (CTA) | – | – 33,569,587 | – 1,134,275 | – 34,703,862 |
| Recognition of loans from the former subsidiaries (ex-inter-company) at disposal | – | – | 2,821,024 | 2,821,024 |
| Derecognition of borrowings of the former subsidiaries at disposal | – | – 399,319,158 | – 10,583,806 | – 409,902,964 |
| Set-off with the loans due to the former subsidiaries (ex-inter-company) | – | – | – 1,802,404 | – 1,802,404 |
| **Balance as of 31 December 2023** | **411,775,000** | **–** | **27,918,257** | **439,693,257** |

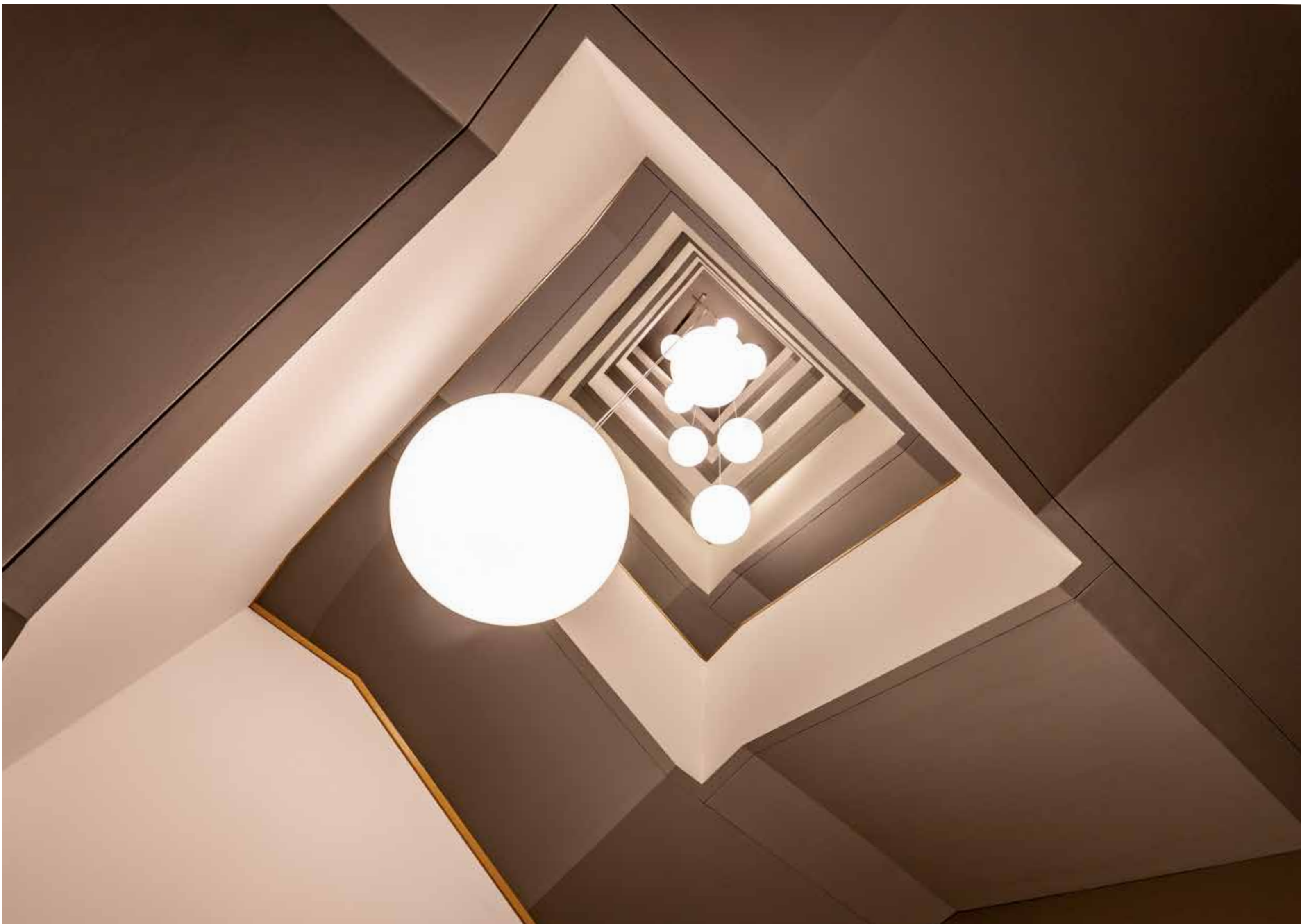
Cash flows, net, presented in the table, do not include interest paid on cash balances and other charges of banks for the amount EUR 0.29 million (2023: EUR 0.43 million).

# 13. ACCOUNTS PAYABLE AND OTHER LIABILITIES

Accounts payable and other liabilities are presented below:

| in EUR | 31.12.2024 | 31.12.2023 |
|---|---|---|
| **Non-current liabilities** | | |
| Tenant deposits | 1,592,209 | 1,591,699 |
| Deferred revenue | 292,221 | 315,187 |
| **Total** | **1,884,430** | **1,906,886** |
| **Current liabilities** | | |
| Trade payables and accrued expenses | 2,719,370 | 2,350,956 |
| Payables and accrued expenses with related parties | 44,102 | 38,036 |
| Deferred revenue | 13,798 | 23,617 |
| **Total** | **2,777,270** | **2,412,609** |
| **Total accounts payable and other liabilities** | **4,661,700** | **4,319,495** |

The balance of tenant deposits consist of the tenant security deposits refundable upon expiry of the leases.



# 14. DEFINED BENEFIT OBLIGATION

With the purchase of hotel 3C in Switzerland (note 4), the Group acquired obligation on defined benefit plan for the entity's employees. Although contributions are paid by the employer and employees in the case of Swiss pension plans, they are defined benefit plans owing to the guaranteed interest rate and the prescribed conversion rate. The employee pension plan is financed with Hotela, a multi-employer foundation. The actuarial calculation for performance-related plans was performed by an independent actuary.

## 1. Statement of financial position

| | EUR |
|---|---|
| **(a) Reconciliation of defined benefit obligation (DBO)** | |
| **Benefit obligation at beginning of period** | – |
| Acquisition in business combination | 4,096,836 |
| Current service cost (employer) | 154,257 |
| Interest cost | 56,666 |
| Contributions by plan participants | 169,997 |
| Actuarial (gain)/loss on financial assumptions | 240,304 |
| Actuarial (gain)/loss on experience | – 15,740 |
| Benefits paid | – 675,791 |
| Currency translation adjustment | – 28,015 |
| **Benefit obligation at end of period** | **3,998,514** |
| | |
| **(b) Reconciliation of fair value of plan assets** | |
| **Fair value of plan assets at beginning of period** | – |
| Acquisition in business combination | 3,156,263 |
| Interest income on plan assets | 44,073 |
| Actuarial gain/(loss) on plan assets | 130,121 |
| Contributions by plan participants | 169,997 |
| Contributions by the employer | 169,997 |
| Benefits paid | – 675,791 |
| Currency translation adjustment | – 22,849 |
| **Fair value of plan assets at end of period** | **2,971,811** |
| | |
| **(c) Amounts recognized in the statement of financial position** | |
| Benefit obligation at end of period | – 3,998,514 |
| Fair value of plan assets at end of period | 2,971,811 |
| (Deficit)/surplus | – 1,026,703 |
| **Net (liability)/asset** | **– 1,026,703** |
| | |
| **(d) Reconciliation of net defined benefit liability (asset)** | |
| **Balance sheet liability (asset) beginning of period** | – |
| Acquisition in business combination | 940,573 |
| Pension expense recognized in profit or loss | 166,850 |
| Amounts recognized in OCI | 94,443 |
| Employer contributions made | – 169,997 |
| Currency translation adjustment | – 5,166 |
| **Net defined benefit liability/(asset) recognized in the statement of financial position at the end of the period** | **1,026,703** |

## 2. Costs and remeasurement for employee pension plan in profit or loss and other comprehensive income (OCI )

| | EUR |
|---|---|
| **(a) Components of defined benefit cost in profit or loss** | |
| Current service cost | 154,257 |
| Net interest cost | 12,592 |
| **Defined benefit cost recognized in profit or loss** | **166,849** |
| | |
| **(b) Components of defined benefit cost in OCI** | |
| Actuarial losses | 94,443 |
| **Defined benefit cost recognised in OCI** | **94,443** |

Profit or loss component of defined benefit cost is presented in line Costs, arising from the hotel property 3C operations in the statement of profit or loss.

### 3. Main groups of pension fund assets at acquisition date and reporting date

| Asset Category | Share |
|---|---|
| Equity Securities | 30.10% |
| Debt Securities | 25.00% |
| Property | 23.90% |
| Cash | 2.10% |
| Other | 18.90% |
| **Total** | **100.00%** |

### 4. Actuarial assumptions and sensitivity

| **Assumptions** | |
|---|---|
| Discount rates (beginning of period) | 1.50% |
| Discount rates (end of period) | 1.00% |
| Interest on savings capital | 1.25% |
| Expected rate of salary increases | 1.50% |

| **Sensitivity, in EUR** | |
|---|---|
| Discount rate +0.50% | – 312,711 |
| Discount rate - 0.50% | 359,932 |
| Salary +0.5% | 54,567 |
| Salary -0.5% | – 51,419 |

Demographic assumptions (e.g. probabilities of death, disability and turnover) are based on the BVG/LLP 2020 actuarial tables (prior year on BVG/LLP 2020 actuarial tables). These generational tables are based on observations of large pools of insured persons in Switzerland over several years.

