DWI - Deutsche Wohnimmobilien S.à r.l.

Société à responsabilité limitée

Consolidated Financial Statements

for the year ended 31.12.2024

2, Rue Gabriel Lippmann

L-5365 Munsbach

R.C.S. Luxembourg: B 263.173

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Audit report

To the Board of Managers of
DWI - Deutsche Wohnimmobilien S.à r.l.

Our opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of DWI - Deutsche Wohnimmobilien S.à r.l. (the “Company”) and its subsidiaries (the “Group”) as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Group’s consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the consolidated statement of changes in equity for the year then ended; and
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (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 consolidated financial statements” section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Group 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 consolidated financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

Other matter

The comparative information of the Group has not been audited in accordance with International Standards on Auditing as adopted for Luxembourg by the CSSF.

Responsibilities of the Board of Managers for the consolidated financial statements

The Board of Managers is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as the Board of Managers determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Managers is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Managers either intends to liquidate the Group 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 consolidated financial statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with 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 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 scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the 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 Group's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managers;

- conclude on the appropriateness of the Board of Managers' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the 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 audit report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities and business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

Restriction on distribution and use

This report, including the opinion, has been prepared for and only for the Board of Managers in accordance with the terms of our engagement letter and is not suitable for any other purpose. We do not accept any responsibility to any other party to whom it may be distributed.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 27 June 2025

Electronically signed by :
Thomas Bayer

Thomas Bayer

Consolidated statement of financial position

in kEUR	Note	31 Dec 2024	31 Dec 2023 unaudited
Non-current assets			
Investment properties	13	878,210	0
Shares in investments		96	0
Investments in associates	17	0	0
Total non-current assets		**878.306**	**0**
Current assets			
Trade receivables	15	2,581	0
Other receivables	15	3,419	0
Contract assets	16	7,079	0
Cash and cash equivalents	18	42,415	0
Total current assets		55,494	**0**
Total assets		**933.801**	**0**

in kEUR	Note	31 Dec 2024	31 Dec 2023 unaudited
Equity attributable to DWI shareholders			
Subscribed Capital	19	90	12
Capital reserves	19	165	15
Other reserves	19	21,907	0
Retained earnings	19	174,238	-59
Total equity attributable to DWI shareholders		**196,400**	**-33**
Non-current liabilities			
Bank loans and loans from third parties	21	529,100	0
Loans from shareholder and indirect shareholder	21	115,072	0
Deferred tax liability	12	39,847	0
Leasing liability heritable building right of land	27	4,777	0
Total borrowings and non-current liabilities		**688,796**	**0**
Current liabilities			
Bank loans and loans from third parties	21	4,465	0
Trade liabilities	22	954	0
Contract liabilities	22	6,317	0
Accruals	22	32,488	0
Tax liabilities	22	4,240	0
Other liabilities	22	142	33
Total current liabilities		**48,605**	**33**
Total liabilities		737,401	33
Total equity and liabilities		**933,801**	**0**

The notes in the annex form an integral part of the Consolidated Financial Statements.

Consolidated statement of comprehensive income

in kEUR	Note	2024	2023 unaudited
Revenue from property letting	7	16,992	0
Net gain from fair value adjustments of investment properties	8	210,356	0
Operating expenses attributable to investment properties	9	-8,565	0
Other operating income		6	0
Other operating expenses	10	-2,589	-47
Net result from investments accounted for using the equity method	17	-8	-8
Finance income	11	89	0
Finance expense	11	-9,414	0
Profit/Loss before tax		**206,866**	**-47**
Income taxes	12	-32,568	0
Profit/Loss for the period		**174,298**	**-47**
Attributable to DWI's shareholders		174,298	-47

The notes in the annex form an integral part of the Consolidated Financial Statements.

Consolidated statement of cash flows

in kEUR	Note	2024	2023 unaudited
Profit/Loss before tax		206,867	-47
Net gain from fair value adjustments of investment properties	8	-210,356	0
Interest expense - net	11	7,450	0
Change in working capital		**55,974**	**-47**
Increase in trade receivables, contract assets and other assets	15,16	-13,079	0
Increase in trade liabilities, contract liabilities, accruals and other liabilities	22	44,645	33
Non-cash-effective addition of right of use assets to hereditary building rights	27	-4,777	0
Non-cash-effective valuation shareholder loans	21	29,186	0
Cash flow from operating activities		**59,935**	**-14**
Payments for investments in investment properties		-658,838	0
Payments for acquisition of shares in investment		-96	0
Interest received	11	89	0
Cash flow from investing activities		**-658,845**	**0**
Cash inflows from equity contributions by shareholders of DWI		228	14
Proceeds from bank loans, loans from third parties and share-holders	21	649,558	0
Repayments of bank loans and loans from third parties	21	-922	0
Interest paid	11	-7,539	0
Cash flow from financing activities		**641,325**	**14**
Net changes in cash and cash equivalents		**42,415**	**0**
Cash and cash equivalents at the beginning of the period		0	0
Cash and cash equivalents at the end of the period	**18**	**42,415**	**0**

The notes in the annex form an integral part of the Consolidated Financial Statements.

