

HB REAVIS REAL ESTATE INVESTMENT FUND

Société en commandite par actions – société d'investissement à capital fixe
Registered office: 1B rue Jean Piret L-2350 Luxembourg

R.C.S. Luxembourg B 161180

Annual Report and Special Purpose Combined Consolidated Financial Statements 31 December 2023

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The Board of Managers of the General Partner (the "General Partner Board") of HB REAVIS REAL ESTATE INVESTMENT FUND (the "**Fund**") is pleased to present its annual report together with the audited special purpose combined consolidated financial statements (further the "combined consolidated financial statements") for the year ended 31 December 2023 of the Fund.

1 Incorporation

On 25 May 2011, the Fund was incorporated under the form of a corporate partnership limited by shares (société en commandite par actions) organised as an investment company with variable capital (SICAV) under the Luxembourg law of 13 February 2007 relating to specialized investment fund, as amended (the "**2007 Law**") and is registered with the Luxembourg Commercial Register under RCS B161.180.

On 27 April 2017, the Fund was transformed into an investment company with fixed capital (SICAF) under the Part II ("**UCI Part II**") of the law of 17 December 2010 related to undertakings for collective investment, as amended from time to time (the "**2010 Law**") and the law of 10 August 1915 relating to commercial companies, as amended from time to time (the "**1915 Law**").

The unlimited general partner (associé-gérant commandité) of the Fund is IAD Investments Management S.à r.l. (previously HB Reavis Investment Management S.à r.l.), (the "General Partner"), a private limited company (société à responsabilité limitée) incorporated under the laws of Luxembourg.

The General Partner appointed on 27 April 2017 Crestbridge Management Company S.A. having its registered office located at 1, Boulevard de la Foire, L-1528 Luxembourg and registered with the R.C.S. Luxembourg under number B 159.802 as the Alternative Investment Fund Manager in the meaning of the AIFM Directive and AIFM Law (the "**AIFM**" or "**Crestbridge**").

Through the extraordinary meeting of shareholders held on 18 March 2024 the AIFM's legal form and name has been amended from Crestbridge Management Company S.A. to CRESTBRIDGE MANAGEMENT COMPANY SARL and its registered office to 33, avenue John F. Kennedy L - 1855 Luxembourg. Subsequently, through the extraordinary meeting of shareholders held on 16 April 2024 the AIFM's name has been amended to Gen II Management Company (Luxembourg) SARL.

The Fund was previously designed as a multi-compartment structure consisting of two sub-funds HB Reavis IRF (formerly HB Reavis CE REIF) (the "**Sub-Fund A**" or "**IRF**") and HB Reavis Global REIF (the "**Sub-Fund B**" or "**Global REIF**", together the "**Sub-Funds**").

However, in February 2023 Global REIF has sold its whole investment property portfolio through disposal of 2 SPVs. Subsequently the Sub-fund was liquidated on 14 August 2023.

In November 2023, HB REAVIS CE REIF changed its name to HB Reavis IRF. The IRF sub-fund is controlled by none of its shareholders. The IRF is not consolidated under HB Reavis Holding S.A. The Global REIF sub-fund was consolidated under HB Reavis Holding S.A., a company based in Luxembourg. HB Reavis Holding S.A. is ultimately controlled by Mr. Ivan Chrenko.

The Sub-Funds offer its shares to investors who have expressed an interest in investing in the Sub-Funds and who must be aware of the risks inherent to the investment in an undertaking for collective investment investing in real estate such as the Sub-Funds.

Société Générale Bank & Trust with registered office at 11 Avenue Emile Reuter, L-2420 Luxembourg has been appointed as Depositary of the Fund on 2 February 2018. The Depositary mainly oversees ownership of the Fund's assets, monitors cash flows, manages Investor's subscription payments and performs Custody of financial instruments.

On 1 November 2017, CF Fund Services S.A., a public limited liability company (société anonyme) authorised by the "**CSSF**" as a Professional of the Financial Sector (PSF), having its registered office at 1b, rue Jean Piret, L-2350 Luxembourg, Grand Duchy of Luxembourg and registered with the RCS Luxembourg under number B143 316 has been appointed by the General Partner as Central Administration of the Fund (the "**Central Administration**").

For the year ended 31 December 2023 and up to the date of this letter, the following share classes of the Fund were traded/listed on Luxembourg Stock Exchange:

- Institutional Class (HBR IRF) (listing date 29 August 2012)
- Class A (HBR IRF) shares (listing date 21 February 2020)

For the year ended 31 December 2023 and up to the date of this letter, the following share classes of the Fund were not traded/listed:

- Institutional Cap Class (HBR IRF),
- Class A Cap (HBR IRF),
- Ordinary Class (HBR IRF),
- Ordinary Class Cap (HBR IRF) and
- Dedicated Class Cap (HBR IRF).

2 Principal activities of the Fund

2.1. HB Reavis IRF (formerly HB Reavis CE REIF) Sub-Fund

2.1.1. Investment objective

While there will be no specific country or real estate segment restrictions posed, HB REAVIS IRF (formerly HB REAVIS CE REIF) Sub-Fund will mainly invest in Slovakia, the Czech Republic, Poland and Hungary, however as well as in any European Union country, Switzerland and in the United Kingdom in commercial real estate assets.

The initial HB REAVIS IRF (formerly HB REAVIS CE REIF) Sub-Fund's portfolio will provide investments in prime properties only located in Slovakia. The office segment investments are restricted to A-class properties located in central business districts of capital and regional cities in any European Union country, Switzerland and in the United Kingdom. The retail segment investments will be made in both capital and regional cities of any European Union country, Switzerland and in the United Kingdom. Investments in logistic properties will be restricted to attractive and strategic locations only.

HB REAVIS IRF (formerly HB REAVIS CE REIF) Sub-Fund seeks to maximize the value via investing in properties which in the past proved to bear characteristics of a prime-commercial real estate property which as such implies to have a top-tier tenants' portfolio being located in prime or strategic locations and soundly built from both technical and architectural point of view. HB REAVIS IRF (formerly HB REAVIS CE REIF) Sub-Fund seeks to enhance value of properties by contracting an excellent lease management in order to maximize property income.

In addition, HB REAVIS IRF (formerly HB REAVIS CE REIF) Sub-Fund aims to promote sustainable aspects in line with Article 8 of the SFDR Regulation and pursue a climate change mitigation objective, within the meaning of the Taxonomy Regulation. For this purpose, the investment objective of the HB REAVIS IRF (formerly HB REAVIS CE REIF) Sub-Fund is also to invest in real estate assets that promote the environmental and sustainable standards on respective real estate markets. It is part of the long-term investment objective of the HB REAVIS IRF (formerly HB REAVIS CE REIF) Sub-Fund to hold at least 75 % of properties in its investments in real estate portfolio with sustainability certification - BREEAM, LEED or similar or higher standards.

2.1.2. Investment strategy and restrictions

HB REAVIS IRF (formerly HB REAVIS CE REIF) Sub-Fund is subject to the following investment restrictions:

a) Investment targets

Given the fact that HB REAVIS IRF (formerly HB REAVIS CE REIF) Sub-Fund shall invest in commercial real estate assets in retail, office and logistics segments only, with limited risks, an investment will only be eligible for investment that allow HB REAVIS IRF (formerly HB REAVIS CE REIF) Sub-Fund to pursue the "core" investment strategy taking into consideration the economic and legal conditions as well as the currency risks and liquidity of the real estate market. HB REAVIS IRF (formerly HB REAVIS CE REIF) Sub-Fund will focus on investing in finished, fully or nearly fully let commercial properties with stable cash flow. Mainly rental income generating assets are eligible for the Fund portfolio. A property to be acquired must exhibit at least eighty per cent (80%) of leased area of the total gross leasable area. The acquisition form is to be either freehold or leasehold with not less than thirty (30) years to elapse. HB REAVIS IRF (formerly HB REAVIS CE REIF) Sub-Fund may acquire properties directly or indirectly via SPV and/or share of SPV, as well as via forward purchase of an SPV or a direct property.

b) Development and redevelopment

HB REAVIS IRF (formerly HB REAVIS CE REIF) Sub-Fund is entitled to invest in any development or redevelopment of real estate assets which it will acquire subject to the asset exposure limits. HB REAVIS IRF (formerly HB REAVIS CE REIF) Sub-Fund will also be entitled to invest in development of real estate assets, acquire such assets for development and develop these as financial investor through the appointment of reputable real estate developer. Such development assets may be acquired by HB REAVIS IRF (formerly HB REAVIS CE REIF) Sub-Fund either directly or indirectly via SPVs holding the real estate assets or via joint ventures.

c) Denomination, currency and interest rate hedging

HB REAVIS IRF (formerly HB REAVIS CE REIF) Sub-Fund is denominated in Euro. HB REAVIS IRF (formerly HB REAVIS CE REIF) Sub-Fund may deploy appropriate currency hedging strategies to manage its exposure to any foreign exchange risks. HB REAVIS IRF (formerly HB REAVIS CE REIF) Sub-Fund will also seek to deploy appropriate interest rate hedging strategies to manage its exposure to interest rate changes.

d) Investment restrictions

HB REAVIS IRF (formerly HB REAVIS CE REIF) Sub-Fund may not have a net exposure on one (1) real estate investment, which would exceed twenty percent (20%) of its net assets. This twenty percent (20 %) rule does not apply during a start-up phase of four (4) years after the date of registration of HB REAVIS IRF (formerly HB REAVIS CE REIF) Sub-Fund on the official CSSF list.

As of 31 December 2023 HB REAVIS IRF (formerly HB REAVIS CE REIF) Sub-Fund is in breach of above mentioned diversification rules which is considered to be passive investment breach. General Partner together with AIFM of the Fund has remediation of the passive investment breach as a priority while considering the interests of the investors.

HB REAVIS IRF (formerly HB REAVIS CE REIF) Sub-Fund intends to hold liquidity only to the extent needed to meet short- and mid-term liabilities. The liquidity will be held in listed bonds, bank accounts, time deposits, money market instruments, and/or other type of near-cash investments.

e) Loan and Group leverage

A ratio of consolidated external debt over total real estate assets ("leverage") shall not exceed 65%, essentially through bank financing. Leverage incurred by the Sub-Fund or one (1) of its subsidiaries for an individual asset may exceed 65% of the individual asset value but shall not at any event exceed 70% of such value. In addition, the Sub-Fund may borrow up to 10% of the total assets to finance its working capital requirements. Given the idea of predominantly a core product and the type of investments set out above, the Sub-Fund's target real estate investments aim at relatively low yields with limited risk. This makes an extended leverage both desired and necessary.

As of 31 December 2023 HB REAVIS IRF (formerly HB REAVIS CE REIF) Sub-Fund is in breach of above mentioned leverage ratio on consolidated level and at the individual asset level in case of Twin City IV a. s. which is considered to be passive investment breach. General Partner together with AIFM of the Fund has remediation of the passive investment breach as a priority while considering the interests of the investors.

f) Maximum authorized AIFMD leverage

The maximum expected leverage is 286% of the NAV on a consolidated asset basis and 334% of the NAV on an individual asset basis (net and gross being identical), as calculated in accordance with Article 6 and seq. of EU Regulation 231/2013 dated 19 December 2012 ("AIFMD Level 2 Regulation").

As of 31 December 2023 HB REAVIS IRF (formerly HB REAVIS CE REIF) Sub-Fund is in breach of above mentioned authorized AIFMD leverage on consolidated level and at the individual asset level in case of Twin City IV a. s. which is considered to be passive investment breach. General Partner together with AIFM of the Fund has remediation of the passive investment breach as a priority while considering the interests of the investors.

g) Indirect property investments via bonds or similar financial instruments

As a rule, the investments of HB REAVIS IRF (formerly HB REAVIS CE REIF) Sub-Fund are made directly or via SPVs, in which HB REAVIS IRF (formerly HB REAVIS CE REIF) Sub-Fund shall exercise directly or indirectly control over such SPVs. In case of investments with controlling participations, the Fund will, to the extent possible, seek to have majority representation.

2.2. Actual exposure of the Fund to the price risk, credit risk, liquidity and cash flow risk

Actual exposure of the Fund to the price risk, credit risk, liquidity and cash flow risk is in more detail described in the notes to the Group combined consolidated financial statements (Note 21 - Financial Risk Management).

3 Supplementary Information according to AIFMD

3.1. Remuneration

In relation to paragraphs 2 (e) and 2 (f) of article 20 of the AIFM Law, the remuneration of the AIFM members related to the Fund for the financial year of the AIFM (from 1 January 2023 to 31 December 2023) is as follows:

	Senior Management	All Staff
Fixed remuneration (in EUR)	14,663.71	40,212.57
Variable remuneration (in EUR)	1,233.73	2,717.09
Number of staff	7	42
Total	15,897.44	42,929.66

3.2. Leverage

In compliance with article 6 of the Commission delegated regulation (EU) no 231/2013 of December 19, 2012 (the "Delegated Regulation"), the AIFM calculates the exposure of the Fund in accordance with the gross method and the commitment method on the Net Asset Value valuation frequency. As of December 31, 2023, the exposure under both methods is as follows:

Sub-fund name	Exposure under gross method	Exposure under commitment method
HB REAVIS IRF (formerly HB REAVIS CE REIF)	303.93%	320.73%

3.3. Material Changes in the information listed in article 23 AIFMD

3.3.1. Article 23 (1)b: Information on procedures - the Fund may change its investment strategy or investment policy

The General Partner shall have power to implement the investment policies and borrowing restrictions, as well as the course of conduct of the management and business affairs of the Fund with a view to achieving the investment objectives of each Sub-Fund as described within the relevant Sub-Fund Information Sheet in Appendix 1 to the Fund's prospectus. The General Partner shall have complete discretion and full power, authority and right to represent and bind the Fund, either itself or wholly in part through its authorized agents or delegates.

3.3.2. Article 23 (1)d: Information on the identity of the AIFM, AIF's depositary and External Valuer of the Fund

The General Partner has appointed on 27 April 2017 Gen II Management Company (Luxembourg) SARL (formerly Crestbridge Management Company S.A.) to act as alternative investment fund manager in accordance with the provisions of the Alternative Investment Fund Management Law of 12 July 2013 (the "AIFM Law").

Société Générale Bank & Trust with registered office at 11 Avenue Emile Reuter, L-2420 Luxembourg has been appointed as Depositary of the Fund on 2 February 2018. The Depositary mainly oversees ownership of the Fund's assets, monitors cash flows, manages Investor's subscription payments and performs Custody of financial instruments.

No external valuer has been appointed following the appointment of Gen II Management Company as AIFM of the Fund. The General Partner has appointed an independent appraiser to value the properties held directly and/or indirectly by the Fund.

3.3.3. Article 23 (1)e: Information on the compliance with article 9 (7) AIFMD: coverage of potential professional liability risks

The AIFM has been authorized by the CSSF to cover its professional liability risks through professional indemnity insurance according to article 8 (7) point (b) of the AIFM Law.

3.3.4. Article 23 (1)f: Information on delegated functions

Gen II Management Company (Luxembourg) SARL (formerly Crestbridge Management Company S.A.), as AIFM of the Fund is performing the risk management and the portfolio management function for the Fund without any delegates.

The Depositary of the Fund has not delegated any safekeeping duties as regards to the assets of the Fund held in custody by the depositary. The Depositary has the right to delegate its functions relating to the safekeeping of Financial Instruments and the verification of ownership and the maintenance of a record with respect to Other Assets under the conditions provided in Art. 19 (11) AIFM law.

3.3.5. Article 23 (1)g: Information on valuation procedures and pricing methodology

As to the valuation of the investment assets of the Fund, there are no changes to valuation methodology. The investments are valued at fair value.

3.3.6. Article 23 (1)h: Information on liquidity risk management, including the redemption rights

As at 31 December 2023 the AIFM is overseeing the liquidity risk management of the Fund.

The AIFM employs appropriate liquidity management methods and adopts procedures which enable it to monitor the liquidity risk of the Fund. The AIFM ensures that the investment and financing strategy, the liquidity profile, the distribution policy and the redemption policy are consistent with the Fund's liquidity needs. There have been no changes in the arrangements regarding management of liquidity of the Fund.

The liquidity profile of the HB REAVIS IRF (formerly HB REAVIS CE REIF) is assessed as follows:

HB REAVIS IRF (formerly HB REAVIS CE REIF)

Profile of redemption terms	Open-ended with 2 years lock-up period-ended 27 April 2019. After the lock-up period the Sub-fund is redeemable with a redemption window starting on 1st April and ending 31st May of each calendar year at 4:00pm CET.
Terms of financing	A ratio of consolidated external debt over total real estate assets ("Group leverage") shall not exceed 65%, essentially through bank financing. Group leverage incurred by the Sub-Fund or one of its subsidiaries for an individual asset may exceed 65% of the individual asset value but shall not at any event exceed 70% of such value. In addition, the Sub-Fund on the behalf of the Sub-Fund may borrow up to 10% of the total assets to finance its working capital requirements.
Maximum authorised leverage	The maximum expected AIFMD leverage is 286% of the NAV on a consolidated asset basis and 334% of the NAV on an individual asset basis (net and gross being identical), as calculated in accordance with Article 6 and seq. of EU Regulation 231/2013 dated 19 December 2012 ("AIFMD Level 2 Regulation").
NAV frequency	Monthly
Expected Maturity Date	The Sub-fund is open-ended for an indefinite period of time.

3.3.7. Article 23 (1)i: Information on fees, charges, expenses

Since April 2017 Gen II Management Company (Luxembourg) SARL (formerly Crestbridge Management Company S.A.) was appointed as a new AIFM. The remuneration of the AIFM is payable in twelve monthly payments, calculated on the sum of the latest NAVs of the month of the Sub-funds. The fee will be on a reducing scale of charges and will not exceed 0.07% of the NAV of the Sub-fund per annum, subject to a minimum fee at the Fund level. As at 31 December 2023, the minimum annual fee is set at EUR 35,000 p.a.

3.3.8. Article 23 (1)j: Information on fair treatment of investors

The Investment Manager have established a conflict of interest policy for the Fund ensuring a fair treatment of investors. As prescribed by the Policy the Investment Manager maintains a Conflict of Interest Matrix, which describes any actual or potential conflict of interest arising and how such is managed.

3.3.9. Article 23 (1)l: Information on the procedure and conditions for the issue and sale of units or Shares

According to the AIFM law the Investment Manager needs to file with the CSSF a notification letter and acquire the authorities' approval for each country where the Shares of the Fund are to be distributed. The distribution prior notification is not allowed. For financial year 2023 the approvals of the CSSF have been received for the following countries for HB REAVIS IRF (formerly HB REAVIS CE REIF) Sub-Fund: Slovak Republic, Czech Republic, Poland, UK, Cyprus, Austria, Romania, Bulgaria, Belgium, Estonia, Hungary, Iceland, Ireland, Lithuania, The Netherlands, Norway, Portugal and Sweden.

From 1 January 2020 HB REAVIS IRF (formerly HB REAVIS CE REIF) Sub-fund is listed on the regulated market of the Luxembourg Stock Exchange.

3.4. Risk Management

In compliance with article 14 of the Luxembourg law of 12 July 2013 on the alternative investment fund managers (the "AIFM Law") and Section 3 of the Commission delegated regulation (EU) no 231/2013 of 19 December 2012 (the "Delegated Regulation"), Gen II Management Company (Luxembourg) SARL (formerly Crestbridge Management Company S.A.) (the "AIFM") has implemented adequate risk management systems (the "Risk Management System") in order to identify, measure, manage and monitor appropriately all risks relevant to the investment strategy of HB Reavis Real Estate Investment Fund (the "AIF"); and to which the AIF is or may be exposed.

The Risk Management System is understood as a system comprising relevant elements of the organizational structure of the AIFM, with a central role for a permanent risk management function (the "Risk Management Function"), policies and procedures related to the management of risk relevant to the AIF's investment strategy, and arrangements, processes and techniques related to risk measurement and management employed by the AIFM in relation to the AIF.

The Risk Management Function is established and maintained by the AIFM within its internal structure. The Risk Management Function performs the tasks set forth in article 14 of the AIFM Law and article 39 of the Delegated Regulation. In particular, it implements effective risk management policies and procedures (the "Risk Management Policy") in order to identify, measure, manage and monitor on an on-going basis all risks relevant to the AIF.

The Risk Management Policy comprises procedures which are necessary to enable the AIFM to assess for the AIF its exposure to market, liquidity and counterparty risks, and its exposure to all other relevant risks, including operational risks, which may be material for the AIF.

The Risk Management System shall be reviewed by the AIFM at least once a year. The last review was done in November 2023.

3.5. HB REAVIS IRF (formerly HB REAVIS CE REIF) Sub-Fund

The portfolio indirectly held through the sole subsidiary of the HB REAVIS IRF (formerly HB REAVIS CE REIF) Sub-Fund consists of five (5) investment properties; three (3) of them are held through a separate SPV, CBC I and CBC II are held as one SPV (CBC I - II a. s.). The Fund holds 100% in all four (4) SPVs: AUPARK Hradec Králové s.r.o., CBC I - II a. s., Twin City III a. s. and Twin City IV a. s..

There was no disposal or acquisition of investment property in 2023. No assets are subject to special arrangements.

The Sub-Fund's capital decrease through its investments is measured by changes in Net Assets Attributable to the Holders of Shares ("net assets"). At 31 December 2023, the Sub-Fund's net assets amount to EUR 99.6 million (2022: EUR 133.8 million). This decrease is the net effect of Shareholders' capital subscriptions during the year 2023 of EUR 12.5 million (2022: EUR 14.5 million), redemptions of Shares of EUR 0.0 million (2022: EUR 14.0 million), distributions to the Holders of Shares of EUR 3.2 million (2022: EUR 8.5 million), the net decrease in the properties' fair value of EUR 47.9 million (2022: EUR 4.7 million), the net operating income from investment properties of EUR 17.4 million (2022: EUR 16.1 million), other related operating loss of EUR 3.9 million (2022: EUR 4.3 million) and net finance and tax loss including currency translation differences of EUR (9.2) million (2022 : income EUR 5.0 million).

4 Going concern and liquidity assessment

For the year ended 31 December 2023 the Fund recognized a loss of EUR 46.2 million mainly driven by a revaluation loss on investment properties of EUR 47.9 million.

The financial position and performance of the Fund was particularly affected by the following events and transactions during the reporting period:

A significant rise in inflation, compounded by rising energy prices, triggered an unprecedented surge in interest rates by central banks (3M EURIBOR saw a 4.5% increase since 2022). This, in turn, translated into higher required returns on investment assets, including real estate (the so-called "yields"). This development leads, even if cash flow remains constant, to a tangible decline in real estate valuations. This is also evidenced by last year's growth of European real estate indexes (e.g. Green Street Pan European Property Sector index, Euronext Global Equity Market index), which have lost a large part of their value compared to their peak values (from 2022).

Such general market developments have been compounded for the Fund by exposure to the office segment, the departure of several larger tenants that have so far failed to be replaced, and the leverage of higher debt and high interest rates. As a result, the value of the properties in the Fund's portfolio fell by 14%, resulting in a significant reduction in the Fund's net asset value ("NAV"). Higher leverage effect in this negative environment only multiplied the negative impact on NAV. This translated into a negative annual movement of NAV of 23% for the Fund in 2023.

As disclosed in Note 13, the Group borrowings are subject to certain loan agreement terms that could lead to loan acceleration or event of default in case of a breach. Up to the date of the authorisation of these combined consolidated

financial statements for issue, the Group was not in breach of any loan agreement terms that could lead to loan acceleration or event of default, and no terms of the loans were renegotiated due to defaults or breaches.

In response to the events above, the management took the following actions in order to secure adequate resources to meet the Fund's operating and investing cash flow requirements for at least the next 12 months so that the going concern basis of accounting remains appropriate.