### 5. Estimate of contributions for the following year, in EUR

| | |
|---|---|
| Expected benefits paid | 33,580 |
| Expected employee contributions | 172,096 |
| Expected employer contributions | 172,096 |

# 15. NET RENTAL INCOME

### 15.1 Rental Income

The breakdown of Rental Income on an asset by asset basis is presented below:

## AUSTRIA

for year ended 31.12.2024

| in EUR | QBC 4 | QBC 1 | QBC 2 | QBC 7 | LASS 1 | Reconciliations (inter-company) | Total Austria |
|---|---|---|---|---|---|---|---|
| Gross rental income | 4,357,515 | 2,119,282 | 7,174,501 | 1,437,190 | 6,675,976 | – 517,322 | 21,247,142 |
| Service charge income | 1,089,675 | 578,976 | 1,747,067 | 747,521 | 1,757,326 | – 321,506 | 5,599,059 |
| Property operating and maintenance expenses | – 1,119,627 | – 583,490 | – 1,725,970 | – 1,301,550 | – 1,876,548 | 838,828 | – 5,768,357 |
| Utilities | – 241,236 | – 169,559 | – 554,559 | – 48,456 | – 384,845 | | – 1,398,655 |
| Property operating expenses | – 788,475 | – 247,004 | – 734,565 | – 611,135 | – 1,344,571 | 321,506 | – 3,404,244 |
| Repair and maintenance costs | – 83,422 | – 125,802 | – 373,398 | – 119,670 | – | | – 702,292 |
| Ground rents paid | – | – | – | – 517,322 | – | 517,322 | – |
| Non-income taxes | – 6,494 | – 41,125 | – 63,448 | – 4,967 | – 147,132 | | – 263,166 |
| **Net rental income** | **4,327,563** | **2,114,768** | **7,195,598** | **883,161** | **6,556,754** | **–** | **21,077,844** |

for year ended 31.12.2023

| in EUR | QBC 4 | QBC 1 | QBC 2 | QBC 7 | LASS 1 | Reconciliations (inter-company) | Total Austria |
|---|---|---|---|---|---|---|---|
| Gross rental income | 4,126,490 | 2,019,452 | 6,814,881 | 1,351,006 | 5,039,753 | – 491,024 | 18,860,558 |
| Service charge income | 2,113,594 | 830,312 | 2,749,181 | 660,832 | 2,234,949 | – 420,848 | 8,168,020 |
| Property operating and maintenance expenses | – 2,124,190 | – 853,240 | – 2,819,699 | – 1,252,065 | – 2,376,593 | 911,872 | – 8,513,915 |
| Utilities | – 1,145,876 | – 466,124 | – 1,662,504 | – 73,043 | – 798,745 | – | – 4,146,292 |
| Property operating expenses | – 889,560 | – 280,422 | – 864,439 | – 579,869 | – 1,488,716 | 420,848 | – 3,682,158 |
| Repair and maintenance costs | – 83,928 | – 105,570 | – 289,182 | – 103,162 | – | – | – 581,842 |
| Ground rents paid | – | – | – | – 491,024 | – | 491,024 | – |
| Non-income taxes | – 4,826 | – 1,124 | – 3,574 | – 4,967 | – 89,132 | – | – 103,623 |
| **Net rental income** | **4,115,894** | **1,996,524** | **6,744,363** | **759,773** | **4,898,109** | **–** | **18,514,663** |

## GERMANY

| | for year ended 31.12.2024 | | | | | |
|---|---|---|---|---|---|---|
| in EUR | City Gate | WLC | STRAL 3 | SALZ 4 | Total Germany | Total Group |
| Gross rental income | 4,787,636 | 3,195,169 | 4,906,023 | 2,711,789 | 15,600,617 | 36,847,759 |
| Service charge income | 1,365,269 | 843,576 | – | 87,376 | 2,296,221 | 7,895,280 |
| Property operating and maintenance expenses | – 1,676,512 | – 1,314,871 | – 518,099 | – 356,532 | – 3,866,014 | – 9,634,371 |
| Utilities | – 438,889 | – 410,761 | – | – 24,613 | – 874,263 | – 2,272,918 |
| Property operating expenses | – 793,757 | – 364,844 | – 66,228 | – 89,908 | – 1,314,737 | – 4,718,981 |
| Repair and maintenance costs | – 314,792 | – 470,321 | – 372,593 | – 206,805 | – 1,364,511 | – 2,066,803 |
| Ground rents paid | – | – | – | – | – | – |
| Non-income taxes | – 129,074 | – 68,945 | – 79,278 | – 35,206 | – 312,503 | – 575,669 |
| **Net rental income** | **4,476,393** | **2,723,874** | **4,387,924** | **2,442,633** | **14,030,824** | **35,108,668** |

| | for year ended 31.12.2023 | | | | | |
|---|---|---|---|---|---|---|
| in EUR | City Gate | WLC | STRAL 3 | SALZ4 | Total Germany | Total Group |
| Gross rental income | 5,079,704 | 2,772,944 | 4,592,321 | 2,679,784 | 15,124,753 | 33,985,311 |
| Service charge income | 1,265,874 | 935,097 | – | 92,717 | 2,293,688 | 10,461,708 |
| Property operating and maintenance expenses | – 1,583,055 | – 1,091,321 | – 314,105 | – 348,112 | – 3,336,593 | – 11,850,508 |
| Utilities | – 388,889 | – 329,870 | – | – 30,841 | – 749,600 | – 4,895,892 |
| Property operating expenses | – 793,364 | – 364,241 | – 67,509 | – 97,070 | – 1,322,184 | – 5,004,342 |
| Repair and maintenance costs | – 271,728 | – 328,265 | – 167,318 | – 184,995 | – 952,306 | – 1,534,148 |
| Ground rents paid | – | – | – | – | – | – |
| Non-income taxes | – 129,074 | – 68,945 | – 79,278 | – 35,206 | – 312,503 | – 416,126 |
| **Net rental income** | **4,762,523** | **2,616,720** | **4,278,216** | **2,424,389** | **14,081,848** | **32,596,511** |

### 15.2 Major tenants of the Group

The top tenants in the Group (continuing operations) in the reporting period and in 2023 year are presented below as share of their income in total gross rental and service charge income of the Group.

| | for year ended 31.12.2024 | for the year ended 31.12.2023 |
|---|---|---|
| Nhow (SA3) | 13% | 16% |
| Innside by Melia (SALZ4) | 7% | 9% |
| BDO (QBC4) | 9% | 9% |
| Land Baden-Württemberg (City Gate) | 6% | 7% |
| Stadt Wien (Lass 1) | 6% | 6% |
| Performance Media (WLC) | 5% | 5% |
| Wiener ArbeitnehmerInnen Förderungsfonds (Lass 1) | 5% | 5% |

### 15.3 Future lease payments

The following table represents the undiscounted rental income to be received by the Group in future periods under leases currently in effect. The data is given excluding leases of discontinued operations.

| in EUR | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Less than 1 year | 46,331,329 | 46,127,140 |
| From 1 year to 5 years | 165,347,567 | 167,167,751 |
| More than 5 years* | 187,787,907 | 209,594,701 |
| **Total** | **399,466,803** | **422,889,592** |

*The income on leases with BDO at QBC 4, unlimited in term, is included in the table above for the period up to January 2043, when the Group shall be entitled to increase the basic rate up to a fair market rate for similar rental property.

# 16. REVENUE AND OPERATING COSTS OF HOTEL PROPERTY

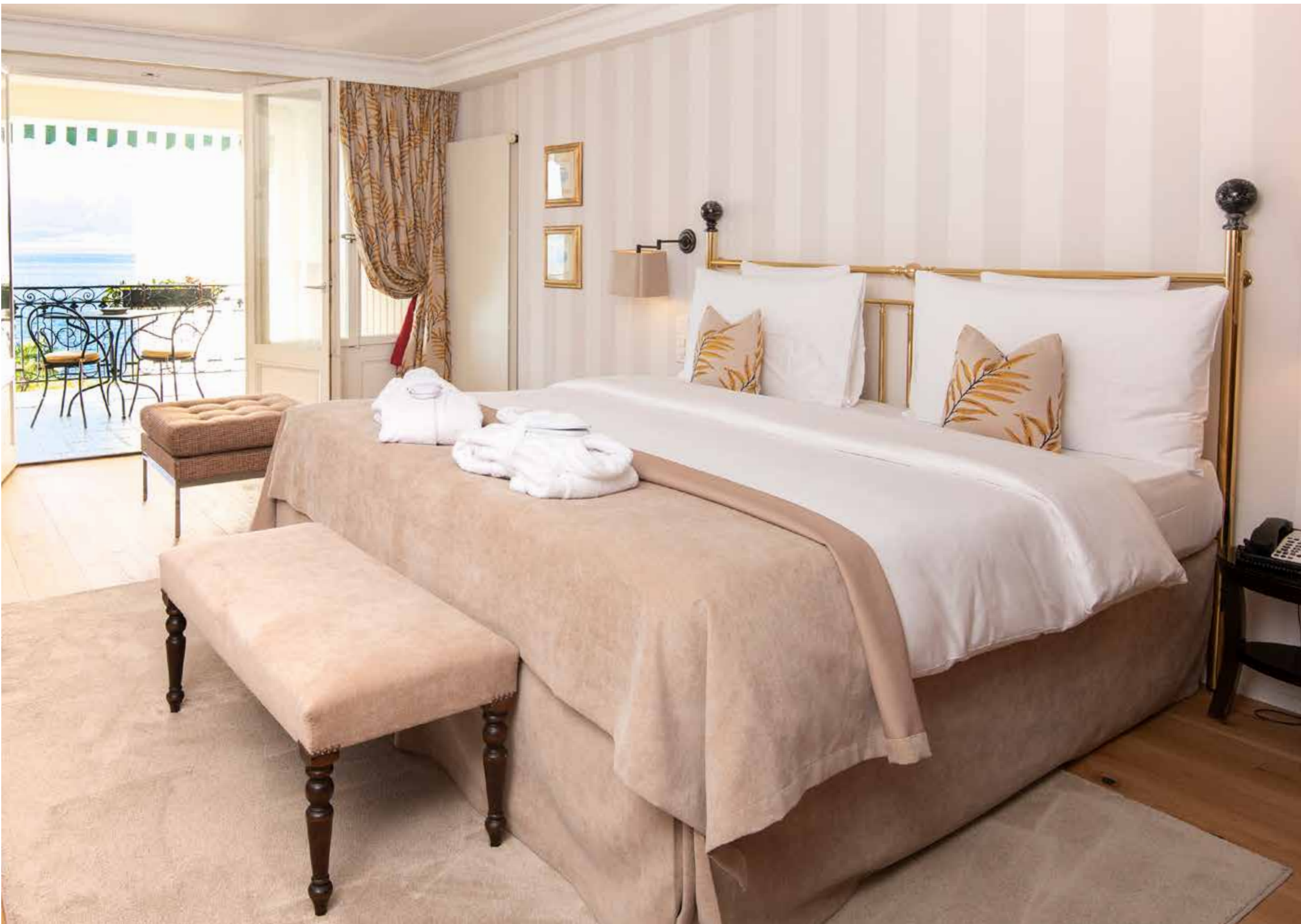
The business of the hotel is run by approximately seventy employees of the entity. Revenue and operating costs, including direct costs and production overheads, are presented below. General overheads of the hotel, such as compensation of general manager, marketing and legal expenses, are presented in line administrative expenses in Profit or loss statement.