Consolidated statement of changes in equity

Attributable to DWI's shareholders

in kEUR	Note	Sub-scribed capital	Capital re-serves	Other re-serves	Re-tained earn-ings	Total equity
As at 1 Jan 2024 **(unaudited)**		12	15	0	-59	-33
Profit/Loss for the year		-	-	-	174,298	174,298
Capital increase	19	78	-	-	-	78
Contribution to the capital reserves	19	-	150	-	-	150
Modification Shareholder loans	19	-	-	21,907	-	21,907
As at 31 Dec 2024		**90**	**165**	**21,907**	**174,238**	**196,400**
As at 1 Jan 2023 **(unaudited)**		12	15	-	-12	15
Profit/Loss for the year **(unaudited)**		-	-	-	-48	-48
As at 31 Dec 2023 **(unaudited)**		12	15	-	-59	-33

The notes in the annex form an integral part of the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

Section (A): Principles of the Consolidated Financial Statements

1 General Information

DWI - Deutsche Wohnimmobilien S.à r.l. (in the following DWI or the Parent) is the ultimate parent entity of the DWI Group (hereinafter referred to as the “Group” or “DWI Group”). It is a private limited liability company (Société à responsabilité limitée - S.à r.l.) established under Luxembourg law, specifically under the amended law of 10 August 1915 on commercial companies. The company was founded on January 4, 2022 for an indefinite period and registered in the Registre de Commerce et des Sociétés (Luxembourg Commercial Register) under number B 263.173 and has its registered office at 2, Rue Gabriel Lippmann, L-5365 Munsbach.

On 24 0ctober 2023, the name of the company was changed from ZAR Management S.à r.l. to DWI - Deutsche Wohnimmobilien S.à r.l.

The Group was established through the founding of HoldCo Diamond S.à r.l. (herinafter referred to as HoldCo Diamond) and HoldCo Merlion S.à r.l. (herinafter referred to as HoldCo Merlion) on 2 May 2024 by DWI.

The prior year figures relate to DWI financial statements as at 31 December 2023.

HoldCo Diamond and HoldCo Merlion have their registered offices at 2, Rue Gabriel Lippmann, L-5365 Munsbach and are registered under number B285951 respectively B285783 in the Registre de Commerce et des Societes.

On 4 June 2024, ZAR Investments S.à r.l. sold the 12,000 DWI shares with a nominal value of 1 Euro each to Net Zero Properties S.A. (10,560 shares) and Attegia Holding Ltd. (1,440 shares).

DWI and its subsidiaries hold a major portfolio of residental investment properties in Germany.

The consolidated financial statements as of and for the year ended December 31, 2024, have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union. IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards,
- IAS Standards, and
- Interpretations developed by the IFRS Interpretations Committee (IFRIC interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations).

They have been prepared on a going concern basis, applying a historical cost convention, except for the measurement of investment property and the shares of the non consolidated entities at fair value.

These consolidated financial statements are presented in euros, which is the Group's functional currency. Unless stated otherwise, all figures are shown in thousands of euros

DWI Group has elected to present a single consolidated statement of comprehensive income, categorised by the nature of expenses.

In its consolidated statement of financial position the company distinguishes between current and non-current assets and liabilities by presenting them as sepratae classifications.

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards 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 might have a significant impact on the consolidated financial statements in the period the assumptions changed. Management believes the underlying assumptions are appropriate.

The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

The company is a non-listed entity and does not disclose segment reporting (IFRS 8) or earning per share (IAS 31).

All primary statements, tables, and figures for 2023 are presented based on unaudited opening balances.

2 Consolidation Principles

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date control ceases. If the Group loses control over a subsidiary, the assets and liabilities of the subsidiary in question are derecognised. The result is recognised in the income statement. Any investment retained is recognised at fair value when control is lost.

All the Group’s entities have 31 December as their year-end.