Operating activities

As per the management liquidity forecast, the Fund's operations are expected to secure adequate resources to meet its operating and investing cash flow requirements for at least the next 12 months. The Fund estimates to generate a net operating income of c. EUR 19.4 million from April 2024 (2023: EUR 18.3 million). The increase of EUR 1.1 million is mainly driven by indexation of the lease contracts and ending rent-free periods. Expected increase of occupancy in 2024 would largely influence the net operating income in 2025, and therefore is disregarded for the purpose of the cashflow analysis. The occupancy rate is expected to increase thanks to active leasing strategy driven by larger office agencies and stabilization of the occupier market in Bratislava as such (more details are included below). Total operating expenses of the Fund is expected to decrease by around EUR 0.9 million, mainly due to the decreased management fee which is linked to the Fund NAV.

In 2023 the business operations were significantly impacted by the highly competitive office market in Bratislava, through a record high delivery of new offices in 2023. Which has resulted in slower leasing activity and declining rents. Nevertheless, the forecasted office development pipeline indicated a steep decrease of new office buildings delivery in the next 2 – 3 years. The high-interest rate environment and difficult leasing market lead to a slowdown in new office developments that is expected to positively influence the office occupancy as well as the rental levels in the next years. Besides, upon substantial reduction of the HB Reavis Group tenant in Twin City C building in Q2 2024, the Fund is seeking to re-let circa 5,000 sqm of space currently negotiating with few parties with no concrete results yet. The Fund has appointed top global real estate agencies to drive up the occupancy of the portfolio, in addition to the already committed internal resources. Higher leasing activity would positively influence the cash flow mostly in 2025.

Financing activities

Total cash outflows resulting from repayments of loan principal and interest expense are expected to increase significantly due to estimated EUR 4-5 million loan prepayment. On the other hand, the management business plan does not fully reflect the anticipated interest rate cuts. Based on management analysis a c. 50 bps EURIBOR decrease would result approximately EUR 500 thousand interest payment saving. The Group is discussing with the bank the extension of the short-term maturing bank borrowings in the principal amount of EUR 57.1 million. In particular, management is actively discussing the prolongation of the loan facility for CBC 1 and CBC 2 buildings with Komerční Banka. Management aims to have the loan extended by additional five years while maintaining materially similar conditions against a small reduction of the loan amount. Nevertheless, the final terms are not yet approved. As part of the refinancing, and pre-agreement with the financing bank, management is assuming a repayment of EUR 2.5 million of the loan and restricting a further EUR 2.5 million in cash (until 31.12.2024) for an "equity cure" in case of a breach of the soft DSCR loan covenant (between 130% and 120%). As of the date of the authorisation of these combined consolidated financial statements for issue, the discussion with the bank was ongoing.

Capital activities

The redemptions window in 2024 closed on 31 May 2024 with the 16,459,812 units requested to be redeemed (EUR 12.2 million if assessed at the net asset value as of 31 December 2023), which has already decreased due to some redeeming investors recalling their redemption requests. These redemptions are expected to be offset by EUR 23.5 million subscriptions which will be mainly secured through reestablishment of the newly launched fundraising routes, especially the use of distributor networks, direct sales and sale to institutional investors (as a part of the IAD commitment), out of which EUR 15 million has been subscribed and paid in during May 2024 already. Higher fundraising activity is expected towards the end of the year, after a visible stabilization real estate sentiment and anticipated rate cuts by the European Central Bank. Management does not anticipate any compulsory redemptions due to the change of control on the GP, as the new owner (IAD) is well recognized and established AIFM with 30 years track record. Additionally, Management initiated pre-emptive actions and offered some selected assets of the Fund to potential investors on an off market basis – despite a confirmed interest from the investors these discussions are on hold.

On 14 February 2024, HBR IM Holding Ltd. as a sole shareholder of HB Reavis Investment Management S.à r.l., the general partner managing the IRF Sub-fund ("GP"), entered into a sale purchase agreement ("SPA") with IAD Investments, správ. spol., a. s. ("IAD"). IAD is a Slovak based Alternative Investment Fund Manager, founded in 1991 and providing financial services in Central European countries and managing assets in total value of more than EUR 2.1 billion. IAD is well reputable manager in Central European countries with a track record of fundraising capabilities and established relationship with key market players. IAD has committed to support the Fund with direct investments totaling EUR 25 to 30 million. IAD's main focus is to restart fundraising and increase the occupancy of the buildings through implementation of a new leasing strategy and actively working with the top global real estate agencies, which also operate in the Slovak market. The current business plan of the Fund does not assume a full injection of the EUR 25 to 30 million. The Fund plans to use the remaining available capital commitment for new project acquisition.

In its cashflow forecast, management relied on new capital amounting to EUR 23.5 million (of which IAD secured that 15 million were already injected into the Fund in May 2024 and IAD is prepared to further support the fund with total declared commitment of EUR 25-30 million), which is necessary to cover the gap between the operating cash inflows and the financing cash outflows and cover eventual new redemptions. In its business plan beyond the going concern assessment period, i.e. after the end of Q2 2025, Management does not rely on further new capital to support its operating and financing activities assuming that the gap between operating and financing cashflows will close with the deleverage of the Fund and reduced interest rate burden.

Fund management expects a restart of fundraising activities in the second half of 2024 mainly driven by the general improvement of the sentiment towards real estate driven by decreasing interest rates, improving occupiers' market and increasing investment activity observed based on market indications and linked to successful completion of the GP transaction. Management expects IAD to use its vast fundraising capabilities to source new asset acquisitions into the Fund (on top of their commitment to invest 25 – 30 million euros).

Sensitivity analysis

The cashflow forecast prepared by management assumes at the end of the going concern assessment period (i.e. the end of Q2 2025) a net cashflow surplus. Within the going concern assessment period the Fund is therefore expected to have sufficient liquidity, with all other assumptions unchanged, unless the volume of actual subscriptions would be lower than forecast by more than 40% than assumed.

In summary, the circumstances that lead to a material going concern uncertainty relate primarily to the Fund management assumptions and liquidity forecast. The key assumptions for the going concern are the following:

- 1) the Fund will be able to pay the upcoming redemption requests received during the redemption window started 1 April 2024 and ended 31 May 2024, as defined in the Fund's PPM.
- 2) the Fund will be receiving further new capital from the IAD, parties associated with IAD or any other party introduced by IAD as agreed in the SPA or other parties as a result of IAD fundraising activities in the amount of at least EUR 23.5 million out of which EUR 15 million were already injected into the Fund in May 2024. It remains uncertain as to how much and when IAD and other investors will provide additional capital to the Fund.
- 3) the Fund will successfully complete the refinancing of the external bank loan maturing in July 2024 amounting EUR 57.1 million as of 31 December 2023, for which the negotiations with the bank are ongoing but not yet finalised. In addition, will be able to comply with the terms of all debt agreements (including the respective covenant limits) for the period of the going concern assessment. The ability to complete the refinancing of the maturing debt and comply with the covenants remains uncertain and may materially affect the Fund's liquidity forecast.

As at the date of the issuance of these combined consolidated financial statements, management expects that the Fund will have adequate resources to meet its operating, financing and investing cash flow requirements for at least the next 12 months. The financial statements were prepared using the going concern assumption that the Fund will continue its operations for the foreseeable future. The above circumstances, nevertheless, indicate that a material uncertainty exists that may cast a significant doubt on the Fund's ability to continue as a going concern.

5 Future developments

HB REAVIS IRF (formerly HB REAVIS CE REIF) Sub-Fund plans to continue its investment program in 2024 investing in the European region.

6 Events after the date of the statement of financial position

In January 2024, the rental guarantee and earn-out recognized in Trade and other receivables related to Aupark Hradec Králové s.r.o. amounting to EUR 8.9 million was fully paid off by HB REAVIS HOLDING S.A..

On 29 February 2024, the Fund paid its shareholders redemptions requested during 2023 redemption window in the amount of EUR 11.8 million.

The Group together with the financing bank prolonged the maturity of the bank loan provided to CBC I - II a. s. which was due on 31 March 2024 until 31 May 2024 and subsequently until 30 September 2024 with the aim of negotiating a 5 year maturity extension in exchange for a partial repayment of the loan. Final decision on maturity extension is expected in September 2024.

In July 2024, the Group made an extraordinary repayment of the loan in the amount of EUR 3 million.

HBR IM Holding Ltd. as a sole shareholder of HB Reavis Investment Management S.à r.l., the general partner managing the HB REAVIS IRF (formerly HB REAVIS CE REIF) Sub-fund ("GP"), entered on 14 February 2024 into a sale purchase agreement with IAD Investments, správk. spol., a. s. ("IAD"). The sale was finalized on 12 June 2024.

In May 2024, IAD supported the Fund with additional subscription in the amount of EUR 15 million.

Through the extraordinary meeting of shareholders held on 18 March 2024 the AIFM's legal form and name has been amended from Crestbridge Management Company S.A. to CRESTBRIDGE MANAGEMENT COMPANY SARL and its registered office to 33, avenue John F. Kennedy L - 1855 Luxembourg. Subsequently, through the extraordinary meeting of shareholders held on 16 April 2024 the AIFM's name has been amended to Gen II Management Company (Luxembourg) SARL.

In financial year 2024 up to issuance of these combined consolidated financial statements, the Fund has received the redemption notices for 16,459.812 shares with the value of EUR 12.2 million based on 31 March 2024 net asset value of HB REAVIS IRF (formerly HB REAVIS CE REIF), which has already decreased due to some redeeming investors recalling their redemption requests. These were offset by applications for new subscriptions in the amount of EUR 15.1 million. The management of Fund has assessed the impact of the net increase in net asset value and has concluded that it will have enough resources repay its shareholders and to continue operating as a going concern.

At the time of issuing the annual report and audited annual accounts, the management has not identified any other significant impact on the HB REAVIS IRF (formerly HB REAVIS CE REIF) Sub-fund's activities. The management will continue to monitor developments and their impact on the Sub-fund including its operations, lending arrangements and debt covenants, and the values and estimated reported in the annual report and audited annual accounts and accompanying notes.


There were no other material events, which occurred after the end of the reporting period which have a bearing on the understanding of these combined consolidated financial statements.

For and on behalf of the General Partner acting in its own name but for the account of the Fund

Signed by:

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Martin Proksa
Manager A

DocuSigned by:

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Jean Brisbois
Manager B

Luxembourg, 2 August 2024

Independent auditor's report

To the Shareholders of
HB Reavis Real Estate Investment Fund SCA SICAF
1B rue Jean Piret
L-2350 Luxembourg
Luxembourg

Opinion

We have audited the special purpose combined consolidated financial statements of HB Reavis Real Estate Investment Fund SCA SICAF (the "Fund"), which comprise the combined consolidated statement of financial position and combined consolidated schedule of investments as at 31 December 2023, the combined consolidated statement of comprehensive income, the combined consolidated statement of changes net assets attributable to the holders of shares and combined consolidated statement of cash flows for the year then ended, and the notes to the special purpose combined consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying special purpose combined consolidated financial statements for the year ended 31 December 2023, are prepared, in all material respects, in accordance with the Note 2.1, Basis of Preparation.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "réviseur d'entreprises agréé" for the audit of the special purpose combined consolidated financial statements" section of our report. We are also independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the special purpose combined consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 2.1 to the special purpose combined consolidated financial statements, which describes the basis of accounting. The special purpose combined consolidated financial statements are prepared to assist the Fund to meet the requirements of the Prospectus dated November 2023. As a result, the special purpose combined consolidated financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Material Uncertainty Related to Going Concern

We draw attention to Note 2.1 – Basis of Preparation “Going concern and liquidity assessment” to these special purpose combined consolidated financial statements, which indicates that the liquidity forecast prepared by management, amongst other things, relies on significant new subscriptions to the Fund, successful completion of refinancing of debt while being able to comply with debt terms and covenants, and assumes sufficient funding of the redemption requests received from the 2024 redemption window. These assumptions involve significant management judgement and are currently uncertain and outside of the management control. These circumstances indicate that a material uncertainty exists that may cast significant doubt on the Fund’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Matter

The Fund has prepared a separate set of annual accounts for the year ended 31 December 2023 in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, on which we issued a separate auditor’s report to the shareholders of the Fund dated 2 August 2024.

Other information

The General Partner is responsible for the other information. The other information comprises the information included in the annual report but does not include the special purpose combined consolidated financial statements and our report of “réviseur d’entreprises agréé” thereon.

Our opinion on the special purpose combined 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 special purpose combined 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 special purpose combined consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the General Partner for the special purpose combined consolidated financial statements

The General Partner is responsible for the preparation of the special purpose combined consolidated financial statements in accordance with the Note 2.1, Basis of Preparation, and for such internal control as the General Partner determines is necessary to enable the preparation of special purpose combined consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose combined consolidated financial statements, the General Partner is responsible for assessing the Fund'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 General Partner either intends to liquidate the Fund or any of its sub-funds or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the “réviseur d'entreprises agréé” for the audit of the special purpose combined consolidated financial statements

The objectives of our audit are to obtain reasonable assurance about whether the special purpose combined consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “réviseur d'entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with the ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose combined consolidated financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose combined consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the General Partner.
- Conclude on the appropriateness of General Partner' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the “réviseur d'entreprises agréé” to the related disclosures in the special purpose combined consolidated financial

statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the “réviseur d’entreprises agréé”. However, future events or conditions may cause the Fund to cease to continue as a going concern.

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

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

Ernst & Young
Société anonyme
Cabinet de révision agréé



Pavel Nesvedov

HB REAVIS REAL ESTATE INVESTMENT FUND**Combined Consolidated Statement of Financial Position at 31 December 2023**

<i>In millions of EUR</i>	Notes	31 December 2023	31 December 2022*
ASSETS			
Non-current assets			
Investment property in use	9	288.0	335.1
Derivatives	21	1.5	1.5
Other non-current assets	11	-	3.9
Deferred tax asset	20	0.6	-
Total non-current assets		290.1	340.5
Current assets			
Trade and other receivables	11	12.6	12.5
Cash and cash equivalents	12	16.7	12.6
Total current assets		29.3	25.1
Assets held for sale	10	-	113.7
TOTAL ASSETS		319.4	479.3
LIABILITIES			
Non-current liabilities			
Borrowings	13	138.7	200.2
Deferred income tax liability	20	1.2	4.3
Trade and other payables	14	4.4	3.6
Total non-current liabilities		144.3	208.1
Current liabilities			
Borrowings	13	63.6	6.7
Trade and other payables	14	11.9	15.4
Distributions payable to the Holders of Shares	7	-	2.1
Total current liabilities		75.5	24.2
Liabilities directly associated with assets held for sale	10	-	59.9
Total liabilities (excluding Net Assets Attributable to the Holders of Shares)		219.8	292.2
Net Assets Attributable to the Holders of Shares		99.6	187.1
TOTAL LIABILITIES		319.4	479.3

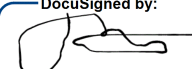
These special purpose combined consolidated financial statements have been approved for issue and signed on behalf of the HB REAVIS REAL ESTATE INVESTMENT FUND on 2 August 2024 by the members of the Board of Managers of the General Partner of the HB REAVIS REAL ESTATE INVESTMENT FUND. The Shareholders have the power to amend these combined consolidated financial statements after issue.

*Please refer to Note 2.18 for the change in presentation,

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Martin Proksa
 Manager A

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Jean Brisbois
 Manager B

HB REAVIS REAL ESTATE INVESTMENT FUND**Combined Consolidated Statement of Comprehensive Income for the year ended 31 December 2023**

<i>In millions of EUR</i>	Notes	31 December 2023	31 December 2022
Rental and similar income from investment properties	15	30.1	34.9
Direct operating expenses arising from investment property	16	(12.4)	(14.6)
Net operating income from investment properties		17.7	20.3
Revaluation loss on investment properties	9	(47.9)	(1.7)
Gain/(loss) on disposal of subsidiary	19	0.3	-
Other operating expenses	17	(4.5)	(5.7)
Other operating income	17	0.3	0.1
Operating profit		(34.1)	13.0
Interest expense	13	(10.0)	(5.3)
Distributions to the Holders of Shares	7	(3.2)	(8.5)
Other finance income/(costs)	18	(2.1)	9.7
Finance costs, net		(15.3)	(4.1)
Profit/(Loss) after distributions to the Holders of Shares and before income tax		(49.4)	8.9
Current income tax expense	20	(0.5)	(0.1)
Deferred income tax (expense)/credit	20	3.7	(0.9)
Income tax (expense)/credit		3.2	(1.0)
Profit/(Loss) for the year		(46.2)	7.9
Other comprehensive income/(loss):			
Items that may be subsequently reclassified to profit or loss			
Effect of translation of foreign operations to the presentation currency		(0.4)	0.4
Other comprehensive income/(loss) for the year		(0.4)	0.4
Increase/(Decrease) in Net Assets Attributable to the Holders of Shares		(46.6)	8.3

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Martin Proksa
 Manager A

Jean Brisbois
 Manager B


HB REAVIS REAL ESTATE INVESTMENT FUND**Combined Consolidated Statement of Changes in Net Assets Attributable to the Holders of Shares for the year ended 31 December 2023**

<i>In millions of EUR</i>	Attributable to the Holders of Shares								
	Redeemable Shares	Retained earnings	Legal reserve	Sub-total	Redeemable Shares	Retained earnings	Legal reserve	Sub-total	
	HB REAVIS IRF				Global REIF				Total
Balance at 1 January 2022	121.0	7.6	1.1	129.7	51.8	(3.9)	0.5	48.4	178.1
Increase in Net Assets Attributable to the Holders of Shares	-	3.7	-	3.7	-	4.5	-	4.5	8.2
New subscriptions	Note 6 14.5	-	-	14.5	-	-	-	-	14.5
Redemptions of Shares	Note 6 (14.0)	-	-	(14.0)	-	-	-	-	(14.0)
Other	-	(0.5)	0.4	(0.1)	0.4	-	-	0.4	0.3
Balance at 1 January 2023	121.5	10.8	1.5	133.8	52.2	0.6	0.5	53.3	187.1
Decrease in Net Assets Attributable to the Holders of Shares	-	(46.7)	-	(46.7)	-	0.1	-	0.1	(46.6)
New subscriptions	Note 6 12.5	-	-	12.5	-	-	-	-	12.5
Liquidation of sub-fund	-	-	-	-	(52.2)	(0.7)	(0.5)	(53.3)	(53.3)
Other	-	(0.7)	0.7	-	-	-	-	-	-
Balance at 31 December 2023	134.0	(36.6)	2.2	99.6	-	-	-	-	99.6

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Martin Proksa
 Manager A

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Jean Brisbois
 Manager B

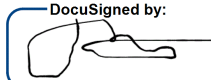
HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023**

<i>In millions of EUR</i>	Notes	31 December 2023	31 December 2022
Cash flows from operating activities			
(Loss)/profit after distributions to the Holders of Shares and before income tax		(49.4)	8.9
<i>Adjustments for:</i>			
Revaluation losses on investment property	9	47.9	2.1
Interest expense	13	10.0	5.3
Distributions to the Holders of Shares	7	3.2	8.5
Revaluation of financial assets and derivatives	18	2.2	-
Rental guarantee settlement	9, 18	-	6.0
Gain on disposal of subsidiaries	19	(0.3)	-
Unrealised foreign exchange (gains)/losses	18	(0.9)	(1.3)
Operating cash flows before working capital changes		12.7	29.5
<i>Working capital changes:</i>			
Decrease/(increase) in trade and other receivables		17.3	(14.6)
Decrease/(increase) in derivatives		-	(1.5)
(Decrease)/increase in trade and other payables		(2.0)	5.8
Cash generated from operations		28.0	19.2
Interest paid	13	(9.1)	(4.6)
Income taxes paid		-	0.1
Net cash from operating activities		18.9	14.7
Cash flows from investing activities			
Construction of investment property	9	(1.7)	(1.6)
Proceeds from sale of subsidiaries, net of cash disposed	19	39.6	-
Net cash (used in) investing activities		37.9	(1.6)
Cash flows from financing activities			
Proceeds from borrowings	13	-	-
Repayment of borrowings	13	(5.8)	(8.1)
Capital contributions from shareholders		12.5	14.9
Redemptions		-	(14.0)
Redemptions paid in advance	6.2	(53.3)	-
Distributions to the Holders of Shares	7	(5.3)	(8.5)
Option premium paid	21	(0.8)	(0.2)
Net cash (used in)/from financing activities		(52.7)	(15.9)
Net (decrease) in cash and cash equivalents		4.1	(2.8)
Cash and cash equivalents at the beginning of the year	12	12.6	17.9
Cash and cash equivalents at the end of the year		16.7	15.1
Less: transfers to non-current assets held for sale	10	-	(2.5)
Cash and cash equivalents at the end of the year at the balance sheet		16.7	12.6

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Martin Proksa
 Manager A

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Jean Brisbois
 Manager B

HB REAVIS REAL ESTATE INVESTMENT FUND

Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023

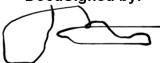
<i>In millions of EUR</i>	Notes	Fair value at 31 December 2023	Share of net assets	Share of total assets
HB REAVIS IRF (formerly HB REAVIS CE REIF)				
Office segment	9	222.9	224%	70%
Retail segment	9	70.0	70%	22%

*Upon request to be addressed to the registered office of the Fund, a copy of the statement of changes of the portfolio of investments for the year ended 31 December 2023 can be obtained free of charge.

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 Martin Proksa
 Manager A

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 Jean Brisbois
 Manager B

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023****1 The HB REAVIS REAL ESTATE INVESTMENT FUND Group and its Operations**

These special purpose combined consolidated financial statements for the year ended 31 December 2023 for HB REAVIS REAL ESTATE INVESTMENT FUND (the "Fund") and its subsidiaries (together referred to as the "Group") have been prepared in accordance with the Note 2.1, Basis of Preparation.

The Fund is an umbrella fund incorporated under the laws of Luxembourg under the form of a corporate partnership limited by shares (société en commandite par actions or S.C.A.) organized as an investment company with fixed capital (société d'investissement à capital fixe or SICAF) and registered as an undertaking for collective investment governed by Part II ("UCI Part II") of the law of 17 December 2010 on undertakings for collective investment, as amended from time to time (the "2010 Law") and the law of 10 August 1915 relating to commercial companies, as amended from time to time (the "1915 Law"). It is also governed by specific management regulations dated June 2012. The Fund was set up on 25 May 2011 and was registered as an investment company with variable capital (SICAV-SIF) until 27 April 2017.

The Fund is registered at the Luxembourg Commercial Register under file R.C.S. Luxembourg B 161.180. Furthermore, the Fund is in the scope of the Alternative Investment Fund Management Law of 12 July 2013 ("AIFM Law") and qualifies as an Alternative Investment Fund ("AIF").

The unlimited General Partner (associé-gérant commandité) of the Fund is IAD Investments Management S.à r.l., a private limited company (société à responsabilité limitée) incorporated under the laws of Luxembourg.

On 27 April 2017, the Fund appointed Crestbridge Management Company S.A. having its registered office located at 9A, boulevard Prince Henri, L-1724 Luxembourg and registered with the R.C.S. Luxembourg under number B 159.802 as the Alternative Investment Fund Manager in the meaning of the AIFM Directive and AIFM Law (the "AIFM" or "Crestbridge"). Through the extraordinary meeting of shareholders held on 18 March 2024 the AIFM's legal form and name has been amended from Crestbridge Management Company S.A. to CRESTBRIDGE MANAGEMENT COMPANY SARL and its registered office to 33, avenue John F. Kennedy L - 1855 Luxembourg. Subsequently, through the extraordinary meeting of shareholders held on 16 April 2024 the AIFM's name has been amended to Gen II Management Company (Luxembourg) SARL.

The Fund was designed as a multi-compartment structure consisting of two Sub-Funds: HB Reavis HB REAVIS IRF (formerly HB REAVIS CE REIF) (the "Sub-Fund A" or "HBR IRF") and HB Reavis Global REIF (the "Sub-Fund B" or "Global REIF"). However, in February 2023 Global REIF has sold its whole investment property portfolio through disposal of 2 SPVs. Subsequently the Sub-fund was liquidated on 14 August 2023. The latest net asset value was calculated on 14 August 2023. As of 31 December 2023, the remaining cash amounts are EUR 40,020 and will be regularized in the course of 2024.