As agreed with the sellers of the property, the Group is entitled for the hotel's earnings after 31 December 2023, that is operations of the period from 1 January 2024 to the date of acquisition 16 January 2024 are also consolidated to the Group's profit or loss.

| in EUR | Note | for year ended 31 December 2024 |
|---|---|---|
| Revenue | | |
| Accommodation | | 4,613,586 |
| Restaurant | | 3,956,642 |
| SPA | | 1,211,209 |
| Other | | 459,459 |
| **Total revenue** | | **10,240,896** |
| | | |
| Direct costs and production overheads | | |
| Salary and social charges | | – 4,421,639 |
| Other personnel costs | | – 984,141 |
| Depreciation | 7 | – 1,444,688 |
| Materials and consumables | | – 1,349,865 |
| Utilities | | – 746,662 |
| Repair and maintenance of fixed assets | | – 485,088 |
| Defined benefit cost | | – 166,849 |
| Other costs | | – 1,643,274 |
| **Total costs** | | **– 11,242,206** |

# 17. ADMINISTRATIVE EXPENSES

| | for year ended | |
|---|---|---|
| in EUR | 31.12.2024 | 31.12.2023 |
| Professional and administration fees | 3,432,296 | 3,148,647 |
| Salaries and social charges | 579,764 | 134,677 |
| **Total** | **4,012,060** | **3,283,324** |



# 18. OTHER INCOME

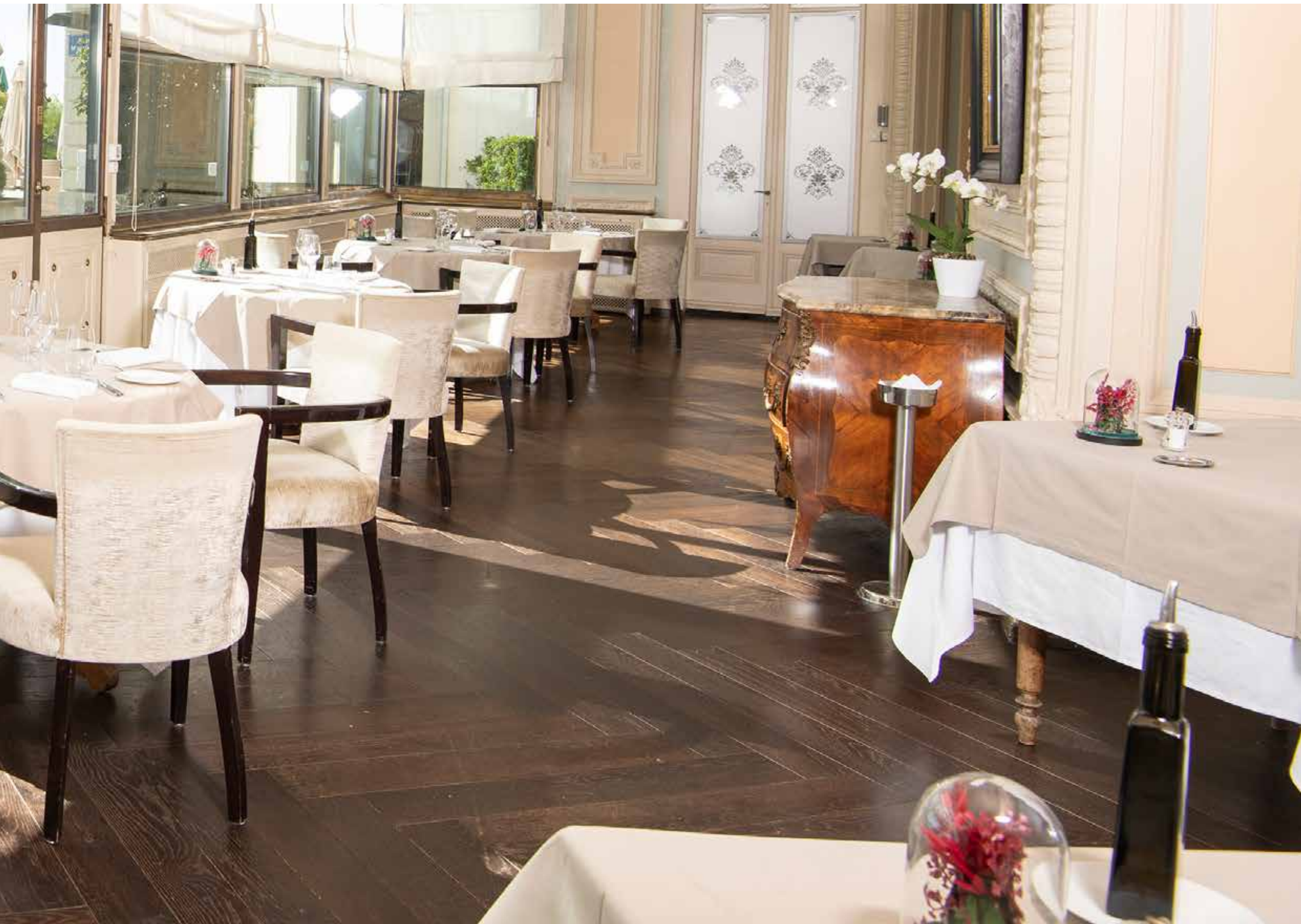
| | for year ended | |
|---|---|---|
| in EUR | 31.12.2024 | 31.12.2023 |
| Income on adjustment of purchase price of investment property acquired in prior periods (Lass 1) | – | 2,171,625 |
| Reverse of impairment for Eurobonds | – | 88,533 |
| Other miscellaneous income | 994,002 | 294,465 |
| **Total** | **994,002** | **2,554,623** |

Other miscellaneous income includes insurance payments and other items of irregular nature.

# 19. OTHER EXPENSES

| | for year ended | |
|---|---|---|
| in EUR | 31.12.2024 | 31.12.2023 |
| Other taxes and duties | 377,755 | 631,890 |
| Impairment of goodwill | 1,009,332 | 436,028 |
| Impairment for Eurobonds | 57,716 | – |
| Depreciation | 2,738 | 2,795 |
| Loss on adjustment of purchase price of investment property acquired in prior periods (QBC 1,2,7) | – | 87,391 |
| Other miscellaneous expenses | 465,434 | 49,624 |
| **Total** | **1,912,975** | **1,207,728** |

Other taxes and duties represent mainly the Company’s non-recoverable VAT.



# 20. FINANCE INCOME

| | for year ended | |
|---|---|---|
| in EUR | 31.12.2024 | 31.12.2023 |
| Gain on early termination of interest rate SWAP | – | 18,211,782 |
| Interest income on loans provided to the former Russian segment | 1,628,794 | 1,768,208 |
| Interest unwind on deferred consideration from the former Russian segment | 566,480 | 765,038 |
| Interest income on bank deposits | 679,817 | – |
| Interest income on Eurobonds | 17,384 | 15,738 |
| Other finance income | – | 1,469 |
| **Total** | **2,892,475** | **20,762,235** |

In September 2023, the Group signed Termination, Pay-Off and Security Release Agreement with UniCredit Bank Austria AG and made an early repayment of loans provided to QBC Immobilien GmbH & Co Alpha KG and QBC Immobilien GmbH & Co Omega KG (QBC 1&2) and QBC IMMOBILIEN GMBH & CO DELTA KG (QBC 4). On repayment, the Group also paid a business distance fee of EUR 0.79 million and received compensation for the termination of the interest SWAP, attached to the respective loans, at fair value, net of fees, for EUR 18.22 million. At inception of the loans, the Group accounted for the loans and embedded interest SWAP derivative as a whole instrument, that is not recognizing the derivative as a separate asset or liability at once but recognizing its effect in each period when interest on the loans was charged. Upon realization of the interest SWAP at termination of the loan agreements, the Group recognised profit of EUR 18.21 million.

# 21. FINANCE COSTS

| | for year ended | |
|---|---|---|
| in EUR | 31.12.2024 | 31.12.2023 |
| Interests on bonds issued | 15,653,585 | 10,181,321 |
| Interest on notes payable | – | 1,501,913 |
| Interest on loans payable | 433,656 | 2,310,688 |
| Interest on bank loans | 250,798 | 3,454,151 |
| Bank charges | 290,011 | 427,613 |
| Other finance cost | 555,703 | 797,031 |
| Finance cost directly attributable to discontinued operations | – | – 3,394,966 |
| **Total** | **17,183,753** | **15,277,751** |

# 22. TAXATION

Before 7 February 2022, the Company was domiciled in the British Virgin Islands (BVI), and organised as a Business Corporation, which is tax exempt in the BVI. Therefore, profits were accumulated and paid out free of any corporate tax or withholding tax. Since 7 February 2022, the Company re-domiciled to the Republic of Cyprus.

TAXATION IN GERMANY

The Group's subsidiaries in Germany are liable for the following major taxes in Germany:

- 15.825% – 31.93% income tax payable on the taxable profit calculated as the difference between rental income and tax deductible expenses incurred by the companies in connection with the permanent establishment;
- land tax on tax value of the land at rate established by local authorities on an individual basis.

TAXATION IN AUSTRIA

The Group's subsidiaries in Austria are liable for the following major taxes in Austria:

- 23% (2023: 23%) corporate income tax payable on the taxable profit calculated as the difference between rental income and tax deductible expenses incurred by the companies in connection with the permanent establishment;
- Property tax (real estate tax) levied on the assessed value of real estate property. It is levied at a basic federal rate, multiplied by a municipal coefficient. The basic federal rate is 2% and the municipal coefficient of 500%.