Associates

Associates are accounted for using the equity method after initially being recognised at cost. An associate is an entity over which the Group has significant influence but not control or joint control. This is generally the presumes when the group holds between 20% and 50 % of the voting rights.

Business Transactions eliminated on Consolidation business

The effects of the business transactions between the entities included in the DWI Group consolidated financial statements are eliminated, except where there are indications of impairment. Results from business transactions with companies accounted for using the equity method are only eliminated in line with the Group's share in the investee.

The financial statements of DWI Group and all subsidiaries are consistently prepared according to standardised accounting policies.

3 Interest in other entities

The Groups's subsidiaries at 31 December 2024 are set out below.

Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of registration is also the principal place of business of each entity.

Company	Company domicile	Interest % (direct and indirect)	Principal activities
HoldCo Merlion S.à r.l.	Luxembourg	100	Holding
HoldCo Diamond S.à r.l.	Luxembourg	100	Holding
FinCo Merlion S.à r.l.	Luxembourg	100	Holding
FinCo Diamond S.à r.l.	Luxembourg	100	Holding
PropCo1 Merlion S.à r.l.	Luxembourg	100	Rental of residential property investment
PropCo1 Diamond S.à r.l.	Luxembourg	100	Rental of residential property investment
PropCo2 Merlion S.à r.l.	Luxembourg	100	shelf company without business activity
PropCo2 Diamond S.à r.l.	Luxembourg	100	shelf company without business activity
PropCo3 Diamond S.à r.l.	Luxembourg	100	shelf company without business activity
PropCo4 Diamond S.à r.l.	Luxembourg	100	shelf company without business activity
HoldCo Köln S.à r.l.	Luxembourg	100	shelf company without business activity
HoldCo Spring S.à r.l.	Luxembourg	100	shelf company without business activity
PAUL Net Zero 1 GmbH	Germany	30	Establishment and operation of facilities for the generation of electrical energy and heat, particularly by means of heat pumps and photovoltaic systems, as well as the distribution of electrical energy and heat
DWI Deutsche Wohnimmobilien GmbH	Germany	100	Holding

4 Changes in Accounting Policies and Disclosures

Changes in Accounting Policies due to New Standards and Interpretations

The following amendments were effective for annual reporting periods commencing on or after 1 January 2024, however they had no material impact on the Group:

- Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants – Amendments to IAS 1,
- Lease Liability in Sale and Leaseback – Amendments to IFRS 16 and
- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7.

New Standards and Interpretations Not Yet Applied

Application of the following standards, interpretations and amendments to existing standards was not yet mandatory for the 2024 financial year. DWI Group also did not choose to apply them in advance. It is expected that the application of the new or amended standards and interpretations will have no material effects on DWI Group's consolidated financial statements for the current and future periods as well as for the pior year. Their application will be mandatory for the financial years following the dates stated in below.

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and amendments is set out below:

1. Amendments to IAS 21 - Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025)

In August 2023, the IASB amended IAS 21 'The Effects of Changes in Foreign Exchange Rates' to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not. The Group does not expect these amendments to have a material impact on its operations or financial statements.

2. Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026)

In May 2024, the IASB issued targeted amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures' to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- Clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- Add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The Group does not expect these amendments to have a material impact on its operations or financial statements.

3. IFRS 19 ‘Subsidiaries without Public Accountability: Disclosures’ (effective for annual periods beginning on or after 1 January 2027)

The standard was issued in May 2024. IFRS 19 allows for certain eligible subsidiaries of parent entities that report under IFRS Accounting Standards to apply reduced disclosure requirements. A subsidiary is eligible if it does not have public accountability and it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

The Group and its subsidiaries are not eligible to apply IFRS 19.

4. IFRS 18 ‘Presentation and Disclosure in Financial Statements’ (effective for annual periods beginning on or after 1 January 2027)

Issued in April 2024, IFRS 18 will replace IAS 1 ‘Presentation of financial statements’, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements. The statement of financial performance will be required to present performance items segregated between operating, investing and financing activities. Retrospective application is required. Assuming an adoption for the year ended December 31, 2027, the comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18.

Management has started the process to assess the impacts of IFRS 18 on the Group’s consolidated financial statements. The Group has also identified that interest paid will be presented in financing activities in the statement of financial performance and in the statement of cash flows.

The Group is continuing to assess the detailed implications of applying the new standard including the determination of items to be presented in the financing and investing categories, on the Group’s consolidated financial statements.