In November 2023, HB REAVIS CE REIF changed its name to HB Reavis IRF. The HB REAVIS IRF (formerly HB REAVIS CE REIF) sub-fund is controlled by none of its shareholders. The HB REAVIS IRF (formerly HB REAVIS CE REIF) is not consolidated under HB Reavis Holding S.A. The Global REIF sub-fund was consolidated under HB Reavis Holding S.A., a company based in Luxembourg. HB Reavis Holding S.A. is ultimately controlled by Mr. Ivan Chrenko.

The Fund offers its Shares to investors who have expressed an interest in investing in the Fund and who must be aware of the risks inherent to the investment in an undertaking for collective investment investing in real estate such as the Fund.

From November 2023 HB Reavis IRF (formerly HB Reavis CE REIF) Sub-fund Investor shares are listed on the regulated market of the Luxembourg Stock Exchange, except for following unlisted shares:

- Institutional Cap Class (HBR IRF),
- Class A (HBR IRF),
- Class A Cap (HBR IRF),
- Ordinary Class (HBR IRF),
- Ordinary Class Cap (HBR IRF) and
- Dedicated Class Cap (HBR IRF).

These special purpose combined consolidated financial statements were authorised by Board of Managers of the General Partner for issue on 2 August 2024. The shareholders have the power to amend the special purpose combined consolidated financial statements after issue.

Principal activity. Real estate investments and investment in special purpose vehicles ("SPVs") holding real estate assets, including controlling and non-controlling stakes in SPV holding companies.

HB REAVIS IRF (formerly HB REAVIS CE REIF) Sub-Fund. While there are no specific country or real estate segment restrictions posed, the Sub-Fund will mainly invest in Slovakia, the Czech Republic, Poland and Hungary, as well as in any European Union, Switzerland and in the United Kingdom in commercial real estate assets. The Sub-Fund exists for an indefinite period.

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023****1 The HB REAVIS REAL ESTATE INVESTMENT FUND Group and its Operations (continued)**

The Sub-Fund portfolio provides investments in prime properties located in Slovakia. The office segment investments are restricted to A-class properties located in central business districts of capital and regional cities in any European Union country, Switzerland and the United Kingdom. The retail segment investments will be made in both capital and regional cities of any European Union country, Switzerland and the United Kingdom. Investments in logistic properties will be restricted to attractive and strategic locations only.

The Sub-Fund seeks to maximize its value via investing in properties which in the past proved to bear characteristics of prime-commercial real estate properties which implies to have a top-tier tenants' portfolio located in prime or strategic locations and soundly technically and architecturally built. The Sub-Fund seeks to enhance the value of its properties through excellent lease management to maximize property income.

Investment restrictions of HB REAVIS IRF (formerly HB REAVIS CE REIF) Sub-Fund:

a) **Investment targets:** The Sub-Fund focuses on investing in finished, fully or nearly fully let commercial properties with stable cash flow. Mainly rental income generating assets are eligible for the Sub-Fund's portfolio. A property to be acquired has to exhibit at least eighty percent (80%) of leased area of the total gross leasable area. The acquisition form is to be either freehold or leasehold with not less than thirty (30) years to elapse. The Sub-Fund may acquire properties directly or indirectly via SPV and/or share of SPV, as well as via forward purchase of an SPV or a direct property.

b) **Development and redevelopment:** The Sub-Fund is entitled to invest in any development or redevelopment of real estate assets.

c) **Denomination:** The Sub-Fund is denominated in Euro.

d) **Investment restrictions of the Sub-Fund:** The Sub-Fund may not have a net exposure on one (1) real estate investment, which would exceed twenty percent (20%) of its net assets. This twenty percent (20 %) rule does not apply during a start-up phase of four (4) years after the date of registration of the Fund on the official CSSF list. As of 31 December 2023, HB REAVIS IRF (formerly HB REAVIS CE REIF) Sub-Fund is in breach of diversification rules which is considered to be passive investment breach. General Partner together with AIFM of the Fund has remediation of the passive investment breach as a priority while considering the interests of the investors. The Sub-Fund intends to hold liquidity only to the extent needed to meet short- and mid-term liabilities. The liquidity will be held in listed bonds, bank accounts, time deposits, money market instruments, and/or other type of near-cash investments.

e) **Loan and leverage:** A ratio of consolidated external debt over total real estate assets ("leverage") shall not exceed 65%, essentially through bank financing. Leverage incurred by the Sub-Fund or one (1) of its subsidiaries for an individual asset may exceed 65% of the individual asset value but shall not at any event exceed 70% of such value.

As of 31 December 2023 HB REAVIS IRF (formerly HB REAVIS CE REIF) Sub-Fund is in breach of above mentioned leverage ratio on consolidated level and at the individual asset level in case of Twin City IV a. s. which is considered to be passive investment breach. General Partner together with AIFM of the Fund has remediation of the passive investment breach as a priority while considering the interests of the investors.

Registered address and place of business. The Fund's registered address and principal place of business is:

1b, rue Jean Piret
L-2350 Luxembourg
Luxembourg

2 Summary of Material Accounting Policies

The principal accounting policies applied in the preparation of these special purpose combined consolidated financial statements are described below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of Preparation

Statement of compliance. These special purpose combined consolidated financial statements have been prepared as an aggregation of the individual consolidated financial statements of the Sub-Funds HB REAVIS IRF (formerly HB REAVIS CE REIF) and Global REIF (the "Sub-Funds") prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS"). The Group applies all IFRS standards and interpretations issued by International Accounting Standards Board (hereinafter "IASB"), as adopted by the European Union, which were in force as of 1 January 2023. In 2023, following the liquidation of the Global REIF sub-fund on 14 August 2023, these special purpose combined consolidated financial statements do not include and assets or liabilities of Global REIF as of 31 December 2023, and include the profit and loss accounts of the Global REIF from 1 January 2023 to 14 August (date of liquidation).

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023**

2 Summary of Material Accounting policies (continued)

These special purpose combined consolidated financial statements (further referred to as "combined consolidated financial statements") are prepared for the sole purpose to assist the Fund to meet the requirements of the Prospectus dated November 2023.

Income and cash flow statements. The Group has elected to present a single statement of comprehensive income and presents its expenses analysed by their nature. The Group reports cash flows from operating activities using the indirect method. Interest received and interest paid is presented within operating cash flows. Distributions to shareholders of Investors Shares are presented as an operating cash flow. Capital contributions from investors and redemptions to investors are presented as a financing cash flow. The acquisitions of investment properties are disclosed as cash flows from investing activities because this most appropriately reflects the Group's business activities.

Preparation of the combined consolidated financial statements. These combined consolidated financial statements are presented in millions of Euro ("EUR") rounded to one decimal place, unless otherwise stated.

Going concern and liquidity assessment. For the year ended 31 December 2023 the Fund recognized a loss of EUR 46.2 million mainly driven by a revaluation loss on investment properties of EUR 47.9 million.

The financial position and performance of the Fund was particularly affected by the following events and transactions during the reporting period:

A significant rise in inflation, compounded by rising energy prices, triggered an unprecedented surge in interest rates by central banks (3M EURIBOR saw a 4.5% increase since 2022). This, in turn, translated into higher required returns on investment assets, including real estate (the so-called "yields"). This development leads, even if cash flow remains constant, to a tangible decline in real estate valuations. This is also evidenced by last year's growth of European real estate indexes (e.g. Green Street Pan European Property Sector index, Euronext Global Equity Market index), which have lost a large part of their value compared to their peak values (from 2022).

Such general market developments have been compounded for the Fund by exposure to the office segment, the departure of several larger tenants that have so far failed to be replaced, and the leverage of higher debt and high interest rates. As a result, the value of the properties in the Fund's portfolio fell by 14%, resulting in a significant reduction in the Fund's net asset value ("NAV"). Higher leverage effect in this negative environment only multiplied the negative impact on NAV. This translated into a negative annual movement of NAV of 23% for the Fund in 2023.

As disclosed in Note 13, the Group borrowings are subject to certain loan agreement terms that could lead to loan acceleration or event of default in case of a breach. Up to the date of the authorisation of these combined consolidated financial statements for issue, the Group was not in breach of any loan agreement terms that could lead to loan acceleration or event of default, and no terms of the loans were renegotiated due to defaults or breaches.

In response to the events above, the management took the following actions in order to secure adequate resources to meet the Fund's operating and investing cash flow requirements for at least the next 12 months so that the going concern basis of accounting remains appropriate.

Operating activities

As per the management liquidity forecast, the Fund's operations are expected to secure adequate resources to meet its operating and investing cash flow requirements for at least the next 12 months. The Fund estimates to generate a net operating income of c. EUR 19.4 million from April 2024 (2023: EUR 18.3 million). The increase of EUR 1.1 million is mainly driven by indexation of the lease contracts and ending rent-free periods. Expected increase of occupancy in 2024 would largely influence the net operating income in 2025, and therefore is disregarded for the purpose of the cashflow analysis. The occupancy rate is expected to increase thanks to active leasing strategy driven by larger office agencies and stabilization of the occupier market in Bratislava as such (more details are included below). Total operating expenses of the Fund is expected to decrease by around EUR 0.9 million, mainly due to the decreased management fee which is linked to the Fund NAV.

In 2023 the business operations were significantly impacted by the highly competitive office market in Bratislava, through a record high delivery of new offices in 2023. Which has resulted in slower leasing activity and declining rents. Nevertheless, the forecasted office development pipeline indicated a steep decrease of new office buildings delivery in the next 2 – 3 years. The high-interest rate environment and difficult leasing market lead to a slowdown in new office developments that is expected to positively influence the office occupancy as well as the rental levels in the next years. Besides, upon substantial reduction of the HB Reavis Group tenant in Twin City C building in Q2 2024, the Fund is seeking to re-let circa 5,000 sqm of space currently negotiating with few parties with no concrete results yet. The Fund has appointed top global real estate agencies to drive up the occupancy of the portfolio, in addition to the already committed internal resources. Higher leasing activity would positively influence the cash flow mostly in 2025.

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023**

2 Summary of Material Accounting policies (continued)

Financing activities

Total cash outflows resulting from repayments of loan principal and interest expense are expected to increase significantly due to estimated EUR 4-5 million loan prepayment. On the other hand, the management business plan does not fully reflect the anticipated interest rate cuts. Based on management analysis a c. 50 bps EURIBOR decrease would result approximately EUR 500 thousand interest payment saving. The Group is discussing with the bank the extension of the short-term maturing bank borrowings in the principal amount of EUR 57.1 million. In particular, management is actively discussing the prolongation of the loan facility for CBC 1 and CBC 2 buildings with Komerční Banka. Management aims to have the loan extended by additional five years while maintaining materially similar conditions against a small reduction of the loan amount. Nevertheless, the final terms are not yet approved. As part of the refinancing, and pre-agreement with the financing bank, management is assuming a repayment of EUR 2.5 million of the loan and restricting a further EUR 2.5 million in cash (until 31.12.2024) for an "equity cure" in case of a breach of the soft DSCR loan covenant (between 130% and 120%). As of the date of the authorisation of these combined consolidated financial statements for issue, the discussion with the bank was ongoing.

Capital activities

The redemptions window in 2024 closed on 31 May 2024 with the 16,459.812 units requested to be redeemed (EUR 12.2 million if assessed at the net asset value as of 31 December 2023). These redemptions are expected to be offset by EUR 23.5 million subscriptions which will be mainly secured through reestablishment of the newly launched fundraising routes, especially the use of distributor networks, direct sales and sale to institutional investors (as a part of the IAD commitment), out of which EUR 15 million has been subscribed and paid in during May 2024 already. Higher fundraising activity is expected towards the end of the year, after a visible stabilization real estate sentiment and anticipated rate cuts by the European Central Bank. Management does not anticipate any compulsory redemptions due to the change of control on the GP, as the new owner (IAD) is well recognized and established AIFM with 30 years track record. Additionally, Management initiated pre-emptive actions and offered some selected assets of the Fund to potential investors on an off market basis – despite a confirmed interest from the investors these discussions are on hold.

On 14 February 2024, HBR IM Holding Ltd. as a sole shareholder of HB Reavis Investment Management S.à r.l., the general partner managing the IRF Sub-fund ("GP"), entered into a sale purchase agreement ("SPA") with IAD Investments, správ. spol., a. s. ("IAD"). IAD is a Slovak based Alternative Investment Fund Manager, founded in 1991 and providing financial services in Central European countries and managing assets in total value of more than EUR 2.1 billion. IAD is well reputable manager in Central European countries with a track record of fundraising capabilities and established relationship with key market players. IAD has committed to support the Fund with direct investments totaling EUR 25 to 30 million. IAD's main focus is to restart fundraising and increase the occupancy of the buildings through implementation of a new leasing strategy and actively working with the top global real estate agencies, which also operate in the Slovak market. The current business plan of the Fund does not assume a full injection of the EUR 25 to 30 million. The Fund plans to use the remaining available capital commitment for new project acquisition.

In its cashflow forecast, management relied on new capital amounting to EUR 23.5 million (of which IAD secured that 15 million were already injected into the Fund in May 2024 and IAD is prepared to further support the fund with total declared commitment of EUR 25-30 million), which is necessary to cover the gap between the operating cash inflows and the financing cash outflows and cover eventual new redemptions. In its business plan beyond the going concern assessment period, i.e. after the end of Q2 2025, Management does not rely on further new capital to support its operating and financing activities assuming that the gap between operating and financing cashflows will close with the deleverage of the Fund and reduced interest rate burden.

Fund management expects a restart of fundraising activities in the second half of 2024 mainly driven by the general improvement of the sentiment towards real estate driven by decreasing interest rates, improving occupiers' market and increasing investment activity observed based on market indications and linked to successful completion of the GP transaction. Management expects IAD to use its vast fundraising capabilities to source new asset acquisitions into the Fund (on top of their commitment to invest 25 – 30 million euros).

Sensitivity analysis

The cashflow forecast prepared by management assumes at the end of the going concern assessment period (i.e. the end of Q2 2025) a net cashflow surplus. Within the going concern assessment period the Fund is therefore expected to have sufficient liquidity, with all other assumptions unchanged, unless the volume of actual subscriptions would be lower than forecast by more than 40% than assumed.

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023**

2 Summary of Material Accounting policies (continued)

In summary, the circumstances that lead to a material going concern uncertainty relate primarily to the Fund management assumptions and liquidity forecast. The key assumptions for the going concern are the following:

1) the Fund will be able to pay the upcoming redemption requests received during the redemption window started 1 April 2024 and ended 31 May 2024, as defined in the Fund's PPM.

2) the Fund will be receiving further new capital from the IAD, parties associated with IAD or any other party introduced by IAD as agreed in the SPA or other parties as a result of IAD fundraising activities in the amount of at least EUR 23.5 million, out of which 15 million were already injected into the Fund in May 2024. It is uncertain as to how much and when IAD or any other party introduced by IAD or other parties will provide additional capital to the Fund.

3) the Fund will successfully complete the refinancing of the external bank loan maturing in July 2024 amounting EUR 57.1 million as of 31 December 2023, for which the negotiations with the bank are ongoing but not yet finalised. In addition, will be able to comply with the terms of all debt agreements (including the respective covenant limits) for the period of the going concern assessment. The ability to complete the refinancing of the maturing debt and comply with the covenants remains uncertain and may materially affect the Fund's liquidity forecast.

As at the date of the issuance of these combined consolidated financial statements, management expects that the Fund will have adequate resources to meet its operating, financing and investing cash flow requirements for at least the next 12 months. The financial statements were prepared using the going concern assumption that the Fund will continue its operations for the foreseeable future. The above circumstances, nevertheless, indicate that a material uncertainty exists that may cast a significant doubt on the Fund's ability to continue as a going concern.

The consolidated financial statements of the Sub-Fund HB REAVIS IRF (formerly HB REAVIS CE REIF) have been prepared on a going concern basis, applying the historical cost convention, except for the measurement of investment properties (including those held for sale), financial assets and derivatives at fair value.

The consolidated financial statements of the sub-fund Global REIF have been prepared on a non-going concern basis for the year ended 31 December 2022, following the management approval of this sub-fund's liquidation in March 2023. Accordingly, the investments of the sub-fund have been sold as of 9 February 2023 (Note 19) and liquidated on 14 August 2023 (Note 19). The combined consolidated statement of comprehensive income for Global REIF is stated until date of liquidation.

The preparation of these combined consolidated financial statements in conformity with IFRS as adopted by the European Union requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Changes in assumptions may have a significant impact on the combined consolidated financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate. The areas involving higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the combined consolidated financial statements are disclosed in Note 3.

Valuation techniques such as discounted cash flows models or models based on recent arm's length transactions or consideration of financial data of the counterparties are used to fair value certain financial instruments for which external market pricing information is not available. Valuation techniques may require assumptions not supported by observable market data. Disclosures are made in these combined consolidated financial statements if changing any such assumptions to a reasonably possible alternative would result in significantly different revaluation gain or loss on investment properties, net profit or loss for the year, total assets or total liabilities. Refer to Note 21.

2.2 Combined Consolidated Financial Statements

Combined consolidated financial statements. In preparing the combined consolidated financial statements, the individual consolidated financial statements of the Sub-Fund HB REAVIS IRF (formerly HB REAVIS CE REIF) are aggregated on a line-by-line basis by adding together the like items of assets, liabilities, net assets attributable to the holders of shares, income and expenses. Transactions, balances, income and expenses between the Sub-Funds are eliminated, where applicable. The individual consolidated financial statements of the Sub-Fund Global REIF are aggregated on a line-by-line basis by adding together the like items of income and expenses. Transactions, income and expenses between the Sub-Funds are eliminated, where applicable. Following its liquidation in 2023, there were no assets or liabilities of Global REIF in the Combined Consolidated Statement of Financial Position as of 31 December 2023.

Business combinations. The acquisition method of accounting is used to account for the acquisition of subsidiaries that represent a business, except those acquired from parties under common control. A business is defined as an integrated set of activities and assets conducted and managed for the purpose of providing a return to investors or lower costs or other economic benefits directly and proportionately to policyholders or participants. A business generally consists of inputs, processes applied to those inputs, and resulting outputs that are, or will be, used to generate revenues. If goodwill is present in a transferred set of activities and assets, the transferred set is presumed to be a business.

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023**

2 Summary of Material Accounting policies (continued)

The Group applied Definition of a Business (Amendments to IFRS 3) to business combinations whose acquisition dates are on or after 1 January 2020 in assessing whether it had acquired a business or a group of assets.

The consideration transferred for the acquiree is measured at the fair value of the assets given up, equity instruments issued and liabilities incurred or assumed, including fair value of assets or liabilities from contingent consideration arrangements, but excludes acquisition related costs such as advisory, legal, valuation and similar professional services.

Transaction costs incurred for issuing equity instruments are deducted from equity; transaction costs incurred for issuing debt are deducted from its carrying amount and all other transaction costs associated with the acquisition are expensed.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

Goodwill is measured by deducting the net assets of the acquiree from the aggregate of the consideration transferred for the acquiree, the amount of non-controlling interest in the acquiree and fair value of an interest in the acquiree held immediately before the acquisition date. Any negative amount ("negative goodwill") is recognised in profit or loss, after management reassesses whether it identified all the assets acquired and all liabilities and contingent liabilities assumed, and reviews appropriateness of their measurement.

Non-controlling interest is that part of the net results and of the equity of a subsidiary attributable to interests which are not owned, directly or indirectly, by the Group. Non-controlling interest forms a separate component of the Group's equity. At acquisition date, the Group measures non-controlling interest that represents present ownership interest and entitles the holder to a proportionate share of net assets in the event of liquidation on a transaction by transaction basis, either at: (a) fair value, or (b) the non-controlling interest's proportionate share of net assets of the acquiree. Non-controlling interests that are not present ownership interests are measured at fair value.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless the cost cannot be recovered. The Company and all of its subsidiaries use uniform accounting policies consistent with the Group's policies.

Acquisitions of subsidiaries holding investment properties. The Group may invest in subsidiaries that hold properties but do not constitute a business. These transactions are therefore treated as asset acquisitions rather than business combinations. The Group allocates the cost of the acquisition to the individual identifiable assets and liabilities based on their relative fair values at the date of acquisition. These transactions do not give rise to goodwill.

Subsidiaries. Subsidiaries are those investees, including structured entities, that the Group controls because the Group (i) has power to direct relevant activities of the investees that significantly affect their returns, (ii) has exposure, or rights, to variable returns from its involvement with the investees, and (iii) has the ability to use its power over the investees to affect the amount of investor's returns. The existence and effect of substantive rights, including substantive potential voting rights, are considered when assessing whether the Group has power over another entity. For a right to be substantive, the holder must have practical ability to exercise that right when decisions about the direction of the relevant activities of the investee need to be made. The Group may have power over an investee even when it holds less than majority of voting power in an investee. In such a case, the Group assesses the size of its voting rights relative to the size and dispersion of holdings of the other vote holders to determine if it has de-facto power over the investee. Protective rights of other investors, such as those that relate to fundamental changes of investee's activities or apply only in exceptional circumstances, do not prevent the Group from controlling an investee. Subsidiaries are fully consolidated from the date on which control is transferred to the Group, and are deconsolidated from the date on which control ceases.

Disposals of subsidiaries. When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amount previously recognised in other comprehensive income in respect of that entity is accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023****2 Summary of Material Accounting policies (continued)**

The entities included within these consolidated financial statements are as follows:

Number	Subsidiaries	Functional currency	Country of incorporation	% Ownership	
				31 December 2023	31 December 2022
1	HB REAVIS REAL ESTATE INVESTMENT FUND (Parent Company)	EUR	Luxembourg		
	HB REAVIS IRF (formerly HB REAVIS CE REIF) Sub-Fund				
2	HBR HB CE REIF LUX1 S.à r.l.	EUR	Luxembourg	100%	100%
3	UNI - CC a. s. ¹	EUR	Slovakia	-	100%
4	CBC I - II a. s.	EUR	Slovakia	100%	100%
5	AUPARK Hradec Králové s.r.o.	CZK	Czech Republic	100%	100%
6	Twin City IV a.s.	EUR	Slovakia	100%	100%
7	Twin City III a.s.	EUR	Slovakia	100%	100%
8	AUPARK Hradec Králové Services, s.r.o. ³	CZK	Czech Republic	100%	-
	Global REIF Sub-Fund				
8	HBR HB REAVIS CE REIF LUX 3 S.à r.l. ¹	EUR	Luxembourg	-	100%
9	Apollo Business Center III a.s. ²	EUR	Slovakia	-	100%
10	Apollo Business Center V a.s. ²	EUR	Slovakia	-	100%

Notes:

1 Entities were liquidated during the year ended 31 December 2023

2 Entities were sold during the year ended 31 December 2023

3 Entity was established on 30 September 2023

2.3 Foreign Currency Transactions and Translation**Functional and presentation 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 "functional currency"). The functional currency of all Group's entities is the local currency. The combined consolidated financial statements are presented in millions of euro (EUR), which is the Group's presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. 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 recognized in the Combined Consolidated Statement of Comprehensive Income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within finance costs and finance income respectively, unless they are capitalised as explained in Note 2.11 ("Borrowings"). All other foreign exchange gains and losses are presented in the statement of comprehensive income.

Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- i. assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that financial position;
- ii. income and expenses for each statement of comprehensive income 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 rate on the dates of the transactions). The Group is using monthly average exchange rates due to the increased volatility in exchange rates;
- iii. components of net assets attributable to the holders of shares are translated at the historic rate; and
- iv. all resulting exchange differences are recognised in the statement of comprehensive income.

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023**

2 Summary of Material Accounting policies (continued)

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation) all of the exchange differences accumulated in net assets attributable to the holders of shares in respect of that operation are reclassified to profit or loss. In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the

proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

2.4 Investment Property

Investment property is property held by the Group to earn rental income or for capital appreciation, or both and which is not occupied by the Group. Investment property includes assets under construction for future use as investment property.