TAXATION IN SWITZERLAND

Swiss corporate income tax (CIT) is levied at the federal, cantonal, and communal levels. Direct federal CIT is levied at a flat rate of 8.5% on profit after tax. Accordingly, CIT is deductible for tax purposes and reduces the applicable tax base (i.e. taxable income), resulting in a direct federal CIT rate on profit before tax of approximately 7.83%. At the federal level, no corporate capital tax is levied. Each canton has its own tax law and levies cantonal and communal corporate income and capital taxes at different rates. Therefore, the tax burden of income (and capital) varies from canton to canton. The overall approximate range of the maximum CIT rate on profit before tax for federal, cantonal, and communal taxes is between 11.9% and 20.5%,

TAXATION IN CYPRUS

The Group's subsidiaries in Cyprus are liable for income tax in Cyprus at 12.5% rate payable on the taxable profit calculated as the difference between taxable income and tax deductible expenses incurred by the companies in connection with the permanent establishment. Under certain conditions interest income may be subject to defence contribution at the rate of 30% (reduced to 17% as of 1 January 2024). In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%. Gains on disposal of qualifying titles (including shares, bonds, debentures, rights thereon etc) are exempt from Cyprus income tax.

Income taxes

The major components of income tax expense for the years ended 31 December 2024 and 2023 are:

| | for year ended | |
|---|---|---|
| in EUR | 31.12.2024 | 31.12.2023 |
| Current income tax expense | – 479,525 | – 3,281,983 |
| Deferred income tax benefit | 1,662,055 | 9,446,702 |
| **Total income tax benefit** | **1,182,530** | **6,164,719** |
| Attributable to continuing operations | | |
| Current income tax expense | – 479,525 | – 1,349,406 |
| Deferred income tax benefit | 1,662,055 | 14,689,967 |
| **Total income tax benefit** | **1,182,530** | **13,340,561** |
| Attributable to discontinued operations | | |
| Current income tax expense | – | – 1,932,577 |
| Deferred income tax expense | – | – 5,243,265 |
| **Total income tax expense** | **–** | **– 7,175,842** |

Reconciliation between income tax expense/benefit and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2024 and 2023 is given below

| | for the year ended | |
|---|---|---|
| in EUR | 31.12.2024 | 31.12.2023 |
| Profit / (loss) before tax attributable to | | |
| Continuing operations | – 4,213,082 | – 72,373,077 |
| Discontinued operations | – | – 96,090,689 |
| **(Loss)/profit before tax** | **– 4,213,082** | **– 168,463,766** |
| Income tax at applicable tax rate (refer to the table below) | 2,213,361 | 34,423,350 |
| Effect of non-deductible expenses net of non-taxable income | 1,376,245 | – 30,727,065 |
| Adjustment to income tax related to prior periods | – 165,385 | 424,611 |
| Recognition of previously unrecognised deferred tax assets | – | – |
| Unrecognised deferred tax assets related to current period | – 2,255,927 | – 1,490,740 |
| Derecognition of deferred tax assets related to prior periods | – | – 1,710,182 |
| Effect of tax rates in other jurisdictions | 14,234 | 5,244,745 |
| **Income tax benefit** | **1,182,528** | **6,164,719** |

In 2023, the effect of non-deductible expenses net of non-taxable income includes EUR 27.90 million related to the discontinued operations. In 2024, average effective tax rate for the Group is 28% (2023: 4%). The breakdown of applicable tax rates for the years 2024 and 2023, is given below.

| in EUR | for the year ended 31.12.2024 | | | | |
|---|---|---|---|---|---|
| | Austria | Germany | Switzerland | Cyprus (headquarters) | Total |
| Portion of profit/(loss) before tax attributable to jurisdiction for the purposes of reconciliation of income tax rate | – 17,142,370 | 4,167,405 | – 1,810,291 | 10,572,174 | – 4,213,082 |
| Applicable tax rate for a jurisdiction | 23.00% | 15.83% | 13.90% | 12.50% | – |
| Income tax at applicable tax rate | 3,942,745 | – 659,492 | 251,630 | – 1,321,522 | 2,213,361 |
| Effect of non-deductible expenses net of non-taxable income | – 255,847 | 600,188 | – 143,736 | 1,175,640 | 1,376,245 |
| Adjustment to income tax related to profits of prior periods | – | – 30,675 | – | – 134,710 | – 165,385 |
| Derecognition of deferred tax assets of prior periods | – | – | – | – | – |
| Unrecognised deferred tax assets for the period | – 2,255,927 | – | – | – | – 2,255,927 |
| Effect of tax rates in other jurisdictions | – | 14,234 | – | – | 14,234 |
| **Income tax benefit/ (expense)** | **1,430,971** | **– 75,745** | **107,894** | **– 280,592** | **1,182,528** |
| **Actual income tax rate** | **8%** | **2%** | **6%** | **3%** | **28%** |

| in EUR | for the year ended 31.12.2023 | | | | |
|---|---|---|---|---|---|
| | Austria | Germany | Cyprus (headquarters) | Russia (Discontinued operations) | Total |
| Portion of profit/(loss) before tax attributable to jurisdiction for the purposes of reconciliation of income tax rate | – 54,589,140 | – 34,538,029 | 7,131,806 | – 86,468,403 | – 168,463,766 |
| Applicable tax rate for a jurisdiction | 23.00% | 15.83% | 12.50% | 20.00% | – |
| Income tax at applicable tax rate | 12,555,502 | 5,465,643 | – 891,476 | 17,293,681 | 34,423,350 |
| Effect of non-deductible expenses net of non-taxable income | 624,290 | – 2,062,603 | 472,896 | – 29,761,648 | – 30,727,065 |
| Adjustment to income tax related to profits of prior periods | – | 356,101 | – | 68,510 | 424,611 |
| Derecognition of deferred tax assets of prior periods | – | – 1,710,182 | – | – | – 1,710,182 |
| Unrecognised deferred tax assets for the period | – 1,020,848 | – 469,892 | – | – | – 1,490,740 |
| Effect of tax rates in other jurisdictions | – | 21,130 | – | 5,223,615 | 5,244,745 |
| **Income tax benefit/ (expense)** | **12,158,944** | **1,600,197** | **– 418,580** | **– 7,175,842** | **6,164,719** |
| **Actual income tax rate** | **22%** | **5%** | **6%** | **(8%)** | **4%** |

Deferred tax assets and liabilities and their movement in the reporting and prior periods are disclosed in the tables below:

| in EUR | As of 1 January 2024 | Disposal of subsidiary | Recognised in Profit or Loss | Recognised in accumulated deficit | CTA | As of 31 December 2024 |
|---|---|---|---|---|---|---|
| Deferred tax assets | | | | | | |
| Due to losses available for offset against future taxable income | 8,473,473 | – | 24,271 | – | – | 8,497,744 |
| Net against deferred tax liability | – 3,467,677 | – | – 126,976 | – | – | – 3,594,653 |
| **Deferred tax assets recognised** | **5,005,796** | **–** | **– 102,705** | **–** | **–** | **4,903,091** |
| attributed to | | | | | | |
| continuing operations | 5,005,796 | – | – 102,705 | – | – | 4,903,091 |
| disposal group | – | – | – | – | – | – |
| Deferred tax liability | | | | | | |
| Due to fair value adjustment to investment property | – 29,881,858 | – | 1,672,602 | – | – | – 28,209,256 |
| Due to fair value adjustment to property, plant & equipment | – | – | – 34,816 | – 4,679,450 | – | – 4,714,267 |
| Net against deferred tax asset | 3,467,678 | – | 126,975 | – | – | 3,594,653 |
| **Deferred tax liabilities recognised** | **– 26,414,180** | **–** | **1,764,760** | **– 4,679,450** | **–** | **– 29,328,870** |
| attributed to | | | | | | |
| continuing operations | – 26,414,181 | – | 1,764,760 | – 4,679,450 | – | – 29,328,871 |
| disposal group | – | – | – | – | – | – |
| **Deferred tax liabilities net** | **– 21,408,384** | **–** | **1,662,055** | **– 4,679,450** | **–** | **– 24,425,779** |
| attributed to | | | | | | |
| continuing operations | – 21,408,385 | – | 1,662,055 | – 4,679,450 | – | – 24,425,779 |
| disposal group | – | – | – | – | – | – |

| in EUR | As of 1 January 2023 | Disposal of subsidiary | Recognised in Profit or Loss | Recognised in Other Comprehensive Income | CTA | As of 31 December 2023 |
|---|---|---|---|---|---|---|
| Deferred tax assets | | | | | | |
| Due to losses available for offset against future taxable income | 11,997,241 | – 444,993 | – 3,015,320 | – | – 63,455 | 8,473,473 |
| Due to change in FV of financial assets at FVOCI | 25,264 | – | – 19,228 | – 6,036 | – | – |
| Net against deferred tax liability | – 11,484,463 | – | 8,016,786 | – | – | – 3,467,677 |
| **Deferred tax assets recognised** | **538,042** | **– 444,993** | **4,982,238** | **– 6,036** | **– 63,455** | **5,005,796** |
| attributed to | | | | | | |
| continuing operations | 25,264 | – | 4,986,568 | – 6,036 | – | 5,005,796 |
| disposal group | 512,778 | – 444,993 | – 4,330 | – | – 63,455 | – |
| Deferred tax liability | | | | | | |
| Due to fair value adjustment to investment property | – 133,088,045 | 79,306,083 | 12,481,250 | – | 11,418,854 | – 29,881,858 |
| Net against deferred tax asset | 11,484,464 | – | – 8,016,786 | – | – | 3,467,678 |
| **Deferred tax liabilities recognised** | **– 121,603,581** | **79,306,083** | **4,464,464** | **–** | **11,418,854** | **– 26,414,180** |
| attributed to | | | | | | |
| continuing operations | – 36,117,580 | – | 9,703,399 | – | – | – 26,414,181 |
| disposal group | – 85,486,000 | 79,306,081 | – 5,238,935 | – | 11,418,854 | – |
| **Deferred tax liabilities net** | **– 121,065,539** | **78,861,090** | **9,446,702** | **– 6,036** | **11,355,399** | **– 21,408,384** |
| attributed to | | | | | | |
| continuing operations | – 36,092,316 | – | 14,689,967 | – 6,036 | – | – 21,408,385 |
| disposal group | – 84,973,222 | 78,861,088 | – 5,243,265 | – | 11,355,399 | – |

Tax losses have been recognised as a Deferred Income Tax Asset as it is probable that taxable profit will be available against which the unused tax losses can be utilised. As of 31 December 2024, the available tax losses capable of being carried forward can be offset against taxable profits. The tax losses have no expiry date. Deferred tax liabilities represent temporary differences resulting from excess of fair values of properties City Gate, Work Life Center, QBC 1,2,4,7, LASS1 over their tax values.