5 Estimates and Assumptions

To a certain extent, the preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the reporting date as well as reported amounts of income and expenses during the reporting year. The actual amounts may differ from the estimates as the business environment may develop differently than expected. In this case, the assumptions and, where necessary, the carrying amounts of the assets or liabilities affected are prospectively adjusted accordingly. Specific estimates and assumptions relating to individual elements of financial statements are also explained in the corresponding notes to the consolidated financial statements.

Assumptions and estimates are reviewed on an ongoing basis and are based on experience and other factors, including expectations regarding future events that appear reasonable under the given circumstances.

Relevant estimates and assumptions relate to the following accounting subjects:

- Assessment whether the aqusition of investment properties (share deal) qualify as a business combination (IFRS 3) or an asset acqusitions (IFRS 10).
- Assessment whether DWI acts as an agent or principal, especially with regard to the recognition of ancillary costs
- Assessment whether the Group is subject to German trade tax
- Assessment of materiality of non-consolidated subsidiaries.
- Estimating progress of completion for purpose of revenue recognition over a period of time (IFRS 15).
- Assessment whether real estate qualifizies as investment properties (IAS 40), assets held for sale (IFRS 5) or trading stock (IAS 2)
- Defining the unit of account relatig to investment properties, also with regard to the ESG strategy
- Acounting for fair value (IFRS 13) in the absence of an active market
- The need to include information concerning the future in the valuation of expected defaults results in discretionary decisions regarding the impact that changes in economic factors will have on the expected defaults.
- The group of investments accounted for using the equity method is determined by assessing significant influence.

DWI Group usually qualfies acquisition of real estate even though conducted via a share deal structrue as asset acquisition, as the asset concentration is met and (acquiried) staff is usually not involved. According to IFRS 3.2(b), all assets acquired and liabilities assumed are recognised at cost. The cost of the group are allocated to the individual assets and liabilities on the basis of relative fair values at the date of purchase. As an additional consequence, DWI Group does not account for deferred taxes at initial recognition.

DWI Group has reviewed their tenant structure and the side-services provided to them. Such services relate to providing water or gas or other third party services (such as housekeeping). This amount is recognized on a non-netted basis using the principal method, in particular due to the Group's business model, which provides for a large proportion of services relevant to ancillary costs as the Group is considered by the tenant to be the primary party responsible for providing the service. The Group also bears an inventory risk due to the settlement method (based on rentable area), as is standard practice in the real estate sector.

Subsequently, such revenues are presented on a gross basis.

Revenue is recognised when the tenants consume the benefits provided by DWI (e.g. when water or electricity are consumed). Consumption is estimated on average historical usage and adjusted at year end once actual consumption is measured.

Currently, the company accounts for deferred tax using a tax rate of 15,825% for Germany which only comprises of Körperschaftsteuer and Solidaritätszuschlag. Trade tax is not taken into account as the managements headquarter is located in Luxembourg. The rate applied with regard to Luxembourg is 24.94 %.

When estimating current and deferred taxes, the Group takes into account the effects of uncertain tax items and whether additional taxes and interest may be due. This assessment is made on the basis of estimates and assumptions about future events. New information may become available that causes the Group to change its discretionary decisions regarding the appropriateness of existing tax liabilities; such changes to tax liabilities will affect the tax expense in the period in which such a change is made.

Deferred tax assets are recognised to the extent that it can be demonstrated that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that there will be sufficient future taxable profits to realise the tax benefit in the future.

Real estate are usually qualified as investment properties. Accounting under IAS 2 (trading stock) is only applicable if DWI Group has a plan to sell such real estate within short time (12~18 months from date of acquisition). A reclassification to assets held for sale (IFRS 5) takes place once there is formal decision approved by the investment advisors to sell such properties.

The unit of account is usually a block of flats unless the block has been legally divided into separated apparments (Wohnungsaufteilung) and there is decision to sell such appartments indvidually. This is also in line with the DWI Group's ESG strategy to foster the ESG footprint of an block of flats (rather than an invidual apartment).

Investment properties are assessed with fair value (IFRS 13). The most reliable indicator of fair value for investment properties is current pricing available in an active market for comparable residential properties. As such information is not publicly available, DWI Group has engaged renowned property valuation experts (RICS) who use standard valuation techniques.

A detailed description of the discounted cash flow (DCF) method used can be found in chapter Investment Properties (Note 13).

In accordance with IAS 40, in conjunction with IFRS 13, the respective fair values of the investment properties owned by DWI Group are determined. Changes in certain market conditions such as prevailing rent levels and vacancy rates may affect the valuation of investment properties. Any changes in the fair value of the investment portfolio are recognised as part of the profit/loss for the year in the income statement and can thus substantially affect the Group's results of operations.