Investment property comprises of freehold land, freehold commercial properties (retail and office) and land plots.

Investment property is initially valued at historic cost including related transaction costs. Costs include the works performed, the costs of staff directly related to technical supervision and project management on the basis of time spent up to the date of completion.

After initial recognition at cost, the investment property, including property under construction or development for future use as investment property, is carried at fair value. Fair value is 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. Fair value is based on transaction prices from active markets, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset.

If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Valuation reports are prepared as of the financial position date by independent appraisers, who hold a recognized and relevant professional qualification and who have recent experience in valuation of property of similar location and category. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognized as a liability, including finance lease liabilities in respect of land classified as investment property; others, including contingent rent payments, are not recognized in the combined consolidated financial statements. Transaction costs, such as estimated agent's and legal and accounting fees and transfer taxes are not deducted for the purposes of valuation of investment property in these combined consolidated financial statements irrespective whether or not they form part of the described valuations.

Subsequent expenditures are capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with these expenditures will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed to the combined consolidated income statement during the financial period in which they are incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those a rational market participant would take into account when determining the value of the property.

Changes in fair values are recorded in the Combined Consolidated Statement of Comprehensive Income under "Revaluation gain/(loss) on investment properties". Investment properties are derecognised when they have been disposed.

Where the Group disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the Statement of Comprehensive Income within Revaluation gain/(loss) on investment properties.

HB REAVIS REAL ESTATE INVESTMENT FUND

Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023

2 Summary of Material Accounting policies (continued)

2.4 Investment Property (continued)

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is recognized in Net assets attributable to the holders of shares as a revaluation of property, plant and equipment under IAS 16. However, if a fair value gain reverses a previous impairment loss, the gain is recognized in the Combined Consolidated Statement of Comprehensive Income.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes. Property that is being constructed or developed for future use as investment property is classified as investment property and stated at fair value.

Where an investment property undergoes a change in use evidenced by commencement of development with a view to sale, the property is transferred to inventories. A property's deemed cost for subsequent accounting as inventories is its fair value at the date of change in use.

Global REIF as at 31 December 2022

The investment property is carried at net realizable value at the year ended 31 December 2022. Net realizable value is the value of an asset that can be realized upon in sale, minus a reasonable estimation of the costs involved. The net realizable value of investment property of the sub-fund approximates its fair value. The investment property of sub-fund was transferred to non-current assets held for sale.

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023**

2 Summary of Material Accounting policies (continued)**2.5 Financial Instruments***Initial recognition*

Financial instruments at fair value through profit and loss (“FVTPL”) are initially recorded at fair value. All other financial instruments are initially recorded at fair value adjusted for transaction costs. Fair value at initial recognition is best evidenced by the transaction price.

Financial assets - Classification and subsequent measurement – measurement categories

The Group classifies financial assets in the following measurement categories: FVTPL, fair value through other comprehensive income (“FVOCI”) and amortised cost (“AC”). The classification and subsequent measurement of debt financial assets depends on: (i) the Group’s business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. The Group’s financial assets consist of trade and other receivables, Financial asset and derivatives. Financial assets recognised in the consolidated statement of financial position as trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost less allowance for expected credit losses (“ECL”). Derivatives are measured at fair value at each end of the reporting period with changes in value recognised in profit or loss.

Financial assets - Classification and subsequent measurement – business model

The business model reflects how the Group manages the assets in order to generate cash flows – whether the Group’s objective is: (i) solely to collect the contractual cash flows from the assets (“hold to collect contractual cash flows”), or (ii) to collect both the contractual cash flows and the cash flows arising from the sale of assets (“hold to collect contractual cash flows and sell”) or, if neither of (i) and (ii) is applicable, the financial assets are classified as part of “other” business model and measured at FVTPL.

Business model is determined for a group of assets (on a portfolio level) based on all relevant evidence about the activities that the Group undertakes to achieve the objective set out for the portfolio available at the date of the assessment. Factors considered by the Group in determining the business model include the purpose and composition of a portfolio, past experience on how the cash flows for the respective assets were collected, how risks are assessed and managed and how the assets’ performance is assessed.

Debt financial assets - Classification and subsequent measurement – cash flow characteristics

Where the business model is to hold assets to collect contractual cash flows or to hold contractual cash flows and sell, the Group assesses whether the cash flows represent solely payments of principal and interest (“SPPI”). Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are consistent with the SPPI feature.

Where the contractual terms introduce exposure to risk or volatility that is inconsistent with a basic lending arrangement, the financial asset is classified and measured at FVTPL. The SPPI assessment is performed on initial recognition of an asset and it is not subsequently reassessed.

Financial assets - Reclassification

Debt financial assets are reclassified only when the business model for managing the portfolio as a whole changes. The reclassification has a prospective effect and takes place from the beginning of the first reporting period that follows after the change in the business model. The entity did not change its business model during the current and comparative period and did not make any reclassifications.

Financial assets impairment – credit loss allowance for ECL

The Group applies a simplified ECL model to trade and similar receivables with the term shorter than 12 months. For such receivables, the ECL is calculated on a lifetime basis from initial recognition and the assessment of significant credit risk does not apply. The Group applies a provision matrix approach, as described in the policy for Trade receivables. The simplified ECL model and the provision matrix are also applied to trade receivables with the contractual term longer than 12 months.

Financial instruments measured at amortised cost and contract assets are presented in the combined consolidated statement of financial position net of the allowance for ECL. For debt instruments at FVOCI, changes in amortised cost, net of allowance for ECL, are recognised in profit or loss and other changes in carrying value are recognised in OCI as gains less losses on debt instruments at FVOCI.

Financial assets - Write-off

Financial assets are written-off, in whole or in part, when the Group exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Group may write-off financial assets that are still subject to enforcement activity when the Group seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023**

2 Summary of Material Accounting policies (continued)**2.5 Financial Instruments (continued)***Financial assets - Derecognition*

The Group derecognises financial assets when (a) the assets are redeemed or the rights to cash flows from the assets otherwise expire or (b) the Group has transferred the rights to the cash flows from the financial assets or entered into a qualifying pass-through arrangement whilst (i) also transferring substantially all the risks and rewards of ownership of the assets or (ii) neither transferring nor retaining substantially all the risks and rewards of ownership but not retaining control. Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose additional restrictions on the sale.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and are subsequently carried at amortised costs using the effective interest method less loss allowance. Other receivables also include non-monetary items such as tax prepayments.

The Group calculates ECL on trade and other receivables using a provision matrix estimation technique. The Group uses its historic credit loss experience adjusted for all reasonable and supportable information that is available without undue cost or effort for trade and other receivables to estimate ECL. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The carrying amount of the asset is reduced through use of an allowance account, and the amount of the loss is included in other operating expenses. Any subsequent reversal of an impairment loss is recognised in profit or loss.

Cash and cash equivalents.

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are carried at amortised cost because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

Rental guarantees

Rental guarantees provided for by the seller of an investment property are recognised as financial asset when the Group becomes a party to the contractual provisions of the guarantee. When a rental guarantee is recognised initially, the Group measures it at its fair value. Subsequently, the Group measures the rental guarantees at fair value with fair value changes recognised in the Combined Consolidated Statement of Comprehensive Income.

If the Group revises its estimate of payments or receipts, the Group adjusts the carrying amount of the rental guarantee to reflect the actual and revised estimated cash flows. The carrying amount is recalculated by computing the present value of estimated future cash flows at the financial instrument's original effective interest rate. The adjustment is recognised in Combined Consolidated Statement of Comprehensive Income as finance income or expense.

Derivative financial instruments

Derivative financial instruments, including interest rate swap, CAP and forward foreign exchange contracts for hedging purposes (economic hedge) are carried at their fair value. All derivative instruments are carried as assets when fair value is positive and as liabilities when fair value is negative. Changes in the fair value of derivative instruments are included in the Combined Statement of Comprehensive Income. The Group does not apply hedge accounting.

Recognition of the derivative financial instruments takes place when the economic hedging contracts are entered into. They are measured initially and subsequently at fair value; transaction costs are included directly in finance costs. Certain derivative instruments embedded in financial liabilities and other non-financial contracts are treated as separate derivative instruments when their risks and characteristics are not closely related to those of the host contract.

Financial liabilities – measurement categories

Financial liabilities are classified as subsequently measured at amortised cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

Financial liabilities – derecognition

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023**

2 Summary of Material Accounting policies (continued)**2.5 Financial Instruments (continued)**

An exchange between the Group and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms and conditions of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in loan covenants are also considered. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Modifications of liabilities that do not result in extinguishment are accounted for as a change in estimate using a cumulative catch up method, with any gain or loss recognised in Combined Consolidated Statement of Comprehensive Income, unless the economic substance of the difference in carrying values is attributed to a capital transaction with owners.

Loans and borrowings

All loans and borrowings are measured at amortised cost. Initial recognition is at fair value less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method (see Note 2.11 for the accounting policy on Borrowings).

Financial liabilities included in trade and other payables are recognised initially at fair value and subsequently at amortised cost. The fair value of a non-interest-bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted as its impact would be insignificant.

Financial liabilities included in current trade and other payables are recognised at amortised cost which approximates its reimbursement value.

Global REIF as at 31 December 2022

The financial assets of the sub-fund consist of current trade and other receivables and financial assets. Financial assets recognised in the consolidated statement of financial position as trade and other receivables are recognised at amortised cost less allowance for expected credit losses ("ECL") that approximate net realisable value.

All loans and borrowings are measured at amortised cost. Interest-bearing loans and borrowings are measured at amortised cost using the effective interest method. Borrowings of the sub-fund were transferred to liabilities associated directly with assets held for sale.

Financial liabilities included in current trade and other payables are recognised at amortised cost which approximates its reimbursement value.

2.6 Income Taxes

Income taxes have been provided for in the combined consolidated financial statements in accordance with applicable legislation enacted or substantively enacted by the financial position date and on entity by entity basis. The income tax charge comprises current tax and deferred tax and is recognised in the income statement unless it relates to transactions that are recognised, in the same or a different period, directly in Net assets attributable to the holders of shares.

Current tax is the amount expected to be paid to, or recovered from, the taxation authorities in respect of taxable profits or losses for the current and prior periods. Taxable profits or losses are based on estimates if the consolidated financial statements are authorised prior to filing relevant tax returns. Taxes other than on income are recorded within operating expenses.

Deferred income tax is provided using the balance sheet liability method for tax loss carry forward and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In accordance with the initial recognition exemption, deferred taxes are not recorded for temporary differences on initial recognition of an asset or a liability in a transaction other than a business combination if the transaction, when initially recorded, affects neither accounting nor taxable profit nor loss. Deferred tax balances are measured at tax rates enacted by law or substantively enacted at the financial position date and are expected to apply to the period when the temporary differences will reverse or the tax losses carry forward will be utilised.

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023**

2 Summary of Material Accounting policies (continued)**2.6 Income taxes (continued)**

The carrying value of Group's investment property is assumed to be realised by sale. The capital gains tax rate applied is that which would apply on a direct sale of the property recorded in the combined consolidated statement of financial position regardless of whether the Group would structure the sale via the disposal of the subsidiary holding the asset to which a different tax rate may apply. The deferred tax is then calculated based on the respective temporary differences and tax considerations arising from recovery through sale.

Deferred tax assets for deductible temporary differences and tax loss carry forwards are recorded only to the extent that it is probable that the temporary difference will reverse in the future and there is sufficient future taxable profit available against which the deductions can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is possible that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on asset basis.

2.7 Uncertain tax positions

The Group's uncertain tax positions are reassessed by management at the end of each reporting period. Liabilities are recorded for income tax positions that are determined by management as more likely than not to result in additional taxes being levied if the positions were to be challenged by the tax authorities. The assessment is based on the interpretation of tax laws that have been enacted or substantively enacted by the end of the reporting period, and any known court or other rulings on such issues. Liabilities for penalties, interest and taxes other than on income are recognised based on management's best estimate of the expenditure required to settle the obligations at the end of the reporting period. Adjustments for uncertain income tax positions are recorded within the income tax charge.

2.8 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits and cash overdrafts held at call with banks, and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

2.9 Redeemable Shares

The Fund issued three classes of redeemable shares, which are redeemable at the Holder's option and do not have identical rights. Such shares are classified as financial liabilities. Redeemable shares are carried at amortised cost, which correspond to the redemption amount that is payable at the combined consolidated statement of financial position date if the holder exercises the right to put the share back to the Fund. Further information is disclosed in Note 6.

2.10 Distributions to the Holders of Shares

Distributions to the Holders of Shares are recognised as a finance cost in the Combined Consolidated Statement of Comprehensive Income.

2.11 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. After initial recognition, borrowings are carried at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised as finance cost using the effective interest method. Interest costs on borrowings are expensed as incurred. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs.

To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings 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 date of the statement of financial position.

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023**

2 Summary of Material Accounting policies (continued)**2.12 Trade and Other Payables**

Trade and other payables are accrued when the counterparty performed its obligations under the contract. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.13 Provisions for Liabilities and Charges

Provisions for liabilities and charges are non-financial liabilities of uncertain timing or amount. They are accrued when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as finance cost.

2.14 Revenue Recognition

Rental and similar income from investment properties includes rental income, service charges and management charges from properties. Where the Group is a lessor in a lease which does not transfer substantially all the risks and rewards incidental to ownership to the lessee (i.e. operating lease), lease payments from operating leases are recognised as rental income on a straight-line basis. Operating lease receivables are subject to ECL model. The Group calculates ECL on operating lease receivables using a provision matrix estimation technique.

Rental income is recognised on a straight-line basis over the lease term. When the Group provides incentives to its tenants, the cost of incentives is recognised over the lease term, on a straight-line basis, as a reduction of rental income. This applies to discounted rent periods, indexation and stepped rents. The resulting receivable is recognised within financial assets or trade and other receivables depending on expected collection pattern. In determining the fair value of the related investment property, the Group does not double-count assets; the fair value of such investment property excludes accrued operating lease income because it is recognised as a separate asset. The contingent payments under lease agreements depending on agreed level of sales turnover of tenants are recognized as income in the period when earned because the Group is unable to reliably estimate the future sales turnover of tenants in order to be able to recognise such expected contingent rents on a straight-line basis over the lease term.

In relation to the services provided to tenants of investment property (service charges such as cleaning, security and others) as part of the lease agreements into which the Group enters as a lessor, the Group has determined that the promise is the overall property management service and that the service performed each day is distinct and substantially the same. Although the individual activities that comprise the performance obligation vary significantly throughout the day and from day to day, the nature of the overall promise to provide management service is the same from day to day. Therefore, the Group has concluded that the services to tenants represent a series of daily services that are individually satisfied over time, using a time-elapsed measure of progress, because tenants simultaneously receive and consume the benefits provided by the Group.

The Group arranges for certain services provided to tenants of investment property included in the contract the Group enters into as a lessor, to be provided by third parties. The Group has determined that it controls the services before they are transferred to tenants, because it has the ability to direct the use of these services and obtain the benefits from them. In making this determination, the Group has considered that it is primarily responsible for fulfilling the promise to provide these specified services because it directly deals with tenants' complaints and it is primarily responsible for the quality or suitability of the services. In addition, the Group has discretion in establishing the price that it charges to the tenants for the specified services. Therefore, the Group has concluded that it is the principal in these contracts. In addition, the Group has concluded that it transfers control of these services over time, as services are rendered by the third-party service providers, because this is when tenants receive and, at the same time, consume the benefits from these services.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023****2 Summary of Material Accounting policies (continued)****2.15 Other operating expenses**

Expenses include legal, accounting, auditing and other fees. They are recognised in profit or loss in the period in which they are incurred (on an accruals basis). Further information related to management and performance fee is disclosed in Note 8.

2.16 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity.

2.17 Subscriptions

The Net Asset Value is calculated on a monthly basis. During this period, the applications for subscription may be made on or prior to any day that is a valuation day.

All requests for subscription of shares will be processed on the basis of an unknown net asset value before the determination of the net asset value of the date of the calculation of the net asset value.

Subscriptions received are incorporated into the Net assets attributable to the holders of shares on the first day after the date of the calculation of the net asset value. Subscriptions received in advance are recorded as part of Trade and other payables. This methodology is commonly applied in Luxembourg and is in line with the provisions of the Offering Memorandum.

2.18 Change in presentation

In the 2023, management decided to combine two lines "Investment property in use" and "Financial assets" into a single line item "Investment property in use". Management believes that this is more relevant way of presentation and more common for the real estate fund report and the users of the special purpose combined consolidated financial statements.

<i>In millions of EUR</i>	Notes	31 December 2022 (before the change)	31 December 2022 (after the change)
ASSETS			
Non-current assets			
Investment property in use	9	330.2	335.1
Financial assets	9	4.9	-

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023**

3 Critical Accounting Estimates, and Judgements in Applying Accounting Policies

The Group makes estimates and assumptions that affect the amounts recognised in the combined consolidated financial statements. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognised in the combined consolidated financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

Valuation of investment properties. The fair value estimates of all of investment properties were determined by the Group having received valuation advice from an international valuation company which has experience in valuing properties of similar location and characteristics. Due to the nature of the properties and lack of comparable market data, the fair value of investment properties is estimated based on the income capitalisation method, where the value is estimated using discounted cash flow ("DCF") projections and hard-core/layer methodology, utilizing an all risk yield, based on significant assumptions.

The principal assumptions underlying the estimation of the fair value are those related to: the receipt of contractual rentals; expected future market rentals; void periods; maintenance requirements; appropriate discount rates. These valuations are regularly compared to actual market data and actual transactions by the Group and those reported by the market.

The Group management and the valuation experts have applied their judgment when assessing the fair values of the properties.

The principal assumptions made, and the impact on the aggregate valuations of reasonably possible changes in these assumptions, are as follows:

- Rental charges per square meter and month have been calculated for each property on a basis of actually contracted and prevailing market rates as estimated by the qualified valuer. Should the rental levels increase or decrease by 10% the fair value of investment property in HB REAVIS IRF (formerly HB REAVIS CE REIF) Sub-Fund would be higher or lower by EUR 33.2 million (2022: EUR 38.0 million).
- The exit yield across the portfolio of HB REAVIS IRF (formerly HB REAVIS CE REIF) Sub-Fund was assumed to be from 5.76% to 7.09% (2022: from 5.15% to 6.70%), or 6.50% (2022: 5.81%) on average. Should this capitalisation rate increase / decrease by 25 basis points, the carrying value of the investment property would be EUR 10.8/11.7 million (2022: EUR 14.0/15.3 million) lower/higher.

Management adjustment to investment properties. The valuation reports prepared by an independent valuer are regularly compared to actual market data and actual transactions by the Group and those reported by the market. Therefore, the fair value estimates received by an independent valuer can be adjusted by management adjustment if it better reflects the fair value of any investment property of the Fund.

Income taxes. The Group is subject to income taxes in different jurisdictions. Significant estimates are required in determining the provision for income taxes, in particular in the area of transfer pricing and interest deductibility concerns. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Further information is disclosed in Note 20.

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023**

3 Critical Accounting Estimates, and Judgements in Applying Accounting Policies (continued)

Investment entity. The management has assessed whether the Fund and each of its sub-funds meets the criteria for being an investment entity as defined in IFRS 10. Had the Fund and each of its sub-funds been considered an investment entity, the Fund and each of its sub-funds would have accounted for its investment into subsidiaries at fair value through profit or loss. When doing this assessment, the Management has considered whether the Fund or any of its sub-funds meet the criteria defined in IFRS 10.27 which are:

- obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- commits to their investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both, and;
- measures and evaluates the performance of substantially all of their investments on a fair value basis.

Even though the two first criteria are met, the performance of the Fund and each of its sub-funds, the management of the Fund and of the portfolio are measured using various performance indicators such as IRR, capitalisation rate, compliance with debt covenants, tenant quality/profile, property location, dividends yields, occupation rate, net income generated from properties, etc. Therefore, Management concluded that the third criterion is not met and the Fund nor any of its sub-funds are not an investment entity. The combined consolidated financial statements of the Fund prepared in accordance with IFRS include all the subsidiaries listed in Note 2.2.

4 Adoption of New or Revised Standards and Interpretations

The group has applied the following standards and amendments for the first time for the financial year beginning at 1 January 2023:

- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023)
- Amendments to IAS 8: Definition of Accounting Estimates (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023)
- Deferred tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12 (issued on 7 May 2021 and effective for annual periods beginning on or after 1 January 2023)
- Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules (issued on 23 May 2023 and effective for annual periods beginning on or after 1 January 2023)
- Amendments to IFRS 17: Insurance contracts (issued on 20 June 2020 and effective for annual reporting periods beginning on or after 1 January 2023)

The above standards and amendments had no material impact on the Group.

5 New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for reporting period commencing on 1 January 2023 and have not been early adopted by the Group:

- Amendments to IAS 1: Classification of Liabilities as Current or Non-Current – Deferral of Effective Date* (issued on 23 January 2020 and 15 July 2020 respectively and effective for annual periods beginning on or after 1 January 2024)
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial instruments: Disclosures: Supplier Finance Arrangements, effective from 1 January 2024. The amendments have not yet been adopted by the EU.
- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback (issued on 22 September 2022 and effective for annual reporting periods beginning on or after 1 January 2024)
- Amendments to IAS 1: Non-current Liabilities with Covenants (issued on 31 October 2022 and effective for annual reporting periods beginning on or after 1 January 2024)

Unless otherwise described above, the new standards and interpretations are not expected to significantly affect the Group's combined consolidated financial statements. The Group does not plan to early adopt any of the new standards and interpretations listed above.

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023****6 Redeemable Shares**

The authorized share capital of the Fund is set at five hundred million Euros (EUR 500,000,000), represented by up to five hundred million (500,000,000) investor redeemable shares (shares of Limited Shareholders) without nominal value.

6.1 HB REAVIS IRF (formerly HB REAVIS CE REIF) Sub-Fund

In November 2023, HB REAVIS CE REIF changed its name to HB Reavis IRF.

The Share Capital of the Sub-Fund shall be represented by the following classes of Shares in compliance with the Articles of Incorporation and the Prospectus of the Fund:

- Management Share (share of Unlimited Shareholder) of EUR 1,000 (one thousand), with no par value and fully paid up;
- Investor Shares – Institutional Class (share of Limited Shareholder) at an initial value of EUR 1,000 (one thousand), with no par value and fully paid up;
- Investor Shares – Class A (share of Limited Shareholder) at an initial value of EUR 1,000 (one thousand), with no par value and fully paid up;
- Investor Shares – Ordinary (share of Limited Shareholder) at an initial value of EUR 100 (one hundred), with no par value and fully paid up;

In November 2023, the classes of shares for investor shareholders changed to following:

1. Distribution Class of Shares named “**Institutional Class (HBR IRF)**” shall be issued to Investor Shareholders who acquired Investor Shares of the Sub-Fund in the initial amount of at least EUR 125,000. Each Investor Shareholder who acquired Shares from any Institutional Class (HBR IRF) Shareholder shall be holder of Institutional Class (HBR IRF) Investor Shares of the Sub-Fund (the “Institutional Class (HBR IRF) Shareholders”);

2. Capitalisation Class of Shares named “**Institutional Cap Class (HBR IRF)**” shall be issued to Investor Shareholders who acquired Investor Shares of the Sub-Fund in the initial amount of at least EUR 125,000. Each Investor Shareholder who acquired Shares from any Institutional Class (HBR IRF) Shareholder shall be holder of Institutional Class (HBR IRF) Investor Shares of the Sub-Fund (the “Institutional Cap Class (HBR IRF) Shareholders”);

3. Distribution Class of Shares named “**Class A (HBR IRF)**” shall be issued to Investor Shareholders who acquired Investor Shares of the Sub-Fund in the initial amount of less than EUR 125,000 (the “Class A (HBR IRF) Shareholders”);

4. Capitalisation Class of Shares named “**Class A Cap (HBR IRF)**” shall be issued to Investor Shareholders who acquired Investor Shares of the Sub-Fund in the initial amount of less than EUR 125,000 (the “Class A Cap (HBR IRF) Shareholders”);

5. Distribution Class of Shares named “**Ordinary Class (HBR IRF)**” shall be issued to Investor Shareholders who acquired Investor Shares of the Sub-Fund with no minimum subscription requirement (the “Ordinary Class Shareholders”);

6. Capitalisation Class of Shares named “**Ordinary Class Cap (HBR IRF)**” shall be issued to Investor Shareholders who acquired Investor Shares of the Sub-Fund with no minimum subscription requirement (the “Ordinary Class Cap Shareholders”);

7. Capitalisation Class of Shares named “**Dedicated Class Cap (HBR IRF)**” shall only be issued to a dedicated Investor Shareholder who acquired Investor Shares of the Sub-Fund with an initial subscription amount of EUR 1,000,000 and with a specific lock-up period between four (4) years to six (6) years (at the sole discretion of the General Partner) starting from

(i) the relevant Closing Date and upon request of the General Partner on subsequent Closing Dates until the Final Closing Date should the subscription be made by way of commitments, or

(ii) the Subscription Day should the subscription be made directly

The Shares are redeemable shares and can be redeemed since 31 May 2014 at the Shareholder’s request for cash equal to a proportionate share of the Sub-Fund’s net asset value and are carried at the redemption amount that is payable at the end of the reporting period.