# 23. EARNINGS PER SHARE

Basic Earnings per Share amounts are calculated by dividing Net Profit/Loss for the Year Attributable to Equity Holders of the Company by the weighted average number of ordinary shares outstanding during the year.

The following reflects the income and share data used in computations of the Basic and Diluted Earnings per Share for continuing operations, discontinued operations and total operations.

| | for year ended | |
|---|---|---|
| in EUR | 31.12.2024 | 31.12.2023 |
| **Earnings per share for loss from continuing operations of the Company** | | |
| Net loss from continuing operations attributable to shareholders | – 3,314,841 | – 56,987,429 |
| Weighted average number of ordinary shares outstanding | 14,387,380 | 14,317,616 |
| **Earnings per share (EUR per share)** | **– 0.23** | **– 3.98** |

| | for year ended | |
|---|---|---|
| in EUR | 31.12.2024 | 31.12.2023 |
| **Earnings per share for loss from discontinued operations of the Company** | | |
| Net loss from discontinued operations attributable to shareholders | – | – 103,266,531 |
| Weighted average number of ordinary shares outstanding | 14,387,380 | 14,317,616 |
| **Earnings per share (EUR per share)** | **–** | **– 7.21** |

| | for year ended | |
|---|---|---|
| in EUR | 31.12.2024 | 31.12.2023 |
| **Earnings per share** | | |
| Net loss attributable to shareholders | – 3,314,841 | – 160,253,960 |
| Weighted average number of ordinary shares outstanding | 14,387,380 | 14,317,616 |
| **Earnings per share (EUR per share)** | **– 0.23** | **– 11.19** |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# 24. SHAREHOLDERS' EQUITY

## 24.1 Authorized Capital

Art. 5 of the Company's Memorandum of Association, as amended by the resolutions of the shareholders, provides for an authorised capital which entitles the Board of Directors to issue a total of 21,000,000 registered ordinary shares without par value and 1,000,000 registered Series A preferred shares without par value.

| | Number of ordinary shares | | Number of series A preferred shares | |
|---|---|---|---|---|
| | 31.12.2024 | 31.12.2023 | 31.12.2024 | 31.12.2023 |
| **Authorised capital** | | | | |
| **Total authorised capital** | **21,000,000** | **21,000,000** | **1,000,000** | **1,000,000** |
| Opening balance unissued authorised capital | 6,590,978 | 6,590,978 | 1,000,000 | 1,000,000 |
| **Closing balance unissued authorised capital with par value** | **6,590,978** | **6,590,978** | **1,000,000** | **1,000,000** |

| | Number of ordinary shares | | Number of series A preferred shares | |
|---|---|---|---|---|
| | 31.12.2024 | 31.12.2023 | 31.12.2024 | 31.12.2023 |
| **Issued share capital with par value** | | | | |
| Opening balance | 14,409,022 | 14,409,022 | – | – |
| **Closing balance** | **14,409,022** | **14,409,022** | **–** | **–** |

| | Number of treasury shares | |
|---|---|---|
| | 31.12.2024 | 31.12.2023 |
| **Treasury shares** | | |
| Opening balance | 93,954 | 90,887 |
| Purchase | 1,801 | 3,398 |
| Sales | 92,557 | 331 |
| **Closing balance** | **3,198** | **93,954** |

## 24.2 Share capital and share premium repartition

All of the Company's ordinary and preferred shares had been authorised and issued without par value. As of 31 December 2024 and 2023, issued share capital of the Company consists of 14,409,022 ordinary shares with a nominal value of EUR 0.93 per share, totalling EUR 13.4 million; share premium amounts to EUR 668.72 million. Share premium can only be resorted to for limited purposes which do not include the distribution of dividends and otherwise subject to the provisions of the Cyprus Company Law on reduction of share capital.

## 24.3 Treasury shares

After redomiciliation to Cyprus in 2022, the Company is the subject to the Cyprus Company Law (the 'Law'). According to the Law, a public company that purchased its own shares, may hold such shares for up to a period of two years. The Law is silent on and does not expressly provide in what manner such a public company may deal with such shares after the aforementioned period of two years. By taking into account the Law as well as guidance from the UK law, management concluded that the Company must either dispose of such shares (i.e. allot the shares) or cancel such shares by way of reducing its share capital following the relevant procedure laid down by the Law (which, inter alia, requires sanctioning of the reduction by the Court). During 2024 the Company sold 92,557 shares at the average price of EUR 25.33 and purchased 1,801 shares at the average price of EUR 24.89.

## 24.4 Other reserves

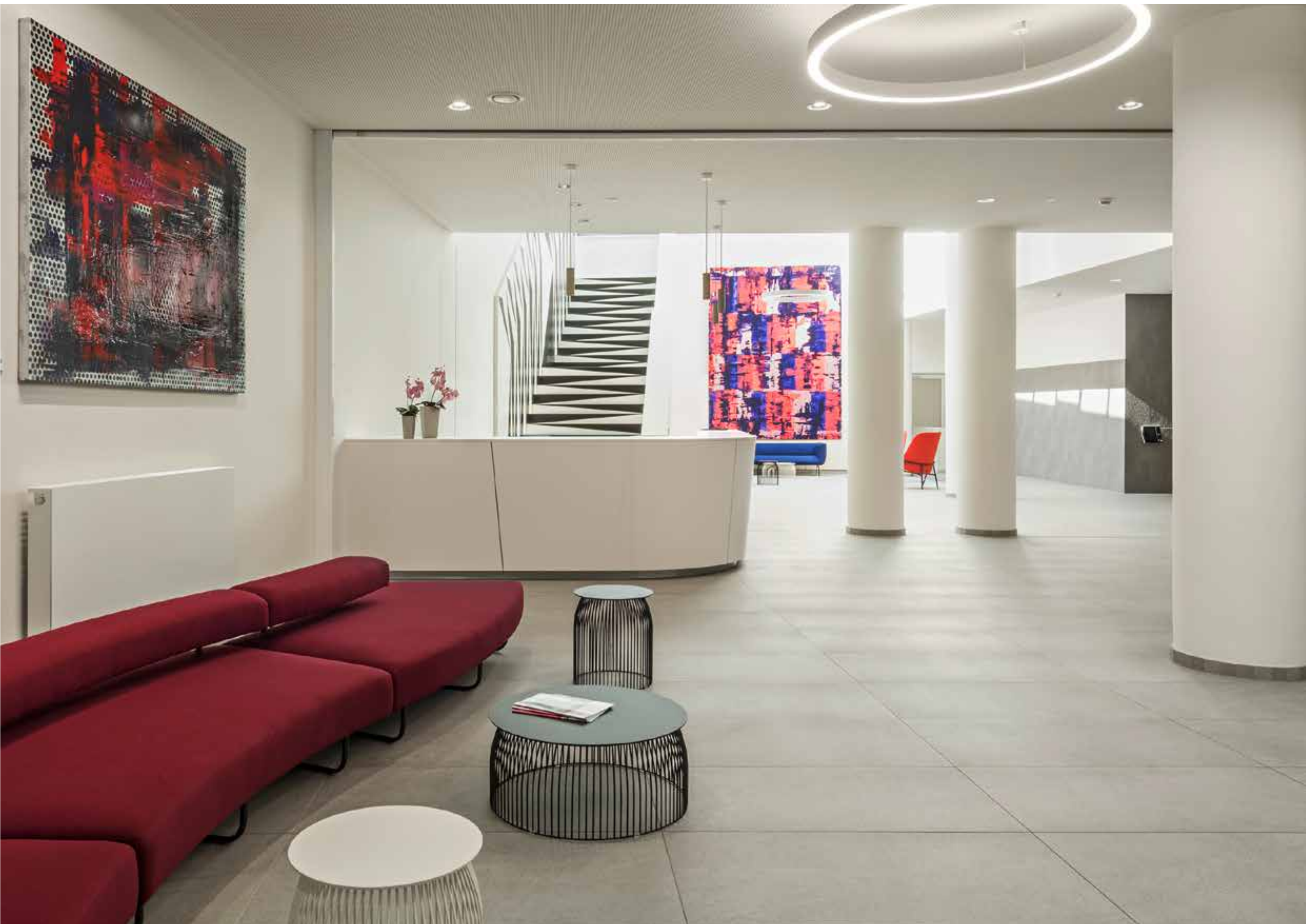
Other reserves include FV adjustment and impairment allowance for the financial assets at FVOCI. Upon disposal of the asset, accumulated reserve related to this asset is reclassified to Profit or Loss.

## 24.5 Cumulative translation adjustment ("CTA")

The results and financial position of all Group entities that have a functional currency different from the presentation currency are translated into the presentation currency. All resulting exchange differences are recognised in other comprehensive income or expenses as part of CTA. On disposal of Russian segment of the Group (Note 11) in 2023, the cumulative amount of the exchange differences relating to the segment, recognised in other comprehensive income and accumulated in the CTA, was reclassified from equity to profit or loss (as a reclassification adjustment) when loss on disposal was recognized for the amount EUR 162.76 million. Remaining balance as of 31 December 2023 of EUR 0.75 million represented translation difference recognised on the change in the functional currency of the parent Company from US$ to EUR as of 1 January 2022 and related to investment in European subsidiaries of the Group. As of 31 December 2024, all of the Group subsidiaries have Euro and CHF (3C) as functional currency. Balance as of 31 December 2024 amounting EUR 0.68 million represents the above-mentioned translation difference adjusted by an insignificant loss from translation of operations of property 3C (with functional currency CHF) in the amount EUR 0.07 million.

### 24.7 Dividends

Companies, which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Cyprus Republic Law, within two years after the end of the relevant tax year, will be deemed to have distributed this amount as dividend on the 31 of December of the second year. The amount of the deemed dividend distribution is reduced by any actual dividend already distributed by 31 December of the second year for the year the profits relate. The Company pays special defence contribution on behalf of the shareholders over the amount of the deemed dividend distribution at a rate of 17% (applicable since 2014) when the entitled shareholders are natural persons tax residents of Cyprus and have their domicile in Cyprus. In addition, the Company pays on behalf of the shareholders General Healthcare System (GHS) contribution at a rate of 2,65%, when the entitled shareholders are natural persons tax residents of Cyprus, regardless of their domicile. Accumulated deficit of the Company's stand-alone accounts is EUR 173.15 million as of 31 December 2024 (this amount might be subject to change and will be provided following the finalisation of the audit of the Company's stand-alone financial statements) (31 December 2023: EUR 179.13 million). No dividend was paid during reporting period (2023: nil).