Additional estimates and assumptions mainly relate to the recognition and measurement of provisions as well as the realisation of future tax benefits and the valuation of expected defaults of financial assets.

6 Subsequent Events

By May 2025, the Group finalized the acquisition of the third and fourth tranche of the Diamond real estate portfolio for EUR 11,973 million. To finance this, an additional EUR 12 million tranche was drawn from the LBBW senior loan. With effect from 31. March 2025, the Cologne portfolio comprising 23,365 m² was transferred to the Group.

The Financial statements were authorised for issue on 26. June 2025.

Section (B): Profit/Loss for the year

7 Revenue from Property Management

Accounting Policies

Revenue from property management includes income from the rental of investment properties which is recognised over the duration of the contracts when the remuneration is contractually fixed or can be reliably determined and collection of the related receivable is probable.

In DWI Group's financial statements, the corresponding income for all the services for **operating expenses rechargeable** performed by the end of the year is also recognised in the year in which the service is performed. This amount is recognised on a non-netted basis using the principal method. The Group is considered by the tenant to be the primary party responsible for providing the service. In addition the Group also bears an inventory risk due to the settlement method (based on rentable area), as is standard practice in the real estate sector.

in kEUR	2024	2023
Rental income	9,913	0
Operating expenses rechargeable	7,079	0
Revenue from property letting	**16,992**	**0**

8 Net Gain from Fair Value Adjustments of Investment Properties

The fair values for the Investment properties are calculated by independent experts using a DCF method and are adjusted, where appropriate, based on findings from market observation and transactions. Any gains or losses from a change in fair value are recognized in the income statement affecting net result.

The measurement of the investment properties led to a valuation gain of kEUR 210,356 in the 2024 financial year (see note 13 for Investment Properties).

9 Operating Expenses attributable to Investment Properties

Expenses are recognised when they arise or at the time they are incurred.

in kEUR	2024	2023
Operating expenses rechargeable	7,072	0
Operating expenses non rechargeable	1,208	0
Repair and maintenance costs	285	0
Total	**8,565**	**0**

Operating expenses rechargeable are mainly composed of ancillary costs, that can be charged to the tenant.

Operating expenses (including repairs and maintenance) that are directly attributable to those investment properties from which no rental income was earned during the period are kEUR 7.

10 Other Operating Expenses

in kEUR	2024	2023
Insurances and contributions	3	0
Consulting services	1,201	41
Other miscellaneous expenses	1,385	6
Total	**2,589**	**47**

As the biggest item, other miscellaneous expenses includes kEUR 1.012 for the value adjustments for trade receivables.

11 Finance income and expense

Interests are recognised as income or expense in the period in which it is incurred using the effective interest method.

The financial result, amounting to kEUR -9,325, is comprised of interest income of kEUR 89, primarily attributable to interest earned on time deposits, and interest expenses of kEUR -9,414. The interest expenses primarily arise from bank loans, third-party loans, as well as loans provided by shareholders and indirect shareholders. All interest recognised originates solely from financial instruments measured at amortised cost.

12 Income Taxes

Accounting Policies

Deferred tax assets and liabilities are recognised using the liability method under the temporary concept, providing for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred tax assets are recognised for temporary differences and loss carryforwards only if they can be offset against deferred tax liabilities (considering minimum taxation) or if they can be substantiated by predictable profits expected in the foreseeable future, ensuring realisation.

No deferred taxes are recognized on taxable temporary differences and deductible temporary differences related to interests in group companies as long as the group can control their reversal and they are not expected to reverse in the foreseeable future and profits from the disposal are not subjekt to taxation in Luxembourg.

Deferred taxes are measured at the tax rates that apply, or are expected to apply, to the period when the tax asset is realised or the liability is settled based on the current legislation in the countries in question. The tax rate of corporate income tax of 15.825 % was used to calculate domestic deferred taxes for 2024 in Germany. The rate applied with regard to Luxembourg was 24.94 %. Deferred tax assets and liabilities are netted against each other only if the Group has a legally enforceable right to set off the recognised amounts, when the same tax authority is involved and when the realisation period is the same. In accordance with the regulations of IAS 12 “Income Taxes,” deferred tax assets and liabilities are not discounted.

in kEUR	2024	2023
Deferred tax expense in P&L − temporary differences	32,568	0
Deferred tax recognised in other reserves − temporary differences	7,279	0
Total	**39,847**	**0**

The income tax expense results from the recognition of deferred tax liabilities related to the fair value measurement of the investment properties. The deferred tax recognised in the other reserves relate to the measurment effect of the loans from shareholder and indirect shareholders (see note 21).