Total remaining commitment of the Holders of Shares to call as of 31 December 2023 is nil (2022: nil).

The Fund’s net asset value per unit is calculated by dividing the Net Assets Attributable to the Holders of each class of redeemable Shares with the total number of outstanding redeemable Shares for each respective class. The relevant movements are shown on the statement of changes in Net Assets Attributable to the Holders of Shares.

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023****6 Redeemable Shares (continued)****6.1 HB REAVIS IRF (formerly HB REAVIS CE REIF) Sub-Fund (continued)**

At 31 December 2023, the number of Shares of HB REAVIS IRF (formerly HB REAVIS CE REIF) Sub-Fund was as follows:

Number of Shares	Management Class	Investor Class			Total
		Class A	Institutional	Ordinary	
As at 31 December 2021	1.000	3,979.816	99,226.408	-	103,207.224
As at 31 December 2022	1.000	5,720.409	98,268.364	746.036	104,734.809
Transfer of shares from ordinary class to class A (non-cash payment)				-191.439	-191.439
Redemption of Shares	-	-	-	-	-
Redeemable Shares issued	-	2,478.027	2,941.853	61,013.285	66,433.165
As at 31 December 2023	1.000	8,198.436	101,210.217	61,567.882	170,976.535

* None of the newly introduced classes of shares were issued during 2023, therefore not included in the table above.

Net assets value of HB REAVIS IRF (formerly HB REAVIS CE REIF) Sub-Fund as of 31 December 2023 was EUR 99,585,606.27 (as of 31 December 2022: 133,805,759.12 and as of December 2021: EUR 129,677,298.32) which is EUR 888.92 for Institutional, EUR 651.74 for Class A and EUR 69.42 for Ordinary (2022: EUR 1,304.95 for Institutional, EUR 960.53 for Class A and EUR 101.45 for Ordinary, 2021: EUR 1,269.21 for Institutional and EUR 939.26 for Class A) per share.

During the redemption period in 2023, the volume of redemptions was higher than 5% of NAV, therefore they were payable in accordance with the PPM by February 2024. The redemptions were paid in the amount of 11.8 mil. EUR from the NAV of the Fund.

6.2 Global REIF Sub-Fund

The Share Capital of the Sub-Fund were be represented by the following classes of Shares in compliance with the Articles of Incorporation and the Offering memorandum of the Fund:

- Investor Shares (share of Limited Shareholder) at an initial value of EUR 1,000, with no par value and fully paid up.

The Shares were redeemable Shares and could be redeemed as from 31 December 2016 at the Shareholder's request for cash equal to a proportionate share of the Fund's net asset value.

In February 2023 Global REIF has sold its whole investment property portfolio through disposal of 2 SPVs. Subsequently the Sub-fund was liquidated on 14 August 2023.

Total remaining commitment of the Holders of Shares to call as of 31 December 2022 was nil. The Fund's net asset value per unit was calculated by dividing the Net Assets Attributable to the Holders of each class of redeemable Shares with the total number of outstanding redeemable Shares for each respective class.

The relevant movements were shown on the statement of changes in Net Assets Attributable to the Holders of Shares:

At 31 December 2022, the number of Shares of Global REIF Sub-Fund was as follows:

Number of Shares	Investor Class	Total
As at 31 December 2021	58,041.894	58,041.894
As at 31 December 2022		
Redemption of Shares	58,041.894	58,041.894
Redeemable Shares issued	-	-

The Sub-fund was liquidated on 14 August 2023.

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023****6 Redeemable Shares (continued)****6.2 Global Reif Sub-Fund (continued)**

Net assets value of Global REIF Sub-Fund as of 31 December 2022 was EUR 53,328,237.40 and as of 31 December 2021: EUR 48,391,158.79 which was EUR 918.79 and 2021: EUR 833.73 per share. The decrease of NAV in 2023 amounting to EUR 53.3 million represents liquidation of Global REIF Sub-Fund in amount of EUR 53.4 million and profit until the date of liquidation in amount of EUR 0.1 million.

7 Distributions Payable

Distributions to the Holders of Shares are described below.

The General Partner shall have full discretion to affect distributions of income and capital gains and to decide on the method for distribution: in cash or in kind to shareholders of Investor Shares, should these approve such distribution in kind and to the shareholders of Management Shares and by way of dividends, amortization or reimbursement of Shares and/or fractions thereof.

Without prejudice to the foregoing, it is the General Partner's current intention that income received by the Sub-Funds from investments (whether by way of interest income or dividends) will be distributed at least annually but after payment of all fees, liabilities and expenses of the Sub-Funds or its pro-rata share of liabilities and expenses of the Fund without threatening the stability of the Sub-Funds or Fund. The terms of external borrowings drawn by the Group impose certain limitations on the ability of the subsidiaries to pay distributions. These limitations are typically linked to financial covenants such as debt service coverage ratio or loan to value ratio.

Distributions declared and paid during the year were as follows:

<i>In millions of EUR</i>	from 1.1.2023 to 14.8.2023		Total	2022		Total
	2023 HB REAVIS IRF	Global REIF		HB REAVIS IRF	Global REIF	
Distributions payable at 1 January	2.1	-	2.1	2.1	-	2.1
Distributions declared during the year	3.2	-	3.2	8.5	-	8.5
Distributions paid during the year	(5.3)	-	(5.3)	(8.5)	-	(8.5)
Distributions payable	-	-	-	2.1	-	2.1
Per share distributions declared during the year in EUR						
Per share distributions declared during the year in EUR – Institutional shares	30.00	-	30.00	80.00	-	80.00
Per share distributions declared during the year in EUR – Class A shares	22.27	-	22.27	59.40	-	59.40
Per share distributions declared during the year in EUR – Ordinary shares	2.25	-	2.25	1.50	-	1.50
Per share distributions paid during the year in EUR						
Per share distributions paid during the year in EUR – Institutional shares	50.00	-	50.00	80.00	-	80.00
Per share distributions paid during the year in EUR – Class A shares	37.12	-	37.12	59.40	-	59.40
Per share distributions paid during the year in EUR – Ordinary shares	3.75	-	3.75	-	-	-

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023****8 Balances and Transactions with Related Parties**

Related parties are defined in IAS 24, *Related Party Disclosures*. Parties are generally considered to be related if one party has the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. The Fund's immediate parent is disclosed in Note 1.

During 2023 and until the change of GP to IAD, the key management of the Group consists of 2 senior managers, one of which is a non-executive director. Short-term bonuses fall due wholly within twelve months after the end of the period in which management rendered the related services.

The nature of the related party relationships for those related parties with whom the Group entered into significant transactions or had significant balances outstanding at 31 December 2023 and 2022 are detailed below.

At 31 December 2023, the outstanding balances with related parties were as follows:

<i>In millions of EUR</i>	HB REAVIS IRF	Global REIF	Total
Trade and other receivables – current (Note 11)	9.5	-	9.5
Trade and other payables – current	(1.1)	-	(1.1)
Accrued expenses – management fee (Note 14)	(0.2)	-	(0.2)

In 2022, the Group entered into the final settlement agreement of rental guarantee and earn-out related to AUPARK Hradec Králové s.r.o.. The counterparty is HB REAVIS HOLDING S.A., the sole owner of sub-fund HB Reavis Global REIF and HB Reavis Investment Management S.à r.l., the Fund's previous General Partner. Trade and other receivables for the year ended 31 December 2023 in HB REAVIS IRF (formerly HB REAVIS CE REIF) sub-fund amounted to EUR 8.9 (2022: EUR 4.0 million (non-current) and EUR 8.0 million (current)) represents receivable from the final settlement agreement of rental guarantee and earn-out related to Aupark Hradec Králové s.r.o.. Settlement agreement has been amended on 25 October 2023 and repaid in full after the year end, which in consequence led to release of the ECL attributable to this receivable in amount of EUR 0.3 million (see Note 26). Trade and other payables due to related parties relate to performance and management fee (Note 17).

In 2023, the Group initiated the liquidation process for the Global REIF sub-fund, which involved the disposal of Apollo Business Center III a.s. and Apollo Business Center V a.s. in February 2023 and simplified liquidation of HBR HB REAVIS IRF (formerly HB REAVIS CE REIF) LUX 3 S.à r.l. in April 2023 (see Note 19). The shareholder of Global REIF sub-fund, HBR Investors Ltd, has carried out redemption requests for all shares. Subsequently, Global REIF sub-fund paid redemption advances to HBR Investors Ltd in total amount of EUR 53.3 million (see Note 6.2).

Trade and other payables as of 31 December 2023 consist mainly from deferred income in amount of EUR (0.6) million, management fees in amount of EUR (0.3) million and accrued liabilities for energies in amount of EUR (0.2) million.

At 31 December 2022, the outstanding balances with related parties were as follows:

<i>In millions of EUR</i>	HB REAVIS IRF	Global REIF	Total
Financial assets (Note 9)	4.0	-	4.0
Trade and other receivables - current	9.1	-	9.1
ECL allowance for trade receivables to related party	(0.3)	-	(0.3)
Trade and other payables - current	(3.0)	(0.9)	(3.9)
Accrued expenses – management fee (Note 14)	(3.0)	(0.3)	(3.3)
Accrued expenses – performance fee (Note 14)	(0.4)	-	(0.4)
Acquisition of Investment Property from related parties	-	-	-

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023****8 Balances and Transactions with Related Parties (continued)**

The income and expense items with related parties for the year ended 31 December 2023 were as follows:

<i>In millions of EUR</i>	HB REAVIS IRF	Global REIF	Total
Revenue from service rendered	2.7	-	2.7
(Gain)/loss on disposal of subsidiaries	-	0.3	0.3
Other services	(4.8)	(0.1)	(4.9)
Other finance income (Note 18)	0.2	-	0.2
Other operating expense	(0.1)	-	(0.1)
Management fee (Note 17)	(2.4)	(0.2)	(2.6)
Performance fee (Note 17)	-	-	-

Revenue from service rendered represents rental of premises to related parties consolidated under HB Reavis Holding S.A. in amount of EUR 2.7 million, from which EUR 0.6 million is still due at the year end.

The income and expense items with related parties for the year ended 31 December 2022 were as follows:

<i>In millions of EUR</i>	HB REAVIS IRF	Global REIF	Total
Revenue from service rendered	2.6	0.3	2.9
Other services	(5.1)	(2.6)	(7.7)
Other finance income	8.6	-	8.6
Other operating expense	(0.6)	(0.5)	(1.1)
Management fee (Note 17)	(2.3)	(0.4)	(2.7)
Performance fee (Note 17)	(0.6)	-	(0.6)

a) Other services

Other services consist from electricity supplies for the year ended 31 December 2023 amounted to EUR 2.5 million (2022: EUR 2.9 million). The remaining result of EUR 2.4 million (2022: EUR 4.8) relates to property and management fees.

b) General Partner fee

The Fund is managed by IAD Investments Management S.à r.l. (previously by HB Reavis Investment Management S.à r.l.), an investment management company incorporated in Luxembourg (the "General Partner"). Under the terms of the Prospectus of the Fund dated June 2012 (latest update in December 2021), the Fund appointed IAD Investments Management S.à r.l. as an Investment Manager to provide management services to the Fund.

IAD Investments Management S.à r.l. (formerly HB Reavis Investment Management S.à r.l.) receives a fee of 1.65% from HB REAVIS IRF (formerly HB REAVIS CE REIF), 0.825% from Global REIF per annum by calculating the average of the Net Asset Value during the previous 3 months and to be paid on a quarterly basis in arrears. Additional 0.35% per annum from the average of the Net Asset Value attributable to the Class A (HBR HB REAVIS IRF (formerly HB REAVIS CE REIF)) Investor Shares of the Sub-Fund during the previous three months and to be paid on a quarterly basis in arrears.

The total fees for **HB REAVIS IRF (formerly HB REAVIS CE REIF)** Sub-Fund for period ended 31 December 2023 amounted to EUR 2,362,350.77 (2022: EUR 2,266,855.04) with EUR 207,669.61 (2022: EUR EUR 2,970,504.56) outstanding to IAD Investments Management S.à r.l. (formerly HB Reavis Investment Management S.à r.l.) at year end.

The total fees for **Global REIF** Sub-Fund for period ended 31 December 2023 amounted to EUR 104,488.59 (2022: EUR 402,828.96).

c) Performance fees

The General Partner, IAD Investments Management S.à r.l. (formerly HB Reavis Investment Management S.à r.l.), is entitled to a performance fee calculated on an annual basis on the Total Return per share during each performance period. It is calculated as follows:

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023****8 Balances and Transactions with Related Parties (continued)****HB REAVIS IRF (formerly HB REAVIS CE REIF)**

- i. Up to 5%, the General Partner is not entitled to collect any performance fee, and
- ii. Up to 10%, the Performance Fee Rate should be equal to 10% of the value of the Total Return exceeding 5%, and
- iii. 10% or more, the Performance Fee Rate should be equal to 30% of the value of the Total Return exceeding 10%.

Methodology of calculation of performance fee for HB REAVIS IRF (formerly HB REAVIS CE REIF) Sub-Fund was changed in April 2021. Performance period is defined to be semi-annual and payable to the General Partner after the end of the respective performance period. Performance fee is calculated as the performance fee rate multiplied by Net Asset Value per share at the beginning of the performance period and at the end of the performance period divided by two and multiplied by the average amount of shares outstanding during the performance period.

Global REIF

- i. Up to 19%, the General Partner is not entitled to collect any performance fee, and
- ii. Up to 22%, the General Partner is entitled to collect a performance fee equal to 30% of the difference between the actual Total Return and 9% multiplied by the Net Asset Value per share at the beginning of the performance period multiplied by the number of Shares outstanding at the beginning of the performance period, and
- iii. Up to 25%, the General Partner is entitled to collect a performance fee equal to 60% of the difference between the actual Total Return and 12% (plus 30% of the difference between 12% and 9%) multiplied by the Net Asset Value per share at the beginning of the performance period multiplied by the number of Shares outstanding at the beginning of the performance period, and
- iv. More than 25%, the General Partner is entitled to collect a performance fee equal to 90% of the difference between the Total Return and 15% (plus 60% of the difference between 15% and 12% plus 30% of the difference between 12% and 9%) multiplied by the Net Asset Value per share at the beginning of the performance period multiplied by the number of Shares outstanding at the beginning of the performance period.

Performance period is defined to be from 1 January to 31 December of each year. Performance fee is subject to High Watermark Regime. The use of a High Watermark ensures the Shareholders will not be subject to a performance fee until any previous losses are recovered.

The Performance Fee Rate should be calculated per each share class of the Sub-Fund.

The total return per share for the performance period shall be calculated net after deduction of all costs and regular fees. Total performance fee expense for the year ended 31 December 2023 amounted to EUR nil for HB REAVIS IRF (formerly HB REAVIS CE REIF) sub-fund (2022: EUR 0.6 million) and nil for Global REIF sub-fund (2022: nil).

d) Related Party Shareholdings

Parties are generally considered to be related if one party has the ability to control the other party or exercise joint control or significant influence over the other party in making financial and operating decisions.

Related parties of the HB REAVIS IRF (formerly HB REAVIS CE REIF) Sub-Fund hold the following Shares at 31 December 2023:

Shareholder	Class	Number of Shares at the beginning of the year	Number of Shares acquired	Disposals of Shares	Number of Shares at year end
HBR Investors Ltd.	Investor	34.269	-	-	34.269
HB Reavis Investment Management S.à r.l.	Management	1.000	-	-	1.000
HB Reavis Investment Management S.à r.l.	Investor	1.000	-	-	1.000
Number of Shares		36.269	-	-	36.269

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023****8 Balances and Transactions with Related Parties (continued)**

Related parties of the HB REAVIS IRF (formerly HB REAVIS CE REIF) Sub-Fund hold the following Shares at 31 December 2022:

Shareholder	Class	Number of Shares at the beginning of the year	Number of Shares acquired	Disposals of Shares	Number of Shares at year end
HBR Investors Ltd.	Investor	34.269	-	-	34.269
HB Reavis Investment Management S.à r.l.	Management	1.000	-	-	1.000
HB Reavis Investment Management S.à r.l.	Investor	1.000	-	-	1.000
Number of Shares		36.269	-	-	36.269

Related parties of the Global REIF Sub-Fund (see note 6.2) hold the following Shares at 31 December 2022:

Shareholder	Class	Number of Shares at the beginning of the year	Number of Shares acquired	Disposals of Shares	Number of Shares at year end
HBR Investors Ltd.	Investor	58,041.894	-	-	58,041.894
Number of Shares		58,041.894	-	-	58,041.894

9 Investment Property

<i>In millions of EUR</i>	31 December 2023			31 December 2022		
	HB REAVIS IRF	Global REIF	Total	HB REAVIS IRF	Global REIF	Total
Fair value at the beginning of the year	335.1	109.9	444.9	334.7	105.7	440.4
Additions	1.7	0.1	1.8	1.1	0.5	1.6
Fair value gains/(losses)	(47.8)	(0.1)	(47.9)	(5.1)	3.4	(1.7)
Effect of translation to presentation currency	(1.7)	-	(1.7)	2.3	-	2.3
Movement in lease incentive receivable	0.7	-	0.7	2.1	0.3	2.3
Disposal of subsidiaries	-	(109.9)	(109.9)			
Fair value at the end of the year	288.0	-	288.0	335.1	109.9	444.9

The investment properties are valued independently semi-annually on 30th June and 31st December at fair value, with benefit of advice by an independent, professionally qualified valuation expert who has recent experience in valuing similar properties in similar locations. The methods and significant assumptions applied in determining the fair value are described in Notes 2.4, 3 and 21.

As at 31 December 2023, investment properties carried at EUR 288.0 million (2022: EUR 441.8 million) have been pledged to third parties as collateral with respect to borrowings. All properties have been properly insured for the total amount of EUR 288.0 million (31 December 2022: EUR 459.0 million) (risk of damage mainly through fire, natural disasters, theft, burglary).

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023****9 Investment Properties (continued)**

Valuations obtained for investment property were adjusted in the combined consolidated financial statements. Reconciliation between the valuations obtained and the adjusted valuation included in the combined consolidated financial statements is as follows:

<i>In millions of EUR</i>	31 December 2023			31 December 2022		
	HB REAVIS IRF	Global REIF	Total	HB REAVIS IRF	Global REIF	Total
Valuations obtained	292.9	-	292.9	340.0	113.9	453.9
Less: management adjustment	(4.9)	-	(4.9)	(4.9)	(4.0)	(8.9)
Less: transfers to disposal groups classified as held for sale (Note 10)	-	-	-	-	(109.9)	(109.9)
Fair value at the end of the year	288.0	-	288.0	335.1	-	335.1

10 Disposal group held for sale

As of 31 December 2023, no assets and liabilities were classified as held for sale.

As of 31 December 2022, the Group classified assets and liabilities of Apollo Business Center III a.s. and Apollo Business Center V a.s. (part of Global REIF sub-fund) as held for sale. The management considered subsidiaries to meet the criteria to be classified as held for sale as of 31 December 2022 for the following reasons:

- Subsidiaries were available for immediate sale in its present condition.
- Subsidiaries were actively marketed for sale at a price reasonable in relation to its current fair value.
- The actions to complete the sale were initiated as of 31 December 2022 date and were completed in February 2023.

Major classes of assets classified as held for sale:

<i>In millions of EUR</i>	31 December 2023	31 December 2022
Investment property in use (Note 9)	-	109.9
Trade and other receivables (Note 11)	-	1.3
Cash and cash equivalents (Note 12)	-	2.5
Total assets classified as held for sale (Note 26)	-	113.7

The methods and significant assumptions applied in determining the fair value of investment property are described in Notes 3 and 22.

Major classes of liabilities directly associated with assets classified as held for sale:

<i>In millions of EUR</i>	31 December 2023	31 December 2022
Borrowings long-term (Note 13)	-	(51.3)
Borrowings short-term (Note 13)	-	(3.2)
Trade and other payables (Note 14)	-	(5.5)
Total liabilities associated with assets classified as held for sale (Note 26)	-	(59.9)

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023****11 Trade and Other Receivables and Other non-current assets**

<i>In millions of EUR</i>	31 December 2023			31 December 2022		
	HB REAVIS IRF	Global REIF	Total	HB REAVIS IRF	Global REIF	Total
Non-current						
Other financial receivables	-	-	-	4.0	-	4.0
Less impairment loss provision for other financial receivables	-	-	-	(0.1)	-	(0.1)
Other non-current assets	-	-	-	3.9	-	3.9

<i>In millions of EUR</i>	31 December 2023			31 December 2022		
	HB REAVIS IRF	Global REIF	Total	HB REAVIS IRF	Global REIF	Total
Current						
Trade receivables	4.0	-	4.0	3.3	1.9	5.2
Contract assets	0.2	-	0.2	0.8	0.1	0.9
Other assets	0.3	-	0.3	0.2	-	0.2
Less expected credit loss allowance for trade receivables	(0.8)	-	(0.8)	(0.7)	(0.7)	(1.4)
Less transfer to disposal groups classified as held for sale	-	-	-	-	(1.3)	(1.3)
	3.7	-	3.7	3.6	-	3.6
Other financial receivables	8.9	-	8.9	8.7	-	8.7
Less impairment loss provision for other financial receivables	-	-	-	(0.2)	-	(0.2)
Total current financial assets/receivables	12.6	-	12.6	12.1	-	12.1
Tax prepayments	-	-	-	0.4	-	0.4
Total current trade and other receivables	12.6	-	12.6	12.5	-	12.5

The trade receivables as at 31 December 2023 amounted to EUR 4.0 million (2022: EUR 5.2 million) represents receivables for rental of premises.

The other financial receivable for the year ended 31 December 2023 in HB REAVIS IRF (formerly HB REAVIS CE REIF) sub-fund amounted to EUR 8.9 (2022: EUR 4.0 million (non-current) and EUR 8.0 million (current)) represents receivable from the final settlement agreement of rental guarantee and earn-out related to Aupark Hradec Králové s.r.o.. Settlement agreement has been amended on 25 October 2023 and repaid in full after the year end, which in consequence led to release of the ECL attributable to this receivable in amount of EUR 0.3 million (see Note 26).

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

<i>In millions of EUR</i>	31 December 2023			31 December 2022		
	HB REAVIS IRF	Global REIF	Total	HB REAVIS IRF	Global REIF	Total
EUR	12.0	-	12.0	14.8	-	14.8
CZK	0.6	-	0.6	1.6	-	1.6
Total trade and other receivables and other non-current assets	12.6	-	12.6	16.4	-	16.4

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023****11 Trade and Other Receivables and Other non-current assets (continued)**

The credit loss allowance for trade and other receivables as of 31 December 2023 is determined according to provision matrix presented in the table below.