# 25. RELATED PARTY TRANSACTIONS

## 25.1 Subsidiaries

The consolidated financial statements include the financial statements of the Company and the subsidiaries. The Company's holdings in all subsidiaries are listed in the Corporate Governance part of the report, section 1. Group structure and shareholders. The Company's intermediary holding companies are listed in the table below:

| | | % Holding | |
|---|---|---|---|
| Name of subsidiary | Incorporated in | 31.12.2024 | 31.12.2023 |
| Lexworth Finance Limited | Nicosia, Cyprus | 100% | 100% |
| Ferran Limited | Nicosia, Cyprus | 100% | 100% |
| Setford Limited | Nicosia, Cyprus | 100% | 100% |
| Andorian Beteiligungsverwaltungs GmbH | Vienna, Austria | 100% | 100% |
| QBC BT IV Alpha GmbH | Vienna, Austria | 100% | 100% |
| QBC BT IV Beta GmbH | Vienna, Austria | 100% | 100% |
| Obewan Beteiligungsverwaltungs GmbH | Vienna, Austria | 100% | 100% |
| Ophuhus Beteiligungsverwaltungs GmbH | Vienna, Austria | 100% | 100% |
| Obewan GmbH &Co KG | Vienna, Austria | 100% | 100% |
| Asura Holding S.a.r.l. | Luxembourg | 100% | 100% |
| SG4 Dresden Holding GmbH | Frankfurt am Main, Germany | 100% | 100% |
| QBC 1,2,7 Holding GmbH | Vienna, Austria | 100% | 100% |
| QBC Immomanagement SP Alpha GmbH | Vienna, Austria | 100% | 100% |
| QBC Immomanagement SP Omega GmbH | Vienna, Austria | 100% | 100% |
| QBC Immobilien GmbH | Vienna, Austria | 100% | 100% |
| Société de l'Hôtel des Trois Couronnes | Vevey, Switzer-land | 100% | 0% |

Subsidiaries, included in the disposal group, were sold on 19 April 2023 to third parties (Note 11). Transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this Note.

## 25.2 Categories of related parties of the Group

Related parties include shareholders, key management personnel and other related parties having significant influence on the Group. The Company and its subsidiaries, in the ordinary course of their business, enter into various sale, purchase and service transactions with related parties.

The real estate activities of the Company are managed by subsidiaries of Valartis Group AG. Employees of Valartis Group are members of the Management Committee and Board of Directors of the Company. Several managers of Valartis are also directly hired as entity-level top management in the subsidiaries of the Group.

### Nature of transactions with Valartis Group

### Real estate advisory agreements

Daily management of the Group is supported by the entities of Valartis Group on the base of the real estate advisory agreements, concluded with the Company and its subsidiaries.

Other transactions
- Valartis Group's entity concluded the agreement for administrative and consulting services to German and Austrian subsidiaries of the Company starting 2020 year ;
- Valartis Group's entity delivers various financial consulting and administrative services to the Company on specific cases (acquisitions of projects, refinancing of debt).

The services and rents are provided on market terms.

25.3 Balances with related parties
The Group's related party balances as of 31 December 2024 and 31 December 2023 consisted of the following:

| in EUR | Note | 31.12.2024 | 31.12.2023 |
|---|---|---|---|
| Other related parties: | | | |
| Accounts payable and accrued expenses | | – 44,102 | – 38,036 |

25.4 Transactions with related parties
The Group's transactions with related parties for the year ended of 31 December 2024 and 2023 consisted of the following:

| | for year ended | |
|---|---|---|
| in EUR | 31.12.2024 | 31.12.2023 |
| Other related parties: | | |
| Continuing operations | | |
| Management fees | – 1,924,013 | – 1,671,074 |
| Advisory services | – 279,115 | – 203,849 |
| Discontinued operations | | |
| Gross rental income | – | 85,883 |
| Management fees | – | – 451,942 |
| Salaries | – | – 7,397 |
| Shareholders: | | |
| Discontinued operations | | |
| Finance costs | – | – 1,501,913 |

25.5 Transactions and balances with key management personnel
Compensation to the board of directors amounted to EUR 262.50 thousand in the reporting period (2023: EUR 235.59 thousand). It is presented in line administrative expenses in the statement of profit or loss. Compensation prepaid as at 31 December 2024 amounts to EUR 7.75 thousand (31 December 2023: EUR 20.2 thousand). It is presented in line Prepayments in the statement of financial position.

The Group pays remuneration to the members of the Management Committee, presented as salary (2024: EUR 97.88 thousand; 2023: EUR 97.64 thousand) and consulting fees (2024: EUR 20.38 thousand; 2023: EUR 10.0 thousand) in line administrative expenses in the statement of profit or loss. Refer to section Corporate Governance, p. 5 for the disclosure of annual remuneration on individual basis.

Board of the directors:
- Member of the Board Tomasz Dukala has been delivering strategic advisory services to EPH PLC since March 2019. His fee is presented in line administrative expenses in the statement of profit or loss (2024: EUR 30 thousand; 2023: EUR 30 thousand).
- Member of the Board Annamaria Vassiliades had interests in the entity that delivered administrative and accounting services to Cypriot subsidiaries of the Company since November 2019 until April 2023. Related expenses are reflected in line administrative expenses in the statement of profit or loss. Annamaria Vassiliades has resigned as Board Member in April 2023.

# 26. CONTINGENCIES AND COMMITMENTS

### 26.1 Legal proceedings

From time to time and in the normal course of business, claims against the Group are received. On the basis of its own estimates and both internal and external professional advice, management is of the opinion that there are no current legal proceedings or other claims outstanding that could have a material effect on the results of operations or financial position of the Group which have not been disclosed in these consolidated financial statements.

### 26.2 Pledges

The Group's assets are pledged to secure borrowings of the Group (Note 12):

- Investment property SALZ 4 for EUR 44.80 million (31 December 2023: investment properties SALZ 4 for EUR 44.30 million);
- Current rental receivables for the amount of EUR nil and future rental receivables of investment property SALZ 4 (31 December 2023: Current rental receivables for the amount of EUR 0.13 million and future rental receivables of investment property SALZ 4).

During the current period, the Group did not breach any of its loan covenants, nor did it default on any of its obligations under its loan agreements.

### 26.3 Capital commitments

In June 2020, the Group signed a general construction agreement for the amount of EUR 50 million for construction and refurbishment works at newly acquired property LASS 1 in Vienna. EUR 1.75 million are outstanding as of 31 December 2024 (31 December 2023: EUR 1.53 million).

### 26.4 Military conflict in Ukraine

The geopolitical situation in Eastern Europe intensified on 24 February 2022 with the commencement of the military conflict between Russia and Ukraine. As at the date of authorising these financial statements for issue, the conflict continues to evolve as military activity proceeds. In addition to the impact of the events on entities that have operations in Russia, Ukraine, or Belarus or that conduct business with their counterparties, the conflict is increasingly affecting economies and financial markets globally and exacerbating ongoing economic challenges.

The European Union as well as United States of America, Switzerland, United Kingdom and other countries imposed a series of restrictive measures (sanctions) against the Russian and Belarussian government, various companies, and certain individuals. The sanctions imposed include an asset freeze and a prohibition from making funds available to the sanctioned individuals and entities. In addition, travel bans applicable to the sanctioned individuals prevents them from entering or transiting through the relevant territories. The Republic of Cyprus has adopted the United Nations and European Union measures. The rapid deterioration of the conflict in Ukraine may as well lead to the possibility of further sanctions in the future.

Uncertainty regarding global supply of commodities due to the conflict has caused immediate volatility in global stock markets, and consequences are anticipated in relation to the cost and availability of energy and natural resources, particularly within Europe. There is a risk that the war could escalate and directly involve NATO countries.

Direct and indirect impact on the Company and long-term economic consequences largely depend on the nature and duration of uncertain and unpredictable events, such as further military action, additional sanctions, and reactions to ongoing developments by global financial markets. Disposal of the Russian operations in 2023 had a positive impact on reducing the Group's exposure to the risks coming from the operations in the region, limiting it to the credit risk of the remaining receivables from the buyer US$ 46.04 million (2023: US$ 46.32 million, in nominal value) and loans receivable from the former Russian segment EUR 13.75 million (2023: EUR 45.95 million, gross with impairment provision). In assessing of the estimated credit loss on these loans and receivables, management considered potential negative scenarios. It is difficult to isolate from other factors the impact of the conflict on the valuation of fair value of the investment property; the overall fall in fair value of the investment property at the year-end is caused to some extent by the repercussions of the conflict. Current operating performance of the Group's properties in Europe continue to demonstrate stable growth. Management cannot judge on the future potential negative impact of the conflict on the global economy and major financial markets as well as on EPH properties but, as per the most recent assessment, impacts on the Group's operating performance and cash flows are considered as not material.

# 27. FINANCIAL INSTRUMENTS

## 27.1 Classes and categories of financial instruments and their fair values

The following table combines information about:

- classes of financial instruments based on their nature and characteristics;
- the carrying amounts of financial instruments;
- the fair value hierarchy for financial instruments measured at fair value.