The deferred taxes refer to temporary differences in balance sheet items and unutilised loss carryforwards as follows:

in kEUR	deferred tax asset	deferred tax liability
31 Dec 2024		
Investment properties	0	33,562
Bank loans and loans from third parties	0	547
Loans from shareholder and indirect shareholders	424	7,279
Deferred tax on tax loss carryforwards	1,117	0
Total	**1,541**	**41,388**
Offsetting	**-1,541**	**-1,541**
Excess deferred tax liabilities	**0**	**39,847**

The change in deferred taxes is as follows:

in kEUR	2024
Deferred tax liabilities as of Jan 1	**0**
Deferred tax expense in income statement	32,568
Deferred tax -recognised in other reserves	7,279
Deferred tax liabilities as of 31 Dec	**39,847**

As at 31 December 2024, no deferred taxes are recognised on corporate tax loss carryforwards of kEUR 17 at the level of the HoldCo companies as possible offset potential lies solely in tax-exempt assets.

A reconciliation between disclosed effective income taxes and expected tax expense, which is the product of the accounting profit for the period multiplied by the average tax rate applicable in Germany, is shown in the table below.

in kEUR	2024
Profit before tax	206,866
Income tax rate in %	15.83%
Expected tax expense	**32,737**
Non-recognition of deferred tax assets on tax losses	84
Other	-253
Effective income taxes	**32,568**
Effective income tax rate in %	15.74%

Section (C): Assets

13 Investment Properties

Accounting Policies

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by or for the Groups's own activities is classified as inverstment property.

All leases that meet the definition of investment property are classified as investment property and measured at fair value.

Investment property is measured initially at ist cost, includig related transaction costs and where applicable borrowing cost.

DWI Group usually qualfies acquisition of real estate even though conducted via a share deal structrue as asset acquisition, as the asset concentration is met and (acquiried) staff is usually not in involved. According to IFRS 3.2(b), all assets acquired and liabilities assumed are recognised at cost. The cost of the group are allocated to the individual assets and liabilities on the basis of relative fair values at the date of purchase.

Investment property that is obtained through a lease is measured initially at the lease liability amount adjusted for any lease payments made at or before the commencement date (less any lease incentives received), any initial direct costs incurred by the Group, and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The fair values of the residential investment properties were determined on the basis of the International Valuation Standard Committee's definition of market value. Portfolio premiums and discounts, which can be observed when portfolios are sold in market transactions, were not included, nor were time restrictions in the marketing of individual properties. DWI Group determines fair value in accordance with the requirements of IAS 40, in conjunction with IFRS 13.

DWI Group, in principle, measures its portfolio on the basis of the discounted cash flow (DCF) method. Under the DCF methodology, the expected future income and costs of a property are forecasted over a detailed period of ten years and discounted to the date of valuation as the net present value.

Valuation is performed by renowned third party advisors who are member of RICS (Royal Institution of Chartered Surveyors) and followed RICS valuation standard which are deemed to be in accordance with IFRS 13.

The expected rental income is derived for each location from the latest rent indices and rent tables as well as from studies on spatial prosperity. On the cost side, maintenance expenses and administrative costs are taken into account.

On this basis, the forecast cash flows are calculated on an annual basis and discounted to the date of valuation as the net present value. Furthermore, the terminal value of the property at the end of the ten-year period is determined using the expected stabilised net operating income and again discounted to the date of valuation as the net present value. The discount rate applied reflects the market situation, location, type of property, special property features (e.g. rent restrictions), the yield expectations of a potential investor and the risk associated with the forecast future cash flows of the property.

The valuation is, in principle, performed on the basis of homogeneous valuation units. These meet the criteria of economically cohesive and comparable land and buildings. They include:

- Geographical location (identity of the microlocation and geographical proximity)
- Comparable types of use, construction year class and condition of property
- Same property features such as rent restrictions, rights and full or part ownership.

The Group is currently assessing the impact that climate change could have on the consolidated financial statements of the Group. The expectations are however that climate change wouldn't have any significant impact on the Group's operations and financial position in the near future.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated withe the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the cost of the replacement is included in the carrying amount of the property and the fair value is reassessed.

Changes in fair values are recognised in the income statement. Investment properties are derecognised when they have been disposed of.

Where the Group diposes of a property at fair value in an arms's lenghth transaction, the carrying value immediately prior to the sale is adjusted to the transaction price and the adjustment is recorded in the income statement within net gain from fair value adjustments on investment property.