<i>In millions of EUR</i>	HB REAVIS IRF			GLOBAL REIF	
<i>In % of gross value</i>	Loss rate	Gross carrying amount	Lifetime ECL	Gross carrying amount	Lifetime ECL
Trade receivables including Contract and Other assets					
- current	0%	1.6	-	-	-
- less than 30 days overdue	0%	1.8	-	-	-
- 30 to 90 days overdue	0%	-	-	-	-
- 90 to 180 days overdue	0%	0.2	-	-	-
- 180 to 360 days overdue	0%	0.1	-	-	-
- over 360 days overdue	100%	0.8	(0.8)	-	-
Total trade receivables including Contract and Other assets (gross carrying amount)		4.5	(0.8)	-	-
Credit loss allowance		(0.8)	-	-	-
Total trade receivables including Contract and Other assets (carrying amount)		3.7	-	-	-
Other financial receivables					
- current	0%	8.9	-	-	-
- less than 30 days overdue	0%	-	-	-	-
- 30 to 90 days overdue	0%	-	-	-	-
- 90 to 180 days overdue	0%	-	-	-	-
- 180 to 360 days overdue	0%	-	-	-	-
- over 360 days overdue	100%	-	-	-	-
Other financial receivables (gross carrying amount)		8.9	-	-	-
Credit loss allowance		-	-	-	-
Total other financial receivables (carrying amount)		8.9	-	-	-

The other financial receivable - current for the year ended 31 December 2023 amounted to EUR 8.9 represents the final settlement agreement of rental guarantee and earn-out related to Aupark Hradec Králové s.r.o.. Settlement agreement has been amended on 25 October 2023 with new repayment schedule agreed and repaid in full after the year end (see Note 26).

The following table explains the changes in the credit loss allowance for trade and other receivables under simplified ECL model between the beginning and the end of the annual financial reporting period:

<i>In millions of EUR</i>	Credit loss allowance		
	HB REAVIS IRF	Global REIF	Total
Expected credit loss allowance at 1 January 2023	1.0	0.7	1.7
Expected credit loss release to profit or loss for the period	(0.2)	-	(0.2)
Disposal of subsidiary	-	(0.7)	(0.7)
Expected credit loss allowance at 31 December 2023	0.8	-	0.8

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023****11 Trade and Other Receivables and Other non-current assets (continued)**

The credit loss allowance for trade and other receivables as of 31 December 2022 is determined according to provision matrix presented in the table below.

<i>In millions of EUR</i>		HB REAVIS IRF		GLOBAL REIF	
<i>In % of gross value</i>	Loss rate	Gross carrying amount	Lifetime ECL	Gross carrying amount	Lifetime ECL
Trade receivables including Contract and Other assets					
- current	0%	1.9	-	0.4	-
- less than 30 days overdue	0%	1.1	-	0.5	-
- 30 to 90 days overdue	0%	0.1	-	0.2	-
- 90 to 180 days overdue	0%	0.2	-	0.1	-
- 180 to 360 days overdue	0%	0.3	-	0.1	-
- over 360 days overdue	100%	0.7	(0.7)	0.7	(0.7)
Total trade receivables including Contract and Other assets (gross carrying amount)		4.3	(0.7)	2.0	(0.7)
Credit loss allowance		(0.7)	-	(0.7)	-
Total trade receivables including Contract and Other assets (carrying amount)		3.6	-	1.3	-
Other financial receivables					
- current	0%	12.5	-	-	-
- less than 30 days overdue	0%	-	-	-	-
- 30 to 90 days overdue	0%	0.2	-	-	-
- 90 to 180 days overdue	0%	-	-	-	-
- 180 to 360 days overdue	0%	-	-	-	-
- over 360 days overdue	100%	0.2	-	-	-
Other financial receivables (gross carrying amount)		12.7	-	-	-
Credit loss allowance		(0.3)	-	-	-
Total other financial receivables (carrying amount)		12.4	-	-	-

The following table explains the changes in the credit loss allowance for trade and other receivables under simplified ECL model between the beginning and the end of the annual period:

<i>In millions of EUR</i>	Credit loss allowance		
	HB REAVIS IRF	Global REIF	Total
Expected credit loss allowance at 1 January 2022	0.6	0.5	1.1
Expected credit loss charge to profit or loss for the period	0.4	0.2	0.6
Expected credit loss allowance at 31 December 2022	1.0	0.7	1.7

Certain trade receivables are secured by either bank guarantee or deposit. The unsecured trade receivables are from a wide variety of tenants and the Group has the ability to evict non-paying tenants.

The carrying amount of trade and other receivables is not substantially different from their fair value. There is no significant concentration of credit risk with respect to other trade receivables as the Group has a large number of customers.

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023****12 Cash and Cash Equivalents**

<i>In millions of EUR</i>	31 December 2023			31 December 2022		
	HB REAVIS IRF	Global REIF	Total	HB REAVIS IRF	Global REIF	Total
Cash at bank and in hand	16.7	-	16.7	12.5	2.6	15.1
Less transfer to disposal groups classified as held for sale	-	-	-	-	(2.5)	(2.5)
Total cash and cash equivalents	16.7	-	16.7	12.5	0.1	12.6

At 31 December 2023 and 31 December 2022 all the bank balances are neither past due nor impaired.

The table below discloses the credit quality of cash and cash equivalents balances based on credit risk grades at 31 December 2023.

<i>In millions of EUR</i>	31 December 2023			31 December 2022		
	HB REAVIS IRF	Global REIF	Total	HB REAVIS IRF	Global REIF	Total
<i>Rating by the Company</i>						
- Excellent	16.7	-	16.7	12.5	0.1	12.6
- Good	-	-	-	-	-	-
- Satisfactory	-	-	-	-	-	-
- Special monitoring	-	-	-	-	-	-
Total	16.7	-	16.7	12.5	0.1	12.6

The Company classifies banks based on ratings as follows:

- Banks rated Excellent: Rating by Moody's A1, A2, A3 or rating by Fitch A+, A, A-
- Banks rated Good: Rating by Moody's Baa1, Baa2, Baa3 or Fitch BBB+, BBB, BBB-
- Banks rated Satisfactory: Rating by Moody's Ba1, Ba2, Ba3 or Fitch BB+, BB, BB-

The carrying amounts of cash and cash equivalents as of 31 December 2023 and 31 December 2022 approximate their fair value. The maximum exposure to credit risk relating to cash and cash equivalents is limited by the carrying value of cash and cash equivalents.

Restricted cash

The cash and cash equivalents disclosed above and in the statement of cash flows include EUR 2.4 million (2022: EUR 1.0 million) which are held by AUPARK Hradec Králové, s.r.o., CBC I - II a. s. and Twin City III a. s.. Restricted cash represents cash deposits required to be held on blocked accounts in relation to the Group's investment facilities as a reserve to cover future debt service payments and projects' capital expenditures.

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023****13 Borrowings**

<i>In millions of EUR</i>	31 December 2023			31 December 2022		
	HB REAVIS IRF	Global REIF	Total	HB REAVIS IRF	Global REIF	Total
Non-current						
Bank borrowings	138.7	-	138.7	200.2	51.3	251.5
	138.7	-	138.7	200.2	51.3	251.5
Current						
Bank borrowings	63.6	-	63.6	6.7	3.2	9.9
	63.6	-	63.6	6.7	3.2	9.9
Less: transfer to liabilities directly associated with non-current assets classified as held for sale as at 31 December 2022 (Note 10)	-	-	-	-	(54.5)	(54.5)
Total borrowings	202.3	-	202.3	206.9	-	206.9

All of the Group's borrowings are denominated in EUR. Refer also to Note 21 for further information.

The carrying amounts and fair value of the non-current borrowings are set out below:

<i>In millions of EUR</i>	Carrying amounts at 31 December 2023	Carrying amounts at 31 December 2022	Fair values at 31 December 2023	Fair values at 31 December 2022
Bank borrowings – HB REAVIS IRF (formerly HB REAVIS CE REIF)	138.7	200.2	139.6	194.2
Bank borrowings – Global REIF	-	51.3	-	51.3
Non-current borrowings	138.7	251.5	139.6	245.5

Assumptions used in determining fair value of borrowings are described in Note 21. The carrying values of current borrowings approximate their fair values.

i) *Bank borrowings*

<i>In millions of EUR</i>	31 December 2023			31 December 2022		
	HB REAVIS IRF	Global REIF	Total	HB REAVIS IRF	Global REIF	Total
Current	63.6	-	63.6	6.7	3.2	9.9
Repayable between 1 and 2 years	4.9	-	4.9	61.4	51.3	112.7
Repayable between 2 and 5 years	133.8	-	133.8	138.8	-	138.8
Repayable over 5 years	-	-	-	-	-	-
Non-current	138.7	-	138.7	200.2	51.3	251.5
Total bank borrowings	202.3	-	202.3	206.9	54.5	261.4

Bank borrowings are bearing variable interest rates and are exposed to interest rate changes. Please refer to sensitivity analysis in Note 21.

Interest expense on borrowings incurred by the Group is EUR 10.0 million (2022: EUR 5.3 million) out of which EUR 9.1 million was paid (2022 EUR 4.6 million) during the year.

The Group does not have undrawn borrowing facilities.

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023****13 Borrowings (continued)**

Investment properties are pledged as collateral for the whole amount of borrowings at 31 December 2023 and 2022. The carrying amount of pledged assets is disclosed in Note 9. In addition, all trade receivables of the 4 project companies are pledged as collateral for the borrowings.

The loan agreements with third party creditors are governed by terms and conditions which include maximum loan to value ratios ranging from 60% to 75% (2022: 60% to 75%) and minimum debt service coverage ratios ranging from 1.05 to 1.30 (2022: 1.05 to 1.30).

As at 31 December 2023, the Group was in breach of DSCR covenant which was concluded by banks as soft and subsequently remedied by additional funds provided to the bank after the end of the year. The Group was not in breach of any other loan agreement terms that could lead to loan acceleration or event of default, and no terms of the loans were renegotiated due to defaults or breaches.

Net debt reconciliation

The table below sets out an analysis of debt and the movements in debt for 2023. The debt items are those that are reported as financing in the statement of cash flows.

<i>In millions of EUR</i>	HB REAVIS IRF	Global REIF	Total
Total borrowings as at 1 January 2022	211.6	57.2	268.8
Repayments	(5.2)	(2.9)	(8.1)
Foreign exchange adjustments	(1.3)	-	(1.3)
Effect of translation to presentation currency	1.3	-	1.3
Change in interest accrued	0.5	0.2	0.7
Borrowings under liabilities associated with non-current AHFS as at 31 December 2022 (Note 10)	-	(54.5)	(54.5)
Total borrowings as at 31 December 2022	206.9	-	206.9
Proceeds from new drawdowns	-	-	-
Repayments	(5.8)	-	(5.8)
Foreign exchange adjustments	1.0	-	1.0
Effect of translation to presentation currency	(1.0)	-	(1.0)
Change in interest accrued	1.2	-	1.2
Total borrowings as at 31 December 2023	202.3	-	202.3

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023****14 Trade and Other Payables**

<i>In millions of EUR</i>	Notes	31 December 2023			31 December 2022		
		HB REAVIS IRF	Global REIF	Total	HB REAVIS IRF	Global REIF	Total
Non – current							
Long-term payables	(a)	4.4	-	4.4	3.6	1.7	5.3
Less transfer to liabilities directly associated with non-current AHFS (Note 10)		-	-	-	-	(1.7)	(1.7)
Total trade and other payables – non-current		4.4	-	4.4	3.6	-	3.6
Current							
Trade payables	(b)	1.9	-	1.9	2.6	0.8	3.4
Payable from subscription of new shares		0.1	-	0.1	1.0	-	1.0
Accrued liabilities		2.1	-	2.1	1.5	0.8	2.3
Less transfer to liabilities directly associated with non-current AHFS (Note 10)		-	-	-	-	(1.3)	(1.3)
Financial payables due to third parties – current		4.1	-	4.1	5.1	0.3	5.4
Accrued expenses - management fee	8	0.2	-	0.2	3.0	0.3	3.3
Accrued expenses – performance fee	8	-	-	-	0.4	-	0.4
Financial payables due to related parties – current		0.2	-	0.2	3.4	0.3	3.7
Total financial payables – current							
Deferred rental income		2.5	-	2.5	2.9	1.6	4.5
Contract liability		3.9	-	3.9	2.6	0.7	3.3
VAT payables/Other taxes payable		1.2	-	1.2	0.8	0.2	1.0
Less transfer to liabilities directly associated with non-current AHFS (Note 10)		-	-	-	-	(2.5)	(2.5)
Total trade and other payables – current		11.9	-	11.9	14.8	0.6	15.4
Total trade and other payables		16.3	-	16.3	18.4	0.6	19.0

a) Balance of the long-term payables consists of the deposits received from tenants in the amount of EUR 2.2 million (31 December 2022: EUR 3.8 million) and unpaid interest rate CAPs premium in the amount of EUR 2.2 million (31 December 2022: EUR 1.4 million).

b) Balance includes unpaid interest rate CAPs premium in the amount of EUR 0.8 million (31 December 2022: EUR 0.5 million).

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023****14 Trade and Other Payables (continued)**

Trade payables are denominated in the following foreign currencies:

<i>In millions of EUR</i>	31 December 2023			31 December 2022		
	HB REAVIS IRF	Global REIF	Total	HB REAVIS IRF	Global REIF	Total
Non – current						
EUR	3.3	-	3.3	2.3	-	2.3
CZK	1.1	-	1.1	1.3	-	1.3
Current						
EUR	9.9	-	9.9	12.3	0.6	12.9
CZK	2.0	-	2.0	2.5	-	2.5
Trade and other payables	16.3	-	16.3	18.4	0.6	19.0

Trade and other payables transferred to liabilities directly associated with non-current assets held for sale are denominated in EUR.

The fair value of trade and other payables approximates their carrying amount.

15 Rental and Similar Income from Investment Properties

<i>In millions of EUR</i>	2023		from 1.1.2023 to 14.8.2023	2022		
	HB REAVIS IRF	Global REIF		Total	HB REAVIS IRF	Global REIF
Rental income						
Office	14.0	0.7	14.7	14.0	6.1	20.1
Retail	3.9	-	3.9	4.2	-	4.2
Turnover rent income						
Retail	0.4	-	0.4	0.3	-	0.3
Service charges						
Office	6.0	0.3	6.3	4.5	2.1	6.6
Retail	2.9	-	2.9	2.6	-	2.6
Management charges						
Office	1.4	0.1	1.5	0.6	0.8	1.4
Retail	0.4	-	0.4	0.1	-	0.1
Total rental and similar income from investment properties	29.0	1.1	30.1	26.3	9.0	35.3

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023****15 Rental and Similar Income From Investment Properties (continued)**

Revenues from external customers reported by geographical areas are presented in table below:

<i>In millions of EUR</i>	2023		from 1.1.2023 to 14.8.2023	2022		
	HB REAVIS IRF	Global REIF	Total	HB REAVIS IRF	Global REIF	Total
Rental income						
Slovakia	14.0	0.7	14.7	14.0	6.1	20.1
Czech Republic	3.9	-	3.9	4.2	-	4.2
Turnover rent income						
Czech Republic	0.4	-	0.4	0.3	-	0.3
Service charges						
Slovakia	6.0	0.3	6.3	4.5	2.1	6.6
Czech Republic	2.9	-	2.9	2.6	-	2.6
Management charges						
Slovakia	1.4	0.1	1.5	0.6	0.8	1.4
Czech Republic	0.4	-	0.4	0.1	-	0.1
Total rental and similar income from investment properties	29.0	1.1	30.1	26.3	9.0	35.3

Where the Group is the lessor, the future minimum lease payments receivable under non-cancellable operating leases are as follows:

<i>In millions of EUR</i>	2023			2022		
	HB REAVIS IRF	Global REIF	Total	HB REAVIS IRF	Global REIF	Total
Not later than 1 year	17.8	-	17.8	19.5	5.8	25.3
Later than 1 year and not later than 2 years	15.7	-	15.7	17.7	4.5	22.2
Later than 2 year and not later than 3 years	13.1	-	13.1	14.8	3.6	18.4
Later than 3 year and not later than 4 years	8.8	-	8.8	14.4	3.3	17.7
Later than 4 year and not later than 5 years	4.7	-	4.7	8.7	1.4	10.1
Later than 5 years	9.8	-	9.8	8.0	1.8	9.8
Total operating lease payments receivable	69.9	-	69.9	83.1	20.4	103.5

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023****16 Direct Operating Expenses from Investment Properties**

<i>In millions of EUR</i>	2023			2022		
	HB REAVIS IRF	Global REIF	Total	HB REAVIS IRF	Global REIF	Total
<i>Direct operating expenses for investment properties that generate rental income:</i>						
Repairs and maintenance services	(0.6)	-	(0.6)	(1.3)	(0.4)	(1.7)
Utilities costs	(4.4)	(0.5)	(4.9)	(3.3)	(1.4)	(4.7)
Services relating to investment property	(6.1)	(0.3)	(6.4)	(5.2)	(2.5)	(7.7)
Real estate tax	(0.2)	-	(0.2)	(0.2)	(0.1)	(0.3)
Other costs	(0.3)	-	(0.3)	(0.2)	-	(0.2)
Total	(11.6)	(0.8)	(12.4)	(10.2)	(4.4)	(14.6)

17 Other Operating (Expenses)/Income

<i>In millions of EUR</i>	2023			2022		
	HB REAVIS IRF	Global REIF	Total	HB REAVIS IRF	Global REIF	Total
Management fees (Note 8a)	(2.4)	(0.1)	(2.5)	(2.3)	(0.4)	(2.7)
Performance fee (Note 8b)	-	-	-	(0.6)	-	(0.6)
Audit fee (e)	(0.4)	-	(0.4)	(0.2)	(0.1)	(0.3)
Legal and professional fees (a, b, c, d)	(0.6)	(0.2)	(0.8)	(0.7)	(0.3)	(1.0)
Net impairment losses on financial and contract assets	-	-	-	(0.4)	(0.2)	(0.6)
Reinvoicing of construction services	(0.3)	-	(0.3)	-	-	-
Other fees	(0.5)	-	(0.5)	(0.2)	(0.3)	(0.5)
Total other operating expenses	(4.2)	(0.3)	(4.5)	(4.4)	(1.3)	(5.7)
Other operating income	0.3	-	0.3	-	-	-
Total other operating income	0.3	-	0.3	-	-	-

a) Alternative Investment Manager Fee

The remuneration of the AIFM is payable in twelve monthly payments, calculated on the sum of the latest NAVs of the month of the Sub-funds. The fee will be on a reducing scale of charges and will not exceed 0.07% of the NAV of the Sub-fund per annum, subject to a minimum fee at the Fund level. As at 31 December 2023, the minimum annual fee is set at EUR 35,000 p.a. The total fees for year ended 31 December 2023 for HB REAVIS IRF (formerly HB REAVIS CE REIF) Sub-Fund amounted to EUR 95,798.37 (2022: EUR 87,642.85) and for Global REIF Sub-Fund amounted to EUR 19,948.18 (2022: EUR 32,064.28).

b) Depositary fees

The total fees for HB REAVIS IRF (formerly HB REAVIS CE REIF) for the period amounted to EUR 108,419.26 (2022: EUR 116,562.10) with EUR 18,491.70 (2022: EUR 26,453.99) outstanding to Société Générale Bank & Trust Luxembourg Branch at period end. The total fees for Global REIF for the period amounted to EUR 37,135.18 (2022: EUR 56,813.34) with EUR null (2022: EUR 12,877.17) outstanding to Société Générale Bank & Trust Luxembourg Branch at period end.

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023****c) Domiciliary agent, Registrar and Transfer Agent and Administrative Agent fees**

From 1st November 2017 the Fund engaged the Central Administrator services of CF Fund Services S.A., a public limited company, to provide administration services for a fee. The total fees for HB REAVIS IRF (formerly HB REAVIS CE REIF) for the period amounted to EUR 224,371.28 (2022: EUR 66,640.67) with EUR 36,935.21 (2022: EUR 7,918.12) outstanding to CF Fund Services S.A. at period end. The total fees for Global REIF for the period amounted to EUR 28,970.41 (2022: EUR 27,512.07) with EUR null (2022: EUR 6,598.44) outstanding to CF Fund Services S.A. at period end.

d) External appraiser fees

The General Partner has appointed an independent appraiser to value the properties held directly and/or indirectly by the Fund. The fees of the External appraiser depend on the hours spent on the performance of the valuation of the properties held directly or indirectly by the Fund. The total fees for HB REAVIS IRF (formerly HB REAVIS CE REIF) for the year ended 31 December 2023 amounted to EUR 33,600.00 (2022: EUR 13,800.00). The total fees for Global REIF for the year ended 31 December 2023 amounted to EUR 7,500.00 (2022: EUR 14,700.00).

e) Audit fee

There were no non-audit services provided by the Fund's current auditor.

f) Other fees

Other fees represents mainly expenses for taxes related to repair and maintenance in the amount of EUR 0.5 million (2022: nil EUR).

g) Other operating income

Other operating income represents early termination of contracts for rental of premises in the amount of EUR 0.2 million (2022: nil EUR) and insurance payments in the amount of EUR 0.1 million (2022: nil EUR).

18 Other Finance Income/(costs)

<i>In millions of EUR</i>	2023			2022		
		from 1.1.2023 to 14.8.2023				
	HB REAVIS IRF	Global REIF	Total	HB REAVIS IRF	Global REIF	Total
Foreign exchange gains/(losses), net	(0.8)	-	(0.8)	1.8	-	1.8
Rental guarantee (*)	-	-	-	2.6	-	2.6
Rental guarantee settlement (*)	-	-	-	6.0	-	6.0
Revaluation losses on derivatives	(2.2)	-	(2.2)	(0.6)	-	(0.6)
Interest income	0.6	-	0.6	-	-	-
Other	0.2	0.1	0.3	(0.1)	-	(0.1)
Total other finance income/(costs)	(2.2)	0.1	(2.1)	9.7	-	9.7

(*) line rental guarantee of EUR 2.6 million represents payment received in 2022 in connection with the rental guarantee arrangement (Note 9). Line rental guarantee settlement of EUR 6.0 million represents the result of settlement. Both transactions were with the same related party (Note 8).

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023****19 Disposal of subsidiary**

In February 2023 the Group disposed two (2) subsidiaries during year 2023 to related party: Apollo Business Center III a.s. and Apollo Business Center V a. s. out of which both were classified as Non-current assets held for sale as of 31 December 2022.

The assets and liabilities of subsidiaries disposed of, the sale proceeds and the gain on disposal comprised:

<i>In millions of EUR</i>	10 February 2023
Investment property in use	107.6
Financial assets (Receivables and loans)	2.3
Trade and other receivables	1.2
Cash and cash equivalents	1.0
Borrowings non-current	(50.5)
Trade and other payables – non-current	(1.7)
Borrowings current	(3.3)
Trade and other payables - current	(2.8)
Less: recognition of balances with disposed entities previously eliminated	
- Borrowings long-term	(13.5)
Net assets value	40.3
Net assets value disposed	(40.3)
Less: cash in subsidiaries at the date of transaction	1.0
Cash sale proceeds	39.6
Gain on disposal of subsidiaries	0.3

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023****20 Income Taxes**

The Fund is currently not liable to pay any corporate income tax or net worth tax in Luxembourg on its profits. Distributions to shareholders as well as capital gain are tax exempt and no withholding tax is applicable. Dividend, interest, other forms of income and capital gains received by the Fund on its investment may have been subject to non-recoverable corporate tax or other taxes in the countries of origin. The Fund is however subject to an annual subscription tax at an annual rate of 0.01% based on the NAV of the Fund at the end of each quarter. The holding companies are subject to the general tax regulation applicable to all Luxembourg "Commercial companies". The Group uses 21% (2022: 21%) as applicable tax rate to calculate its theoretical tax charge for 2023 as this is the rate applicable in the Slovak Republic where majority of the Group's operations are located.