The information for balances as of 31 December 2024 and 2023 in the table above and further below in Note 27 refers to the risk exposure of the continuing operations of the Group, if not specified other.

| | measurement category | fair value hierarchy | carrying amount | |
|---|---|---|---|---|
| in EUR | | | 31.12.2024 | 31.12.2023 |
| Non-current financial assets | | | | |
| Eurobonds | FVOCI | Level 1 | 1,596,745 | 1,512,332 |
| Loans | amortised cost | | 46,215,887 | 70,509,379 |
| Cash security deposits received from tenants | amortised cost | | 1,521,966 | 1,523,335 |
| Receivable from sellers of investment properties | FVTPL | Level 3 | 867,563 | 867,563 |
| **Current financial assets** | | | | |
| Receivable from sellers of investment properties | FVTPL | Level 3 | 135,000 | 150,000 |
| Accounts receivable | amortised cost | | 747,221 | 5,166,023 |
| Cash and cash equivalents | amortised cost | | 81,300,883 | 80,066,732 |
| **Non-current financial liabilities** | | | | |
| Borrowings | amortised cost | | – 431,796,959 | – 269,574,287 |
| Tenant deposits | amortised cost | | – 1,592,209 | – 1,591,699 |
| **Current financial liabilities** | | | | |
| Borrowings | amortised cost | | – 9,245,540 | – 170,119,074 |
| Payables on acquisition of properties | FVTPL | Level 3 | – | – |
| Trade payables and accrued expenses | amortised cost | | – 2,763,472 | – 2,388,992 |

## 27.2 Fair value hierarchy

Fair value hierarchy for the financial instruments measured at fair value is disclosed in the table in Note 27.1 Fair values of the Group's financial assets and liabilities, accounted for at amortised cost, approximate their carrying amounts except for the bonds issued:

| in EUR | 31.12.2024 | 31.12.2023 | 31.12.2024 | 31.12.2023 |
|---|---|---|---|---|
| | Carrying amount | | Fair value | |
| Bonds issued | 411,775,000 | 411,775,000 | 400,388,644 | 409,708,041 |

The fair value of bonds issued are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

## 27.3 Financial risk management objectives

The Group's activities are exposed to a variety of financial risks: market risk (including foreign currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program 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 Management Committee and supervised by the Board of Directors.

### 27.4 Market Risk

#### Foreign currency risk

As of 31 December 2024, the Group had monetary financial assets denominated in US$: receivable from the former Russian segment in the amount of 32.47 (2023: EUR 36.54 million) (Note 9).

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

| | Liabilities | Assets |
|---|---|---|
| | 31.12.2024 | 31.12.2024 |
| US$ | – | 32,466,104 |
| CHF | – | 314,909 |
| RUB | – | – |
| | 31.12.2023 | 31.12.2023 |
| US$ | – | 36,543,136 |
| RUB | – | – |

#### Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 1 per cent appreciation of EUR against US$ and CHF. This percentage is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1 percent change in the respective foreign currency rate. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower. A negative number below indicates a decrease in profit where currency units strengthen against the relevant currency. For weakening of currency units against the relevant currency, there would be a comparable impact on the profit, and the balances below would be positive.

| in EUR | 1% appreciation of EUR/US$ impact | 1% appreciation of EUR/CHF impact | 10% appreciation of EUR/RUB impact |
|---|---|---|---|
| | | 31.12.2024 | |
| Loss | – 324,661 | – 3,149 | – |

| | 1% appreciation of EUR/US$ impact | 1% appreciation of EUR/CHF impact | 10% appreciation of EUR/RUB impact |
|---|---|---|---|
| | | 31.12.2023 | |
| Loss | – 365,431 | – | – |

#### Cash flow interest rate risk

All of the Group's interest-bearing financial instruments have fixed interest rates, except for bank loans at some entities (Note 9).

#### Fair value interest rate risk

The Group does not have any financial instruments with fixed interest rates that are accounted for at fair value through profit or loss as of 31 December 2024 and 2023. Hence, change of interest rate would not have any impact on the Group's profit or loss.

#### Interest rate sensitivity analysis

Bank loans of Group subsidiaries have interest rates that include fixed and variable part that derives from EURIBOR index. The loans provide for SWAP agreement, limiting range of fluctuation in the variable index: positive change in the index over the limit will not have any impact on the Group's profit or loss; downward change of the index below zero is charged as a SWAP interest. In the reporting period, three of four loans with the SWAP agreement were fully repaid with SWAP agreement terminated (Note 9). 0.1% increase in the index (or the opposite, 0,1% change below zero) would decrease Group's profit by EUR 0.02 million (2023: EUR 0.02 million).

The upper limits for the loans are given below:

| Bank loan | nominal interest (variable index+fixed rate) | Interest rate SWAP | |
|---|---|---|---|
| | | 31.12.2024 | 31.12.2023 |
| UniCredit - SALZ4 loan | 1M EURIBOR +1,05% | 1.040% | 1.040% |

### 27.5 Credit risk

The Group’s credit risk arises from cash and cash equivalents, deposits with banks, interest bearing financial instruments, as well as rents and other receivables from tenants and accounts receivable in general, including receivables from sellers of investment properties (Note 9).

Credit risk related to rental payments is mitigated by requiring tenants to pay rentals in advance, provide rental security deposits or bank guarantees. The Group has policies in place to monitor its exposure to non-payment of rents by its tenants, including pre-screening prior to signing leases, careful monitoring of rental receipts, and efforts to collect rents or terminate leases before receivables become substantial.

Receivables from sellers of investment property represent financial guarantees issued either by sellers or by reputable financial institutions in respect of the properties acquired in 2020. Outstanding balance of the receivables is taken into account in negations over the final adjustment to purchase price for the property to be paid or returned; thus, credit losses, if there are any, will be addressed and remedied in the final adjustment. The maximum exposure to credit risk at the reporting date is the carrying amount of cash and cash equivalents, Eurobonds and loans given.

The Group holds significant cash deposits and current accounts at well-known reputable banks Raiffeisen Bank and Liechtensteinische Landesbank (Österreich) AG (Austrian entities), Commerzbank, Postbank, Uni- Credit and VP Bank (Germany), Bank von Roll and Cramer Bank (the Company). Management monitors creditworthiness of the banks on a regular basis. The Eurobonds are issued by the European companies and have high credit ranking. The Eurobonds are measured at fair value with changes recorded in the statement of other comprehensive income. Impairment allowance that represents estimate of extra credit risk, not reflected in the market value adjustment, is recognized in the statement of profit or loss.

Interest bearing financial instruments consist of loans receivable and receivables, at amortised cost, from the former subsidiaries Lenbury Enterprises Limited and Redhill Investment Ltd. (Note 9). As of 31 December 2024, and 2023, the loans considered to have Stage 2 of credit risk. The Group recognized impairment allowance for the amount of lifetime expected credit losses in the reporting period and previous period, in continuing operations (31 December 2024: EUR 6.59 million, 31 December 2023: EUR 11.98 million). During the reporting period, the loans for the amount of EUR 32.61 million were repaid (2023: EUR 47.34 million) or settled against liabilities (2024: EUR 0.94 million, 2023: EUR 1.80 million).

Based on the effective controls in place and historically low impairment expenses over the long-term period in the past, the Group has determined the credit risk for rent receivable as low. Due to the positive outlook in the rental properties segment as well as security provided by the tenants in the form of security deposits or bank guarantees, the Group does not expect a significant increase in credit loss risk for this category of receivables.

There is no concentration of credit risk on rent receivables as of 31 December 2024 and 31 December 2023.

### 27.6 Liquidity risk

Management monitors rolling forecasts of the Group's liquidity on the basis of expected cash flow. The table below shows liabilities as at 31 December 2024 and 31 December 2023 by their remaining contractual maturity. The amounts disclosed in the maturity table are the contractual undiscounted cash flows. Foreign currency payments are translated using the exchange rate at the reporting date.

| in EUR | Less than 1 Month | 1 to 6 months | 6 to 12 months | 1 to 2 Years | 2 to 5 Years | More than 5 Years | Total |
|---|---|---|---|---|---|---|---|
| **31.12.2024** | | | | | | | |
| **Liabilities** | | | | | | | |
| Borrowings | 590 | 4,959,247 | 13,747,103 | 19,394,725 | 462,075,217 | 6,845,536 | 507,022,419 |
| Tenant deposits | – | – | – | – | – | 1,592,209 | 1,592,209 |
| Trade and other payables | – | 2,763,472 | – | – | – | – | 2,763,472 |
| **Total** | **590** | **7,722,719** | **13,747,103** | **19,394,725** | **462,075,217** | **8,437,745** | **511,378,100** |

| in EUR | Less than 1 Month | 1 to 6 months | 6 to 12 months | 1 to 2 Years | 2 to 5 Years | More than 5 Years | Total |
|---|---|---|---|---|---|---|---|
| **31.12.2023** | | | | | | | |
| **Liabilities** | | | | | | | |
| Borrowings | 1,456,960 | 127,223,227 | 52,263,952 | 17,311,438 | 283,123,922 | 16,416,044 | 497,795,543 |
| Tenant deposits | – | – | – | – | – | 1,591,699 | 1,591,699 |
| Trade and other payables | – | 2,388,992 | – | – | – | – | 2,388,992 |
| **Total** | **1,456,960** | **129,612,219** | **52,263,952** | **17,311,438** | **283,123,922** | **18,007,743** | **501,776,234** |

### 27.4 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, limit spending on future acquisitions of properties and capex level or sell assets to reduce debt. Management is and will continuously monitor business performance to ensure the ability to act proactively in case of any unforeseen future downturns in the economy. Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. As at 31 December 2024 and 2023, the Group's gearing ratio is given in the table below.

| Net Debt, EUR | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Non-current borrowings | 431,796,959 | 269,574,287 |
| Current borrowings | 9,245,540 | 170,119,074 |
| Borrowings directly attributable to assets held for sale | – | – |
| Cash & cash equivalents | – 81,300,883 | – 80,066,732 |
| Cash & cash equivalents in assets held for sale | – | – |
| Total | 359,741,616 | 359,626,629 |
| | | |
| Total Capital, EUR | | |
| Shareholders equity | 500,229,181 | 500,942,111 |
| Net debt | 359,741,616 | 359,626,629 |
| Total | 859,970,797 | 860,568,740 |
| | | |
| Gearing ratio (Net debt divided by Total Capital) | 41.83% | 41.79% |

# 28. SUBSEQUENT EVENTS

There were no events after the reporting date, which have a material effect on these financial statements.

# 29. SUPPLEMENTAL RECONCILIATION AND DEFINITIONS

The KPI table above includes management performance measures which are, or may be, considered non-IFRS financial measures as defined in the rules of SIX. While EPH's management believes that the non-IFRS financial measures herein are useful in evaluating Group's operating results, this information should be considered as supplemental in nature and not as a substitute for the related financial information prepared in accordance with IFRS. Therefore, these measures should not be viewed in isolation but considered together with the consolidated financial statements prepared in accordance with IFRS as of and for the year ended 31 December 2024 and 31 December 2023 (referred to as "financial statements" herein).

Reconciliation of the non-IFRS financial measures to a comparable measure in the financial statements is given below. All other measures, not listed below, represent IFRS financial measures, which can be directly identified in the financial statements.