Where an investment property undergoes a change in use, such as commencement of development with a view to sell, 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.

in kEUR	
As at 1 Jan 2024	0
Additions	663,077
Net income from fair value adjustments of investment properties	210,356
Right of Use Asset heritable building right of land	4,777
As at 31 Dec 2024	**878,210**

The investment properties consists exclusively of residental investment properties and and the additions result solely from the purchase of two real estate portfolios in the financial year 2024. The carrying amount of investment properties as at 31 December 2024 includes right of use assets in conjuction with heritable building rights of kEUR 4,777. The investment properties serve as collateral for the borrowings (see note 21).

In the previous year, there were no investment properties. Therefore, no prior-year figures are presented in this chapter.

Directly Attributable Operating Expenses

Rental income from investment properties amounted to kEUR 16.992 during the financial year. Operating expenses directly relating to these properties amounted to kEUR 8.565 during the financial year. These include expenses for maintenance and repairs, operating costs that cannot be passed on to the tenants and expenses for property management.

Fair Values

The contractually fixed remuneration for the valuation report is not linked to the valuation results.

The material valuation parameters as per the valuation report for the investment properties (Level 3) in the real estate portfolio are as follows as at 31 December 2024:

Valuation parameters for investment properties (Level3)	Unit	Average	Range
31 Dec 2024			
Market rent p.a.	EUR/sqm	8.72	4.03-18.00
Discount rate total	%	4.70	2.38-7.00
Capitalised interest rate total	%	5.21	2.63-7.13
Stabilised vacancy rate	%	8.19	0-80.94

The specified evaluation parameters represent weighted averages according to market value.The specified ranges do not take into account any extraordinary individual cases.

Net income from the valuation of investment properties amounted to kEUR 210.356 in the 2024 financial year.

Sensitivity Analysis

The sensitivity analysis performed on DWI's real estate portfolio show the impact of value drivers dependent upon market developments. Those influenced in particular are the market rents, discount rates and capitalisation rates.

Interactions between the parameters are possible but cannot be quantified owing to the complexity of the interrelationships. The vacancy and market rent parameters, for example, can influence each other. If rising demand for housing is not met by adequate supply developments, then this can result in lower vacancy rates and, at the same time, rising market rents. If, however, the rising demand is compensated for by a high vacancy reserve in the location in question, then the market rent level does not necessarily change.

Changes in the demand for housing can also impact the risk associated with the expected cash flows, which is then reflected in adjusted discounting and capitalised interest rates. The effects do not, however, necessarily have to have a favorable impact on each other, for example, if the changes in the demand for residential real estate are overshadowed by macroeconomic developments. In addition, factors other than demand can have an impact on these parameters. Examples include changes in the portfolio, in seller and buyer behaviour, political decisions and developments on the capital market.

The table below shows the impact on values in the event of a change in the valuation parameters.

Change in value	**Market rent**		**Discount rate**		**Capitalisation rate**	
31 Dec 2024	-10.0%	10.0%	-0.50 PP	0.50 PP	-0.50PP	0.50 PP
in kEUR	-103,591	103,819	38,492	-37,269	76,371	-62,214
In %	-11.9	11.9	4.4	-4.3	8.7	-7.1

The following overview shows the impact on values in the event of a change in the valuation parameters by geographical distribution of the real estate portfolios.

Change in value	Market rent		Discount rate		Capitalisation rate	
31 Dec 2024	-10.0%	10.0%	-0.50 PP	0.50 PP	-0.50PP	0.50 PP
in %						
Berlin	-9.9	9.5	4.4	-4.2	15.8	-11.7
Brandenburg	-11.8	11.4	4.4	-4.3	7.1	-6.2
Mecklenburg-Vor-pommern	-10.0	10.0	4.3	-3.9	7.2	-6.2
Niedersachsen	-12.7	12.7	4.4	-4.2	6.7	-5.4
Nordrhein-Westfalen	-12.2	12.2	4.5	-4.3	8.2	-6.8
Sachsen-Anhalt	-10.7	10.7	4.3	-3.9	6.0	-5.0
Schleswig-Holstein	-11.6	11.7	4.6	-4.3	10.0	-7.9

14 Contractual Obligations

Apart from the obligations in connection with the acquisition of the remaining part of the portfolio in March 2025 from the ZBI Group (see Note 6), which was closed at the end of December 2024, there are no other contractual obligations at DWI group.

15 Financial Assets

Accounting Policies

Regular way purchases and sales of financial assets are recognised on the trade date, which is the date the Group commits to purchase or sell the asset. Financial assets are then derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. Any gain or loss arising on derecognition is recognised directly in profit or loss presented in other gains (losses).