Income tax expense comprises the following:

<i>In millions of EUR</i>	2023			2022		
	HB REAVIS		Total	HB REAVIS		Total
	IRF	Global REIF		IRF	Global REIF	
Current tax	(0.5)	-	(0.5)	-	(0.1)	(0.1)
Deferred tax	3.7	-	3.7	(0.9)	-	(0.9)
Income tax (expense)/credit for the year	3.2	-	3.2	(0.9)	(0.1)	(1.0)

Reconciliation between the expected and the actual taxation charge is provided below.

<i>In millions of EUR</i>	2023	2022
Profit/(Loss) after distributions to the Holders of Shares and before income tax	(49.4)	8.9
Distributions to the Holders of Shares	3.2	8.5
Profit/(loss) before distributions to the Holders of Shares and before income tax	(46.2)	17.4
Theoretical tax benefit/(charge) at applicable rate of 21% (2022: 21%)	9.7	(3.7)
Tax effect of items which are not deductible or assessable for taxation purposes:		
- Utilization of previously not recognised tax loss carried forward	-	0.1
- Not recognised tax losses carried forward	(5.5)	-
- Income/(Expense) not subject to taxation	(1.0)	2.6
Income tax (expense)/credit for the year	3.2	(1.0)

Differences between IFRS and applicable statutory taxation regulations give rise to temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax bases. The tax effect of the movements in these temporary differences is detailed below.

<i>In millions of EUR</i>	31 December 2022	Charged/ (credited) to profit or loss	Deferred tax disposed of	31 December 2023
Tax effect of deductible/(taxable) temporary differences				
Investment properties and related assets	(3.5)	3.5	-	-
Tax losses carried forward	0.5	0.1	-	0.6
Unrealised foreign exchange gains	(1.3)	0.1	-	(1.2)
Net deferred tax liability	(4.3)	3.7	-	(0.6)

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023****20 Income Taxes (continued)**

<i>In millions of EUR</i>	31 December 2021	Charged/ (credited) to profit or loss	Deferred tax disposed of	31 December 2022
Tax effect of deductible/(taxable) temporary differences				
Investment properties and related assets	(2.9)	(0.6)	-	(3.5)
Tax losses carried forward	0.4	0.1	-	0.5
Unrealised foreign exchange gains	(0.9)	(0.4)	-	(1.3)
Net deferred tax liability	(3.4)	(0.9)	-	(4.3)

Maturity of the cumulative tax losses as at 31 December 2023 were as follows:

<i>In millions of EUR</i>	31 December 2023		
	HB REAVIS IRF	Global REIF	Total
Tax loss carry-forwards expiring by the end of:			
- 31 December 2024	0.4	-	0.4
- 31 December 2025	2.4	-	2.4
- 31 December 2026	3.3	-	3.3
- 31 December 2027	3.1	-	3.1
- 31 December 2028	3.8	-	3.8
Not recognised tax losses carried forward	13.0	-	13.0

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023****21 Financial Risk Management**

The risk management function within the Group is carried out in respect of financial risks: credit risk, market risk (including changes in foreign currency exchange rates, interest rate and price risk), liquidity risks, operational risks and legal risks. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits. The operational and legal risk management functions are intended to ensure proper functioning of internal policies and procedures to minimise operational and legal risks.

(i) Credit risk

The Group takes on exposure to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Exposure to credit risk arises as a result of the Group's rental income on credit terms and other transactions with counterparties giving rise to financial assets.

The Group's maximum exposure to credit risk by class of assets is as follows:

<i>In millions of EUR</i>	31 December 2023			31 December 2022		
	HB REAVIS IRF	Global REIF	Total	HB REAVIS IRF	Global REIF	Total
Trade and other receivables (Note 11)						
Trade receivables including contract and other assets	3.7	-	3.7	3.6	1.3	4.9
Other financial receivables	8.9	-	8.9	12.4	-	12.4
	12.6	-	12.6	16.0	1.3	17.3
Derivatives (Note 21)	1.5	-	1.5	1.5	-	1.5
Cash and cash equivalents (Note 12)						
Cash at bank and on hand	16.7	-	16.7	12.5	2.6	15.1
	16.7	-	16.7	12.5	2.6	15.1
Total maximum exposure to credit risk	30.8	-	30.8	30.0	3.9	33.9

The Group's maximum exposure to credit risk represents the carrying value of its financial assets in the Combined Consolidated Statement of Financial Position. The Group has no significant off-balance sheet exposures to credit risk as it did not issue financial guarantees nor loan commitments to other parties.

The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to counterparties or groups of counterparties. Limits on the level of credit risk are approved regularly by Management. Such risks are monitored on a revolving basis and subject to an annual review.

Management has additional policies in place to secure trade receivables from rental business. The Group uses system of required bank guarantees or financial deposits to secure its receivables from rental business based on the rating of tenant.

The Group's management reviews ageing analysis of outstanding trade receivables and follows up on past due balances. Management therefore considers it appropriate to provide ageing and other information about credit risk as disclosed in Note 11.

According to the general terms and conditions of contracts with its customers, the Group requires either a cash collateral or bank guarantee in favour of the Group to ensure its receivables are collectible. The amount guaranteed by cash collateral or a bank guarantee is assessed by the Group annually. The Group has a right of set-off of any balances overdue against the collateral or amount drawn under a bank guarantee.

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023**

21 Financial Risk Management (continued)***Credit risks concentrations***

As for the banks and financial institutions, Group has relationships only with those banks that have high independent rating assessment. The Group's bank deposits are held with 6 (2022: 6) banks as of 31 December 2023. The Group management considers the concentration of credit risk with respect to cash balances with banks as acceptable. The analysis by credit quality (bank rating) is provided in Note 12.

Expected credit loss (ECL) measurement

The Group uses Expected credit loss ("ECL") measurement, which reflects the probability-weighted estimate of the present value of future expected credit losses. The Group applies a simplified approach to trade receivables, unbilled receivables from service charges and accrued rental income ("trade receivables") under IFRS 9 (including related party receivables), i.e. measures ECL using lifetime expected loss. The Group uses for the calculation of lifetime expected loss by applying a provision matrix that takes into account the ageing of trade receivables and trade receivables ultimately written off. Expected credit losses are modelled over receivables lifetime period.

Management models Lifetime ECL, that is, losses that result from all possible default events over the remaining lifetime period of the financial instrument. The 12-month ECL, represents a portion of lifetime ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting period, or remaining lifetime period of the financial instrument if it is less than a year.

The ECLs that are estimated by management for the purposes of these financial statements are point-in-time estimates, rather than through-the-cycle estimates that are commonly used for regulatory purposes. The estimates consider forward looking information, that is, ECLs reflect probability weighted development of key macroeconomic variables that have an impact on credit risk.

Forward-looking information incorporated in the ECL models

The calculation of ECLs incorporate supportable forward-looking information. The Group identified certain key economic variables that correlate with developments in credit risk and ECLs. Cash flow forecasts are provided by the Board of Managers of General Partner and provide the best estimate of the expected macro-economic development over the next two years. The Group has considered this information and based on the fact that most of the financial assets are current, this did not have significant impact on the combined consolidated financial statements.

As with any economic forecast, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty, and therefore the actual outcomes may be significantly different to those projected. The Group considers these forecasts to represent its best estimate of the possible outcomes. The Group regularly reviews its methodology and assumptions to reduce any difference between the estimates and the actual loss of credit.

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023****21 Financial Risk Management (continued)****(ii) Market risk**

The Group takes on exposure to market risks. Market risks arise from open positions in (a) foreign currencies, (b) interest bearing assets and liabilities, all of which are exposed to general and specific market movements.

Currency risk. Management acknowledges exposure of the Group to foreign exchange risk arising from various currency exposures, primarily with respect to Czech Koruna, due to acquisition of Aupark Hradec Králové s.r.o. in the Czech Republic in 2016. Foreign exchange risk arises from commercial transactions and recognized assets and liabilities denominated in currency that is not the entity's functional currency. Internal objectives, policies and processes have been set to manage foreign exchange risk.

Had the foreign exchange rates EUR/CZK been by one tenth lower than they have been throughout the year ended 31 December 2023 with all other variables constant, loss for the year would have been approximately EUR 0.8 million higher (2022: EUR profit 0.6 million lower). Net assets attributable to holders of shares, after allowing for the tax effects, would have been EUR 0.6 million lower (2022: EUR 0.5 million lower). Had the foreign exchange rates EUR/CZK been by one tenth higher than they have been throughout the year ended 31 December 2023 with all other variables constant, loss for the year would have been EUR 0.8 million lower (2022: EUR 0.6 million higher). Net assets attributable to holders of shares, after allowing for the tax effects, would have been EUR 0.6 million higher (2022: EUR 0.5 million higher).

Interest rate risk. The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The table below summarises the Group's exposure to interest rate risks. The table presents the aggregated amounts of the Group's liabilities at carrying amounts, categorised by the earlier of contractual interest repricing or maturity dates. The Group's interest rate risk principally arises from long-term borrowings (Note 13). Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group partially mitigates its interest rate risk using derivative instruments – interest rate caps. The Group does not have borrowings at fixed rates and therefore has no significant exposure to fair value interest rate risk.

<i>In millions of EUR</i>		6 – 12 months	Over 12 months	Total
31 December 2023				
Total monetary financial assets – HB REAVIS IRF (formerly HB REAVIS CE REIF)	29.3	-	1.5	30.8
Total monetary financial liabilities – HB REAVIS IRF (formerly HB REAVIS CE REIF)	(202.3)	(0.6)	(2.2)	(205.1)
Net interest sensitivity gap at 31 December 2023	(172.6)	(0.6)	(0.7)	(173.9)
31 December 2022				
Total monetary financial assets – HB REAVIS IRF (formerly HB REAVIS CE REIF)	20.5	4.0	5.5	30.0
Total monetary financial assets – Global REIF	3.9	-	-	3.9
Total monetary financial liabilities – HB REAVIS IRF (formerly HB REAVIS CE REIF)	(206.4)	(0.5)	(1.4)	(208.3)
Total monetary financial liabilities – Global REIF	(54.5)	-	-	(54.5)
Net interest sensitivity gap at 31 December 2022	(236.5)	3.5	4.1	(228.9)

The table below represents notional values and fair values of derivative assets:

<i>In millions of Currencies</i>	Currency	31 December 2023			31 December 2022		
Derivatives - Assets		Notional values	Fair values	Gain/(loss) on financial derivatives	Notional values	Fair values	Gain/(loss) on financial derivatives
Interest rate cap	EUR	104.6	1.5	(2.2)	61.2	1.5	(0.6)
Total			1.5	(2.2)		1.5	(0.6)

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023****21 Financial Risk Management (continued)**

Derivative financial instruments, including interest rate swap, CAP and forward foreign exchange contracts for hedging purposes (economic hedge) are carried at their fair value. All derivative instruments are carried as assets when fair value is positive and as liabilities when fair value is negative. Changes in the fair value of derivative instruments are included in the Combined Statement of Comprehensive Income.

Had the interest rates on the Group's variable interest rate loans (generally the third-party borrowings) been by 10% lower than they have been throughout the year ended 31 December 2023 with all other variables constant, loss for the year would have been EUR 1.00 million lower (31 December 2022: EUR 0.53 million higher), mainly as a result of lower interest expense on variable interest liabilities. Net assets attributable to the holders of shares, after allowing for the tax effects, would have been EUR 0.79 million higher (31 December 2022: EUR 0.42 million higher). Had the interest rates on the Group's variable interest rate loans been by 10% higher than they have been throughout the year ended 31 December 2023 with all other variables constant, loss for the year would have been EUR 1.00 million higher (31 December 2022: EUR 0.53 million lower), mainly as a result of higher interest expense on variable interest liabilities. Net assets attributable to the holders of shares, after allowing for the tax effects, would have been lower by EUR 0.79 million (31 December 2022: EUR 0.42 million lower).

(iii) Liquidity risk. Liquidity risk is defined as the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The table below shows liabilities at 31 December 2023 by their remaining contractual maturity. The amounts disclosed in the maturity table are the contractual undiscounted cash flows. Such undiscounted cash flows differ from the amount included in the Combined Consolidated Statement of Financial Position because the Combined Consolidated Statement of Financial Position amount is based on discounted cash flows. When the amount payable is not fixed, the amount disclosed is determined by reference to the conditions existing at the reporting date. Foreign currency payments are translated using the spot exchange rate at the reporting date.

The maturity analysis of financial liabilities as at 31 December 2023 is as follows:

<i>In millions of EUR</i>	Demand and less than 12 months	From 1 to 2 years	From 2 to 5 years	Over 5 years	Total
Liabilities					
Borrowings (principal) (Note 13) – HB REAVIS IRF (formerly HB REAVIS CE REIF)	63.6	4.9	133.8	-	202.3
Borrowings (future interest charges) – HB REAVIS IRF (formerly HB REAVIS CE REIF)	8.7	7.6	14.4	-	30.7
Financial payables - current (Note 14) – HB REAVIS IRF (formerly HB REAVIS CE REIF)	4.6	-	-	-	4.6
Net assets attributable to holders of shares – HB REAVIS IRF (formerly HB REAVIS CE REIF)*	11.8	-	-	87.8	99.6
Total future payments, including future principal and interest payments	88.7	12.5	148.2	87.8	337.2

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023**

The maturity analysis of financial liabilities as at 31 December 2022 is as follows:

<i>In millions of EUR</i>	Demand and less than 12 months	From 1 to 2 years	From 2 to 5 years	Over 5 years	Total
Liabilities					
Borrowings (principal) (Note 13) – HB REAVIS IRF (formerly HB REAVIS CE REIF)	6.7	61.4	138.8	-	206.9
Borrowings (principal) (Note 13) – Global REIF	2.9	51.3	-	-	54.2
Borrowings (future interest charges) – HB REAVIS IRF (formerly HB REAVIS CE REIF)	9.6	7.8	14.1	-	31.5
Borrowings (future interest charges) – Global REIF	0.2	-	-	-	0.2
Financial payables - current (Note 14) – HB REAVIS IRF (formerly HB REAVIS CE REIF)	8.5	-	-	-	8.5
Financial payables - current (Note 14) – Global REIF	1.9	-	-	-	1.9
Net assets attributable to holders of shares – HB REAVIS IRF (formerly HB REAVIS CE REIF) *	-	-	-	133.8	133.8
Net assets attributable to holders of shares – Global REIF *	-	-	-	53.3	53.3
Total future payments, including future principal and interest payments	29.8	120.5	152.9	187.1	490.3

* Based on the investment profile of the underlying investments (real estate) and the exit mechanism of the Fund as per the Offering Memorandum, the above classification represents the investment horizon of the Fund.

On an ongoing basis, the Board of Managers of General Partner reviews a two-year rolling cash flow forecast on a consolidated basis. For more details see note 2.1.

22 Fair Value Estimation

IFRS 13 requires the use of valuation techniques for which sufficient data is available, maximising the use of observable inputs and minimising the use of unobservable inputs. The degree of detail of the disclosure depends on the observability of the inputs used.

For this purpose, IFRS 13 establishes a fair value hierarchy that classifies the inputs into three levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

(ii) Investment properties

The following table presents the group's investment properties that are measured at fair value at 31 December 2023.

<i>In millions of EUR</i>	Level 1	Level 2	Level 3	Total
Investment property (Note 9) – HB REAVIS IRF (formerly HB REAVIS CE REIF)	-	-	288.0	288.0
Total assets	-	-	288.0	288.0

The following table presents the group's investment properties that are measured at fair value at 31 December 2022.

<i>In millions of EUR</i>	Level 1	Level 2	Level 3	Total
Investment property (Note 9) – HB REAVIS IRF (formerly HB REAVIS CE REIF)	-	-	335.1	335.1
Investment property (Note 9) – Global REIF	-	-	107.6	107.6
Total assets	-	-	437.8	437.8

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023****22 Fair Value Estimation (continued)**

Level 3 HB REAVIS IRF (formerly HB REAVIS CE REIF) investment properties are fair valued using hard-core/layer methodology utilising an all-risk yield. This considers the contractually agreed rent, the market rent for any current vacant space and for any space that might become vacant upon expiry of the leases. All income is capitalised based on the remaining terms and the adopted reversionary rental potential is capitalised in perpetuity. The valuation technique for level 3 is further described in Note 3.

Quantitative information about fair value measurements using unobservable inputs (level 3) for period ended 31 December 2023:

Segment	Valuation technique	Fair value at 31 December 2023 (In millions of EUR) before management adjustment	Average annual rent per sqm	Initial yield/ Discount rate	Capitalisation rate for terminal value
HB REAVIS IRF (formerly HB REAVIS CE REIF)					
Office	Hard-core/layer	222.9	187.26	6.18%	6.37%
Retail	Hard-core/layer	70.0	209.92	6.83%	6.91%

Quantitative information about fair value measurements using unobservable inputs (level 3) for year ended 31 December 2022:

Segment	Valuation technique	Fair value at 31 December 2022 (In millions of EUR) before management adjustment	Average annual rent per sqm	Discount rate	Capitalisation rate for terminal value
HB REAVIS IRF (formerly HB REAVIS CE REIF)					
Office	Hard-core/layer	266.1	197.13	4.97%	5.71%
Retail	Hard-core/layer	73.9	185.14	4.49%	6.17%
Global REIF					
Office	Hard-core/layer	113.9	192.47	4.45%	6.76%

Sensitivity of measurement to variance of significant unobservable inputs

A decrease in the estimated annual rent will decrease the fair value. An increase in the discount rates/equivalent yields and the capitalisation rates will decrease the fair value. There are interrelationships between these rates as they are partially determined by market rate conditions. Please refer to Note 3 for the quantitative sensitivity analysis and the description of the valuation process.

Investment property valuation process

The valuations of the properties are performed twice a year based on valuation reports prepared by independent and qualified valuation expert. The fair value estimate provided by valuation expert can be adjusted by management adjustment.

These reports are based on both:

- information provided by the Group such as current rents, terms and conditions of lease agreements, service charges, capital expenditure, etc. This information is derived from the company's financial and property management systems and is subject to the company's overall control environment.
- assumptions and valuation models used by the valuers - the assumptions are typically market related, such as yields and discount rates. These are based on their professional judgment and market observation. Generally, for income producing assets a DCF and hard-core/layer capitalisation methods are used, for assets under construction is used residual method and comparative methodology is used for non-core and land bank assets.

The information provided to the valuers and the assumptions, and the valuation models used by the independent appraisers are reviewed internally by the controlling department and the chief financial officer, as well as by the valuation officer of the AIFM. This includes a review of fair value movements over the period.

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023****22 Fair Value Estimation (continued)****(iii) Financial Instruments**

The following table presents the group's financial instruments that are measured at fair value at 31 December 2023.

<i>In millions of EUR</i>	Level 1	Level 2	Level 3	Total
Derivatives (Note 21) – HB REAVIS IRF (formerly HB REAVIS CE REIF)	-	1.5	-	1.5
Total assets				

Financial derivatives. The fair values of derivatives are based on counterparty bank quotes and are considered level 2 valuations.

The following table presents the group's financial instruments that are measured at fair value at 31 December 2022.

<i>In millions of EUR</i>	Level 1	Level 2	Level 3	Total
Derivatives (Note 21) – HB REAVIS IRF (formerly HB REAVIS CE REIF)	-	1.5	-	1.5
Total assets	-	1.5	-	1.5

Fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by an active quoted market price. The estimated fair values of financial instruments have been determined by the Group using available market information, where it exists, and appropriate valuation methodologies as described below. However, judgement is necessarily required to interpret market data to determine the estimated fair value. Carrying value of all other financial assets carried at amortised costs approximate their fair value.

Financial assets carried at amortised cost. The fair value of floating rate instruments is normally their carrying amount. The estimated fair value of fixed interest rate instruments is based on estimated future cash flows expected to be received discounted at current interest rates for new instruments with similar credit risk and remaining maturity. Discount rates used depend on credit risk of the counterparty. Carrying value of all other financial assets carried at amortised costs approximate their fair value.

Liabilities carried at amortised cost. Fair values of the Borrowings are determined by using the DCF method, using a discount rate that reflects the issuer's borrowing rate as at 31 December 2023. The discount rate was 5.91% p.a. (2022: 4.13% p.a.). Refer to Note 13 for the estimated fair values of borrowings (for current borrowings Level 2 inputs are used, for non-current borrowings Level 3 inputs are used). Carrying amounts of trade and other payables approximate fair values.

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023****23 Reconciliation of Classes of Financial Instruments with Measurement Categories**

For the purposes of measurement, IFRS 9 "Financial Instruments" classifies financial assets into the following categories: (a) financial assets at FVTPL; (b) financial assets at FVOCI and (c) financial assets at AC.

Financial assets at FVTPL have two sub-categories: (i) assets mandatorily measured at FVTPL, and (ii) assets designated as such upon initial recognition or subsequently. In addition, finance lease receivables form a separate category.

The following table provides a reconciliation of financial assets with these measurement categories as of 31 December 2023:

<i>In millions of EUR</i>	At 31 December 2023		
ASSETS	HB REAVIS IRF	Global REIF	Total
Financial assets at Amortised cost			
Trade receivables due including contract and other assets (Note 11)	4.5	-	4.5
Other financial receivables (Note 11)	8.9	-	8.9
Cash and cash equivalents (Note 12)	16.7	-	16.7
Financial assets at FVTPL			
Derivatives (Note 21)	1.5	-	1.5
TOTAL FINANCIAL ASSETS	31.6	-	31.6

The following table provides a reconciliation of financial assets with these measurement categories as of 31 December 2022:

<i>In millions of EUR</i>	At 31 December 2022		
ASSETS	HB REAVIS IRF	Global REIF	Total
Financial assets at Amortised cost			
Trade receivables due from third parties including contract and other assets (Note 11)	3.6	1.3	4.9
Other financial receivables (Note 11)	12.4	-	12.4
Cash and cash equivalents (Note 12)	12.5	2.6	15.1
Financial assets at FVTPL			
Derivatives (Note 21)	1.5	-	1.5
TOTAL FINANCIAL ASSETS	30.0	3.9	33.9

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023****23 Reconciliation of Classes of Financial Instruments with Measurement Categories (continued)**

All of the Group's financial liabilities are carried at amortised cost.

<i>In millions of EUR</i>		At 31 December 2023		
LIABILITIES	HB REAVIS IRF	Global REIF	Total	
Financial liabilities carried at Amortised cost				
Trade and other payables (Note 14)	16.3	-	16.3	
Borrowings (Note 13)	202.3	-	202.3	
TOTAL FINANCIAL LIABILITIES	218.6	-	218.6	

<i>In millions of EUR</i>		At 31 December 2022		
LIABILITIES	HB REAVIS IRF	Global REIF	Total	
Financial liabilities carried at Amortised cost				
Trade and other payables (Note 14)	18.4	6.1	24.5	
Borrowings (Note 13)	206.9	54.5	261.4	
TOTAL FINANCIAL LIABILITIES	225.3	60.6	285.9	

24 Management of Capital

The Fund's objectives when managing capital (Net assets attributable to holders of shares) are to safeguard the Fund's ability to continue as a going concern, to provide returns to holders of shares and benefits for future stakeholders and to maintain an optimal capital structure in order to reduce the costs of capital.

The Fund monitors capital based on leverage ratio. A ratio of consolidated external debt over total investment properties ('leverage') should not exceed 65%. Leverage incurred by the Sub-Fund or one of its subsidiaries for an individual investment property may exceed 65% of the individual asset value, but should not exceed 70% of such value. In addition, the Sub-Fund on the account of the Sub-Fund may borrow up to 10% of the total assets to finance its working capital requirements. As is shown in the table below, the Fund's leverage ratio was above the targeted level as at 31 December 2023 and below the targeted level as at 31 December 2022.