The non-IFRS financial and IFRS measures are presented in the KPI table for continuing operations of the Group, if not indicated otherwise. "Operating income" represents performance measure of a regular basic activity of the Group. It is determined based on IFRS- measures: "Net operating profit/(loss)" excluding "Revaluation of investment properties", "Impairment loss on loans" and irregular items of extra-ordinary nature (see below) plus "Interest income".

"Net other operating income/(expenses)" measures financial outcome of other irregular and individually insignificant items and is determined as net result of "Other income" and "Other expenses" and "Interest income" excluding irregular items of extra-ordinary nature (see below). "Earnings from operational activity" measures regular performance of the Group excluding current income tax and finance costs and is determined as "Operating income", as described above, less "Current income tax" and less "Finance cost". Sum of current income tax and deferred tax, not presented and disclosed separately in these financial statements, reconcile to "Income tax".

"Other extra-ordinary items" consist of material one-off transactions aside from regular business activity of the Group.
In 2024 extraordinary items include goodwill impairment charge. 2023, extraordinary items include income, net of expense on performance-related adjustment of purchase price of investment property, acquired in previous periods; gain on early termination of interest rate SWAP; goodwill impairment charge.

"Total before foreign exchange movements" is determined as "Net profit/(loss) from continuing operations" excluding "Net foreign exchange (loss)/ gain" and "Impairment loss on loans" and gives a measure of net profits free from the effect of fluctuations of foreign currencies.

"Earning from operational activity per share" is a performance measure on a share basis, calculated as "Earnings from operational activity", described above, divided by the weighted average number of shares in each reporting period.

"Release/ (increase) of impairment allowance for loans and receivables related to the assets sold" consist of "Release of impairment allowance/ (impairment allowance) for loans and receivables".

"Amortization of interest on zero-interest receivable" consist of the income from interest unwind on zero-interest receivables from the former subsidiaries.

"Result of discontinued operations and (losses)/gains related to measurement of receivables and loans from them" represent management measure of performance of discontinued operations and is determined as a sum of "Net profit from discontinued operations (attributable to equity holders of the Company)" and "Release/ (increase) of impairment allowance for loans and receivables related to the assets sold".

"Loan-to-value" is determined as a division of "Borrowings" by "Total assets" (as of 31 December 2022, excluding "Assets classified as held for sale". This ratio gives understanding of the relative difference between the EPH's debt amount and carrying amount of its assets at each reporting date.

"Net (loss)/profit for the period before result of discontinued operations and (losses)/gains related to measurement of receivables and loans from them " represent net result of continuing operations and is determined as "Net profit/(loss) from continuing operations" excluding "Release/ (increase) of impairment allowance for loans and receivables related to the assets sold", "Fair value adjustment on financial instruments" and "Amortization of interest on zero-interest receivable" which relate to the former Russian segment.

"Fair value of investment properties" refers to investment properties of the Group in Europe.

# 30. GENERAL INFORMATION ON INVESTMENT PROPERTIES

## GERMANY

as of 31.12.2024

| | City Gate | WLC | STRAL 3 | SALZ 4 |
|---|---|---|---|---|
| Country | | Germany | | |
| City | Stuttgart | Hamburg | Berlin | Dresden |
| Address | 11, Kriegsbergstrasse | 1a, Gorch-Fock-Wall | 3, Stralauer Allee | 4, Salzgasse |
| Property description | Office & retail with restaurant | Office and retail with fitness | Purpose built design hotel (music theme) | Hotel |
| Class | A | A | 4-star | 4-star |
| Building area, sqm | 26,445 | 12,683 | 28,030 | 15,620 |
| Land | freehold | freehold | freehold | freehold |
| **Net rentable area in sqm (BOMA)** | **17,261** | **12,683** | **20,160** | **15,550** |
| office | 15,408 | 8,782 | n/a | – |
| retail | 1 246 (incl. restaurant) | – | n/a | 261 |
| other | 607 | 3 901 (fitness, storage, wintergarden) | 20 160 (304 rooms, restaurant, spa, stage, record studios) | 15 289 (180 rooms, a spa, restaurant, bar) |
| **Parking lots** | | | | |
| underground | 146 | 89 | 86 | 46 |
| surface | – | – | 39 | – |
| Vacancy rate as a % of net rentable area | 4.1% | 14.6% | 0.0% | 0.0% |
| Vacancy rate as % of target rental income | 4.7% | 12.9% | 0.0% | 0.0% |
| Lease terms | 2025-2035 | 2025-2033 | Nov. 2035 | Apr. 2028 |
| Weighted average lease term, years | 6.60 | 4.00 | 10.90 | 5.00 |

## AUSTRIA

as of 31.12.2024

| | QBC 1 | QBC 2 | QBC 4 | QBC 7 | LASS 1 |
|---|---|---|---|---|---|
| Country | | | Austria | | |
| City | | | Vienna | | |
| Address | Gertrude-Fröhlich-Sandner-Str | 5, Wiedner Gürtel | 4, Am Belvedere | Karl Popper Straße 1, 1100 | 1, Lassallestrasse |
| Property description | Office buidling | Office buidling | Office buidling | Parking | Office building |
| Class | A | A | A | A | A |
| Building area, sqm | 10,300 | 30,600 | 19,868 | n/a | 44,776 |
| Land | freehold | freehold | freehold | freehold | freehold |
| **Net rentable area in sqm (BOMA)** | **9,292** | **30,062** | **17,425** | **727 units** | **29,242** |
| office | 7,848 | 25,182 | 17,425 | | 24,592 |
| retail | 740 | 3,205 | – | – | 4,129 |
| other | 704 | 1,675 | – | – | 521 |
| **Parking lots** | | | | | |
| underground | | | 71 | 679 car, 48 single-track vehicles parking spaces | 154 |
| surface | | | – | – | 46 |
| Vacancy rate as a % of net rentable area | 0.00% | 0.00% | 0.00% | 0.00% | 0.31% |
| Vacancy rate as % of target rental income | 0.00% | 0.00% | 0.00% | 0.00% | 0.13% |
| Lease terms | 2025-2040 | 2025-2041 | unlimited | Dec. 2038 | 2032; 2033; 2037; unlimited |
| Weighted average lease term, years | 6.55 | 6.80 | 15.18 | 13.62 | 9.34 |

# GENERAL INFORMATION

# INVESTMENT GUIDELINES

## 1. OBJECTIVE

The objective of EPH European Property Holdings PLC (the "Company") is to invest directly, through subsidiaries, or via participations in real estate in Europe to provide long-term capital growth and stable risk adjusted revenues to its stakeholders. Investments may be existing properties or development projects which are intended to provide capital appreciation and/ or rental income. The Company may also purchase participations in other companies with real estate related activities and provide real estate financing, real estate management, sale and leaseback of real estate or enter into real estate related financial transactions.

The Company pursues the goal of a diversified portfolio regarding property type, type of use, location, size and building structure.

## 2. INVESTMENTS

### 2.1 Real estate investments

Investment targets are commercial, residential, mixed-use, and industrial properties located in Europe which provide a reasonable risk/ return ratio. The main criteria to be considered are as follows: a) Quality of location b) Economic outlook c) Infrastructure d) Architecture e) Environmental impact f) Occupancy g) Quality of tenants h) Flexibility of usage i) Profitability j) Potential for value appreciation.

Development projects might be new constructions, modernizations or refurbishment of existing buildings in Europe. If development projects are undertaken with a partner, special care must be taken to protect the interests of the Company through the structure and contractual framework of the endeavour.

In choosing investments, the Company focuses primarily on Class-A commercial and mixed-use properties in the larger cities of Europe that demonstrate stable growth mixed with good development potential.

### 2.2 Financing of Real Estate Investments

The Company intends to optimise the return on its investments through the conservative use of leverage. Interest expenses will be considered on a consolidated basis.

### 2.3 Participations in Companies

The Company can also invest in majority or minority participations in other companies with real estate related activities, including real estate management.

### 2.4 Real Estate Financing and Financial Investments

The Company may provide real estate financing secured by mortgages or other adequate guarantees. For temporary or defensive purpose, capital not invested in real estate investments can also be invested in financial instruments, such as stock, listed shares, bonds, investment funds and other liquid financial instruments. The investment in options, futures and other derivatives is only permitted for hedging purposes. The Company may furthermore engage into other financial transactions such as currency and interest rate forwards and swaps for hedging purposes.

### 2.5 Other Investments

The Company can, subject to approval of the Board of Directors, invest up to 10% of its assets in non-real estate related investments. Up to 20% of the Company's total assets can be invested in real estate investments outside the Company's primary geographic area of focus.

# 3. VALUATION

The entire real estate portfolio will be appraised once a year by an independent real estate appraiser. The results of the yearly appraisal will be used as the basis for valuation in the Company's annual report. For the purpose of the half year report, a simplified valuation method can be applied, if decided by the Board of Directors. .

# 4. INVESTMENT PROCESS

### 4.1 Approval by the Board of Directors and Management Committee

All purchases or sales of properties and all investments in other assets in excess of EUR 5 million, with the exception of financial investments for temporary or cash management purpose have to be approved first by the Management Committee and subsequently by the Board of Directors.

### 4.2 Analysis

Prior to the approval, a thorough analysis of potential investments, including financing, which involves respective market experts will be performed and presented.

# 5. CHANGES TO, AND COMPLIANCE WITH THE INVESTMENT GUIDELINES

The Investment Guidelines can be changed or amended by resolution of the Board of Directors within the scope of the Company's purpose. Investors must be informed via the Company's official publications of any amendments before they become effective. Compliance with the Investment Guidelines is verified periodically by the Board of Directors.

# 6. ENTRY INTO EFFECT

This Investment Policy was approved by the Board of Directors of the Company at its meeting of 26 April 2023 and entered into effect at 1 June 2023.It applies to EPH European Property Holdings PLC and to its subsidiaries.

The Investment Guidelines are posted on the Company's website:
https://europeanpropertyholdings.com/.


INNSIDE
BY MELIÃ

### Board of Directors
Vera Christodoulou
Michael Cuthbert
Tomasz Dukala
Olga Melnikova
Gustav Stenbolt
Gerrit Straub

### Management Committee
Anna Bernhart
Vera Christodoulou
Olga Melnikova
Marios Phedonos
Christina Spyrou-Katras

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### ISIN Number
CY0109992111

### Ticker Symbol
EPH

### Company Website
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PB3C GmbH, Berlin, Germany

EPH EUROPEAN PROPERTY HOLDINGS