<i>In millions of EUR</i>	31 December 2023		31 December 2022	
	HB REAVIS IRF	Global REIF	HB REAVIS IRF	Global REIF
Borrowings (Note 13)	202.3	-	206.9	54.5
Investment properties (Note 9)	288.0	-	335.1	109.9
Leverage ratio	70.2%	-	61.7%	49.6%

HB REAVIS REAL ESTATE INVESTMENT FUND

Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023

25 Segment Analysis

Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker (CODM) and for which discrete financial information is available. The CODM is the person or group of persons who allocates resources and assesses the performance for the entity. The functions of CODM are performed by the Board of Managers of General Partner.

(a) Description of products and services from which each reportable segment derives its revenue

The Group is managing its business operations on the basis of the following segments:

Office – representing management of activities related to office properties

Retail - representing management of activities related to retail properties

The Group does not monitor geographical segments as all income generating properties are located in Central European Region.

(b) Factors that management used to identify the reportable segments

The Group's segments are strategic business units that focus on different activities of the Group. They are managed separately because each business unit requires different skill sets, product and market, procurement and human resource strategies.

Segment financial information reviewed by the Board of Managers includes rental and similar income less directly attributable costs associated with properties that equal to Net Operating Income (NOI). The Board of Managers also reviews the change in fair value of properties.

(c) Measurement of operating segment profit or loss, assets and liabilities

The Board reviews financial information prepared based on International Financial Reporting Standards as adopted by the European Union. The Board evaluates performance of each segment based on profit before tax and net assets value. The Group allocates costs to segments based on specific identification of entities that belong to particular segments. Profit or loss, assets and liabilities that were not possible to be allocated to explicit segment category were allocated on a basis of segment' share on net assets of particular sub-fund.

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023****25 Segment Analysis (Continued)****(d) Information about reportable segment profit or loss, assets and liabilities**

The segment profit and loss information for HB REAVIS IRF (formerly HB REAVIS CE REIF) sub-fund for the year ended 31 December 2023 and 31 December 2022 is as follows:

<i>In millions of EUR</i>	Notes	HB REAVIS IRF (formerly HB REAVIS CE REIF)			
		2023		2022	
		Office	Retail	Office	Retail
Rental including turnover rent income from investment properties	15	14.0	4.3	14.0	4.5
Service charges income from investment properties	15	6.0	2.9	4.5	2.6
Management charges income from investment properties	15	1.4	0.4	0.6	0.1
Direct operating expenses arising from investment properties	16	(7.9)	(3.7)	(6.5)	(3.7)
Net operating income from investment properties		13.5	3.9	12.6	3.5
Revaluation gain/(loss) on investment properties	9	(45.4)	(2.4)	0.9	(5.6)
Other operating expenses	17	(3.2)	(1.0)	(3.2)	(1.2)
Other operating income	17	-	0.3	-	0.1
Operating profit/(loss)		(35.1)	0.8	10.3	(3.3)
Interest expense	13	(7.7)	(2.1)	(3.1)	(0.9)
Distributions to the Holders of Shares	7	(2.2)	(1.0)	(6.4)	(2.1)
Other finance income/(costs)	18	(1.4)	(0.8)	-	9.7
Finance (costs)/income, net		(11.3)	(3.9)	(9.5)	6.7
Profit/(loss) after distribution to the Holders of Shares and before income tax		(46.4)	(3.1)	0.8	3.5
Acquisitions of investment property	9	-	-	-	-
Construction costs related to investment property	9	1.7	-	1.1	-
Total investments		1.7	-	1.1	-

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023****25 Segment Analysis (Continued)****(d) Information about reportable segment profit or loss, assets and liabilities (Continued)**

The segment information on segment assets and liabilities of HB REAVIS IRF (formerly HB REAVIS CE REIF) sub-fund as of 31 December 2023 and 31 December 2022 is as follows:

<i>In millions of EUR</i>	Notes	HB REAVIS IRF (formerly HB REAVIS CE REIF)			
		31 December 2023		31 December 2022	
		Office	Retail	Office	Retail
- Non-current assets					
Investment Property in use	9	217.9	70.1	261.5	73.6
Derivatives	21	1.2	0.3	0.8	0.7
Deferred income tax assets	20	0.6	-	-	-
- Current assets					
Trade and other receivables	11	3.0	9.6	2.4	14.0
Cash and cash equivalents	12	10.0	6.7	8.9	3.6
Total assets		232.7	86.7	273.6	91.9
Borrowings	13				
- non-current		(98.5)	(40.2)	(158.9)	(41.3)
- current		(62.0)	(1.6)	(5.4)	(1.4)
Deferred income tax liability	20	-	(1.2)	(3.1)	(1.3)
Trade and other payables	14				
- non-current		(3.3)	(1.1)	(2.2)	(1.3)
- current		(9.3)	(2.6)	(11.1)	(3.7)
Distributions payable to the holders of shares	7	-	-	(1.6)	(0.5)
Total liabilities (excl. Net Assets attributable to the holders of shares)		(173.1)	(46.7)	(182.3)	(49.4)
Net Assets attributable to the holders of shares		(59.6)	(40.0)	(91.3)	(42.6)
Total liabilities		(232.7)	(86.7)	(273.6)	(91.9)

HB REAVIS REAL ESTATE INVESTMENT FUND

Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2022

26 Events after the End of the Reporting Period

In January 2024, the rental guarantee and earn-out recognized in Trade and other receivables related to Aupark Hradec Králové s.r.o. amounting to EUR 8.9 million was fully paid off by HB REAVIS HOLDING S.A..

On 29 February 2024, the Fund paid its shareholders redemptions related to financial year 2023 in the amount of EUR 11.8 million.

The Group together with the financing bank prolonged the maturity of the bank loan provided to CBC I - II a. s. which was due on 31 March 2024 until 31 May 2024 and subsequently until 30 September 2024 with the aim of negotiating a 5 year maturity extension in exchange for a partial repayment of the loan. Final decision on maturity extension is expected in September 2024.

In July 2024, the Group made an extraordinary repayment of the loan in the amount of EUR 3 million.

HBR IM Holding Ltd. as a sole shareholder of HB Reavis Investment Management S.à r.l., the general partner managing the HB REAVIS IRF (formerly HB REAVIS CE REIF) Sub-fund ("GP"), entered on 14 February 2024 into a sale purchase agreement with IAD Investments, správk. spol., a. s. ("IAD"). The sale was finalized on 12 June 2024.

In May 2024, IAD supported the Fund with additional subscription in the amount of EUR 15 million.

Through the extraordinary meeting of shareholders held on 18 March 2024 the AIFM's legal form and name has been amended from Crestbridge Management Company S.A. to CRESTBRIDGE MANAGEMENT COMPANY SARL and its registered office to 33, avenue John F. Kennedy L - 1855 Luxembourg. Subsequently, through the extraordinary meeting of shareholders held on 16 April 2024 the AIFM's name has been amended to Gen II Management Company (Luxembourg) SARL.

In financial year 2024 up to issuance of these combined consolidated financial statements, the Fund has received the redemption notices for 16,459.812 shares with the value of EUR 12.2 million based on 31 March 2024 net asset value of HB REAVIS IRF (formerly HB REAVIS CE REIF), which has already decreased due to some redeeming investors recalling their redemption requests. These were offset by applications for new subscriptions in the amount of EUR 15.1 million. The management of Fund has assessed the impact of the net increase in net asset value and has concluded that it will have enough resources repay its shareholders and to continue operating as a going concern.

At the time of issuing the annual report and audited annual accounts, the management has not identified any other significant impact on the HB REAVIS IRF (formerly HB REAVIS CE REIF) Sub-fund's activities. The management will continue to monitor developments and their impact on the Sub-fund including its operations, lending arrangements and debt covenants, and the values and estimated reported in the annual report and audited annual accounts and accompanying notes.

There were no other material events, which occurred after the end of the reporting period which have a bearing on the understanding of these combined consolidated financial statements.

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023****27 Primary Consolidated Financial Statements of both Sub-Funds**

Primary Consolidated Financial Statements for both Sub-Funds at 31 December 2023 and 31 December 2022 consisting of:

- a statement of financial position as at the end of the period
- a statement of profit and loss and other comprehensive income for the period
- a statement of cash-flow for the period

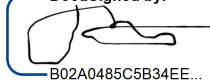
Combined Consolidated Statement of Financial Position at 31 December 2023 for both Sub-Funds and comparative:

<i>In millions of EUR</i>	Notes	HB REAVIS IRF		Global REIF	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
ASSETS					
Non-current assets					
Investment property in use	9	288.0	335.1	-	-
Derivatives	21	1.5	1.5	-	-
Other non-current assets	11	-	3.9	-	-
Deferred income tax asset	20	0.6	-	-	-
Total non-current assets		290.1	340.5	-	-
Current assets					
Trade and other receivables	11	12.6	12.5	-	-
Cash and cash equivalents	12	16.7	12.5	-	0.1
Total current assets		29.3	25.0	-	0.1
Assets held for sale	10	-	-	-	113.7
TOTAL ASSETS		319.4	365.5	-	113.8
LIABILITIES					
Non-current liabilities					
Borrowings	13	138.7	200.2	-	-
Deferred income tax liability	20	1.2	4.3	-	-
Trade and other payables	14	4.4	3.6	-	-
Total non-current liabilities		144.3	208.1	-	-
Current liabilities					
Borrowings	13	63.6	6.7	-	-
Trade and other payables	14	11.9	14.8	-	0.6
Distributions payable to the Holders of Shares	7	-	2.1	-	-
Total current liabilities		75.5	23.6	-	0.6
Liabilities directly associated with assets held for sale	10	-	-	-	59.9
Total liabilities (excluding Net Assets Attributable to the Holders of Shares)		219.8	231.7	-	60.5
Net Assets Attributable to the Holders of Shares		99.6	133.8	-	53.3
TOTAL LIABILITIES		319.4	365.5	-	113.8

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Martin Proksa
 Manager A

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Jean Brisbois
 Manager B

HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023****27 Primary Consolidated Financial Statements of both Sub-Funds (continued)**

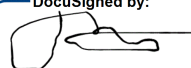
Combined Consolidated Statement of Comprehensive Income for the year ended 31 December 2023 for both Sub-Funds and comparative:

<i>In millions of EUR</i>	Notes	HB REAVIS IRF		Global REIF	
		2023	2022	from 1 January 2023 to 14 August (date of liquidation)	2022
Rental and similar income from investment properties	15	29.0	25.9	1.1	9.0
Direct operating expenses arising from investment property	16	(11.6)	(10.2)	(0.8)	(4.4)
Net operating income from investment properties		17.4	15.7	0.3	4.6
Revaluation gain/(loss) on investment properties	9	(47.8)	(5.1)	(0.1)	2.6
Gain/(loss) on disposal of subsidiary	19	-	-	0.3	-
Other operating expenses	17	(4.2)	(4.4)	(0.3)	(1.3)
Other operating income	17	0.3	0.1	-	-
Operating profit/(loss)		(34.3)	7.1	0.2	5.9
Interest expense	13	(9.8)	(4.0)	(0.2)	(1.3)
Distributions to the Holders of Shares	7	(3.2)	(8.5)	-	-
Other finance income/(costs)	18	(2.2)	9.7	0.1	-
Finance costs, net		(15.2)	(2.8)	(0.1)	(1.3)
Profit/(loss) after distributions to the Holders of Shares and before income tax		(49.5)	4.3	0.1	4.6
Current income tax credit	20	(0.5)	-	-	(0.1)
Deferred income tax (expense)/credit	20	3.7	(0.9)	-	-
Income tax (expense)/credit		3.2	(0.9)	-	(0.1)
Profit/(loss) for the year		(46.3)	3.4	0.1	4.5
Other comprehensive income/(loss): Items that may be subsequently reclassified to profit or loss					
Effect of translation of foreign operations to the presentation currency		(0.4)	0.4	-	-
Other comprehensive income/(loss) for the year		(0.4)	0.4	-	-
Increase/(Decrease) in Net Assets Attributable to the Holders of Shares		(46.7)	3.8	0.1	4.5

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Martin Proksa
Manager A

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Jean Brisbois
Manager B

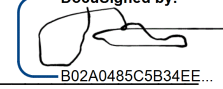
HB REAVIS REAL ESTATE INVESTMENT FUND**Notes to the Combined Consolidated Financial Statements for the year ended 31 December 2023****27 Primary Consolidated Financial Statements of both Sub-Funds (continued)**

Combined Consolidated Statement of Cash Flows for the year ended 31 December 2023 for both Sub-Funds and comparative:

<i>In millions of EUR</i>	Notes	HB REAVIS IRF		Global REIF	
		2023	2022	from 1 January 2023 to 14 August (date of liquidation)	2022
Cash flows from operating activities					
Profit/(loss) after distributions to the Holders of Shares and before income tax		(49.5)	4.3	0.1	4.6
<i>Adjustments for:</i>					
Revaluation (gains)/losses on investment property	9	47.8	4.7	0.1	(2.6)
Interest expense	13	9.8	4.0	0.2	1.3
Distributions to the Holders of Shares	7	3.2	8.5	-	-
Revaluation of financial assets	18	2.2	-	-	-
Rental guarantee settlement	9, 18	-	6.0	-	-
Gain/(loss) on disposal of subsidiary		-	-	(0.3)	-
Unrealised foreign exchange (gains)/losses	13	(0.9)	(1.3)	-	-
Operating cash flows before working capital changes		12.6	26.2	0.1	3.3
<i>Working capital changes:</i>					
Decrease/(increase) in trade and other receivables		3.8	(13.5)	13.5	(1.1)
Decrease/(increase) in derivatives		-	(1.5)	-	-
(Decrease)/increase in trade and other payables		(2.2)	4.0	0.2	1.8
Cash generated from operations		14.2	15.2	13.8	4.0
Interest paid	13	(8.9)	(3.5)	(0.2)	(1.2)
Income taxes paid		-	0.1	-	-
Option premium paid		-	(0.2)	-	-
Net cash from operating activities		5.3	11.6	13.6	2.8
Cash flows from investing activities					
Construction of investment property	9	(1.7)	(1.1)	-	(0.5)
Proceeds from sale of subsidiaries, net of cash disposed		-	-	39.6	-
Net cash (used in) investing activities		(1.7)	(1.1)	39.6	(0.5)
Cash flows from financing activities					
Repayment of borrowings	13	(5.8)	(5.1)	-	(2.9)
Capital contributions from shareholders		12.5	14.5	-	0.4
Redemptions		-	(14.0)	-	-
Redemptions paid in advance		-	-	(53.3)	-
Distributions to the Holders of Shares	7	(5.3)	(8.5)	-	-
Option premium paid		(0.8)	-	-	-
Net cash (used in)/from financing activities		0.6	(13.1)	(53.3)	(2.5)
Net (decrease) in cash and cash equivalents		4.2	(2.6)	(0.1)	(0.2)
Cash and cash equivalents at the beginning of the year	12	12.5	15.1	0.1	2.8
Cash and cash equivalents at the end of the year	12	16.7	12.5	-	2.6
Less: transfers to non-current assets held for sale	10	-	-	-	(2.5)
Cash and cash equivalents at the end of the year at the balance sheet	12	16.7	12.5	-	0.1

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 Martin Proksa
 Manager A

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 Jean Brisbois
 Manager B

HB REAVIS REAL ESTATE INVESTMENT FUND

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph of Regulation (EU) 2020/852 (unaudited)

Product name: HB REAVIS REAL ESTATE INVESTMENT FUND – HB REAVIS CE REIF

Legal entity identifier: 222100I3N6XODRU1KA05

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

Yes

It made **sustainable investments with an environmental objective:** ___%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It made **sustainable investments with a social objective:** ___%

No

It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promoted E/S characteristics, but **did not make any sustainable investments**

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



To what extent were the environmental and/or social characteristics promoted by this financial product met?

Properties in real estate portfolio have sustainability certification – BREEAM, LEED or similar or higher standards. The investee companies did not have significant exposure to activities (e.g. tobacco, weapons, gambling, coal, aviation, meat production, fertilizer and pesticide manufacturing, single-use plastic production) not compatible with such criteria.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

HB REAVIS REAL ESTATE INVESTMENT FUND

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph of Regulation (EU) 2020/852 (unaudited)

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund. Therefore, the extent to what the environmental and/or social characteristics promoted by this financial product were met is not measurable.

● **How did the sustainability indicators perform?**

Direct Real Estate Holding for 2023							
Country	Project	Full address	Building Electricity Consumption from electric grid (kWh)	Building Gas Consumption (kWh)	Building District heating Consumption (kWh)	Total building energy consumption (kWh)	Water consumption (m3)
Slovakia	Twin City B	Mlynské Nivy 16, 821 09 Bratislava	1,606,892	1,290,554	-	2,897,446	9,692
Slovakia	Twin City C	Mlynské Nivy 16, 821 09 Bratislava	2,234,861	1,231,044	-	3,465,906	9,021
Slovakia	CBC I	Karadžičova 4/6	2,121,684	-	1,849,444	3,971,129	4,151
Slovakia	CBC II	Karadžičova 4/6	947,499	1,332,165	-	2,279,665	2,997
Czechia	Aupark Hradec Králové	Puskinova / Gocarova, Hradec Králové	5,701,018	308,937	2,071,056	8,081,011	20,986

● **...and compared to previous periods?**

	Building Electricity Consumption from electric grid (kWh)	Building Gas Consumption (kWh)	Building District heating Consumption (kWh)	Total building energy consumption (kWh)	Water consumption (m3)
2023	12,611,955	4,162,700	3,920,500	20,695,156	46,847
2022	13,304,473	4,622,197	4,451,677	22,378,347	52,426
% vs 2022	-5.2%	-9.9%	-11.9%	-7.5%	-10.6%

Overall there is a visible decrease in total building energy consumption, mainly caused by relatively mild winter and summer periods in 2023.

● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

Not applicable

● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

Not applicable

How were the indicators for adverse impacts on sustainability factors taken into account?

Not applicable

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Not applicable

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

HB REAVIS REAL ESTATE INVESTMENT FUND

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph of Regulation (EU) 2020/852 (unaudited)

How did this financial product consider principal adverse impacts on sustainability factors?

Not applicable



What were the top investments of this financial product?

Largest investments	Sector	% Assets	Country
<i>Twin City C</i>	<i>Commercial real estate</i>	<i>24%</i>	<i>Slovak Republic</i>
<i>Twin Cityt B</i>	<i>Commercial real estate</i>	<i>24%</i>	<i>Slovak Republic</i>
<i>Aupark HK</i>	<i>Commercial real estate</i>	<i>24%</i>	<i>Czech Republic</i>
<i>CBC II</i>	<i>Commercial real estate</i>	<i>10%</i>	<i>Slovak Republic</i>
<i>CBC I</i>	<i>Commercial real estate</i>	<i>18%</i>	<i>Slovak Republic</i>

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 2023

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

HB REAVIS REAL ESTATE INVESTMENT FUND

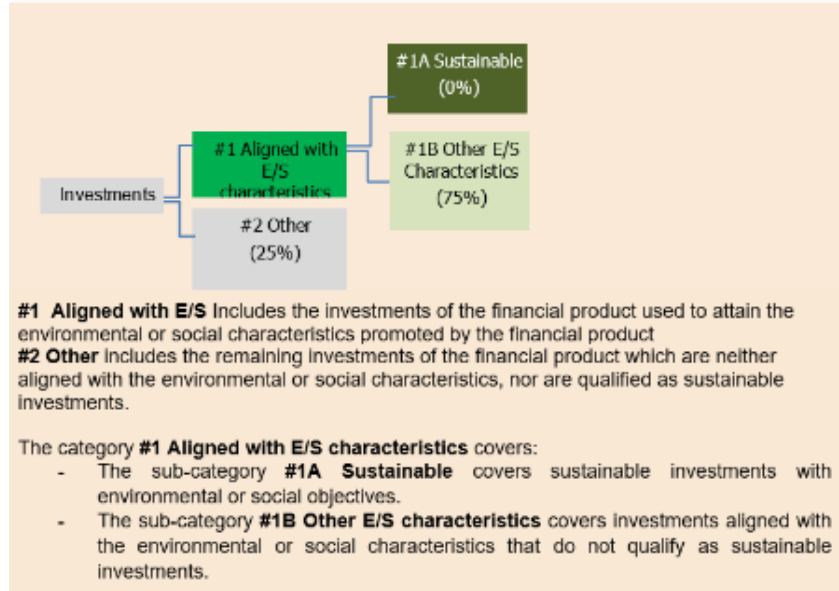
Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph of Regulation (EU) 2020/852 (unaudited)



What was the proportion of sustainability-related investments?

The proportion of sustainability-related investments was 0%

● **What was the asset allocation?**



● **In which economic sectors were the investments made?**

real estate, subsector commercial real estate (offices, shopping center)



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Sub-fund did not make any sustainable investments

● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?**

Yes:

In fossil gas In nuclear energy

No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Asset allocation describes the share of investments in specific assets.

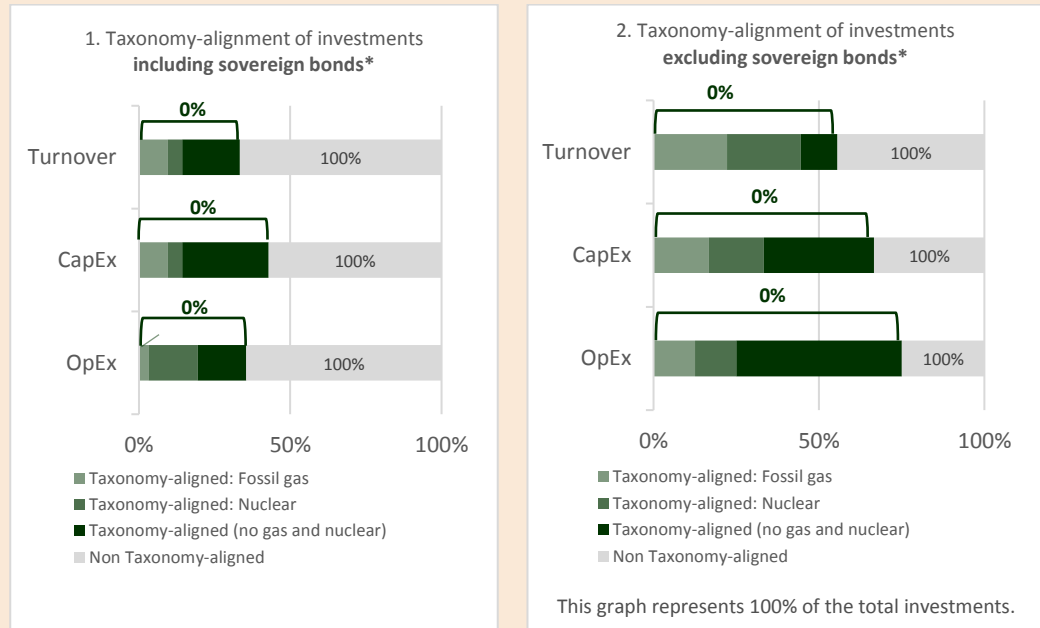
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective. **Transitional activities are** activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

HB REAVIS REAL ESTATE INVESTMENT FUND

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph of Regulation (EU) 2020/852 (unaudited)

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



*** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.**

● **What was the share of investments made in transitional and enabling activities?**

The share of investments made was 0%

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Not applicable



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

Not applicable



What was the share of socially sustainable investments?

The share of investments made was 0%

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

HB REAVIS REAL ESTATE INVESTMENT FUND

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph of Regulation (EU) 2020/852 (unaudited)



What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

Investments in real estate portfolio with sustainability certification – BREEAM, LEED or similar or higher standards, having BREEAM rating of “GOOD” or better or equivalent certification.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The investee companies did not have significant exposure to activities, e.g. tobacco, weapons, gambling, coal, aviation, meat production, fertilizer and pesticide manufacturing, single-use plastic production. The properties in real estate portfolio have sustainability certification – BREEAM, LEED or similar or higher standards.



How did this financial product perform compared to the reference benchmark?

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund.

- ***How does the reference benchmark differ from a broad market index?***

Not applicable

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

Not applicable

- ***How did this financial product perform compared with the reference benchmark?***

Not applicable

- ***How did this financial product perform compared with the broad market index?***

Not applicable

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.