In accordance with IFRS 9, the classification of financial assets takes into account both the business model in which financial assets are held and the characteristics of the cash flows of the assets in question. These criteria determine whether the assets are measured at amortised cost using the effective interest method or at fair value. The financial assets are initially measured at fair value, and because they are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest, they are subsequently measured at amortised cost.

Because all of the financial assets are current and no transaction costs arose, the effective interest method is not applied. For the financial assets such as trade receivables, and other receivables, the simplified approach permitted by IFRS 9 is applied, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The carrying amounts of current trade receivables correspond to their fair values.

The fair values of the shares in non-consolidated subsidiaries approximate also their carrying amounts at the reporting date because these are immaterial shelf companies without operational business activities.

in kEUR	31 Dec 2024 non-current	31 Dec 2024 current	31 Dec 2023 non-current	31 Dec 2023 current
Shares in investments	96	0	0	0
Trade receivables	0	2,581	0	0
Other current receivables	0	3,419	0	0
Total	**96**	**6,000**	**0**	**0**

The financial assets of the group are shares of the non-consolidated subsidiaries,trade receivables, and other current receivables (mainly due to an overpayment for the real estate agent).

For the cash and cash equivalents see Note 18.

16 Contract Assets

DWI provides services like water, gas and other third party services (such as housekeeping) to the tenants as part of the lease agreements. Contract assets from ancillary costs comprise the excess of ancillary cost payments made during the year and the payments made by the tenants in advance before billing. The prepayments with regard to these services are due monthly. Revenue is recognised when the tenants consume the benefits provided by DWI (e.g. when water or electricity are consumed). Consumption is estimated on average historical usage and adjusted at year end once actual consumption is measured.

DWI started its business in 2024. Hence prior year balance of contract assets was zero.

Contract assets have same caracteristics as trade receivables from rent and therefore are tested for impairment on the same basis (see note 25).

in kEUR	31 Dec 2024	31 Dec 2023
Current contract assets from operating costs	7,079	0

The operating costs are recognised on a non-netted basis using the principal method.

17 Investments in Associates

As of the reporting date, DWI held 30% interests in one associate, Paul Net Zero 1 GmbH which was accounted for using the equity method.

in kEUR	31 Dec 2024 Paul Net Zero 1 GmbH
Book value of the shares 01.01.2024	**8**
Share of the group in the result of the associated company	-316
Book value of the shares 31.12.2024	**0**
Result from the valuation at equity	**-8**

The at-equity adjustment of the investment in the Paul Net Zero 1 GmbH results in a loss of kEUR 8 at 31 December 2024.

18 Cash and Cash Equivalents

Accounting Policies

Cash and cash equivalents are measured using the general impairment approach in accordance with IFRS 9.

Cash and cash equivalents include credit balances at credit institutions mainly including time deposits. These are subject to an insignificant risk of change in value.

Cash and cash equivalents include time deposits and rental income accounts totaling kEUR 42.415 (prior year: kEUR 0).

Except for the accounts of Banque Générale du Luxembourg, which altogether show a balance of kEUR 11.504, all other amounts of cash and cash equivalents are subject to restrictions on disposal (kEUR 30.911).

Section (D): Capital Structure

19 Total Equity

Development of the Subscribed Capital

Shares are classified as equity when there is no obligation to transfer cash or other assets.

in kEUR	
As at 1 Jan 2024	12
Capital increase	78
As at 31 Dec 2024	**90**

The subscribed share capital of the company amounts to kEUR 90, divided into 40,000 ordinary authorised shares R, 39,500 Series A preferred shares, and 10,500 Series B preferred shares. All issued shares are fully paid and have a par value of 1 EUR.

Development of the Capital Reserves

in kEUR	
As at 1 Jan 2024	15
Capital increase	150
As at 31 Dec 2024	**165**

The capital reserve consists of the share premium. The shares numbered 1 to 35,200 inclusive, as well as 79,501 to 90,000 inclusive, are pledged in favour of Mr. Dr. Ingo Krocke.

Development of the Other Reserves

The other reserves developed as follows:

in kEUR	
As at 1 Jan 2024	0
Valuation effect of the loans from shareholder and indirect shareholder	29,186
Deferred tax liability valuation effect	-7,279
As at 31 Dec 2024	**21,907**

Retained Earnings

Retained earnings of kEUR 174,238 were reported as at 31 December 2024. They include a loss carried forward of kEUR 59.

20 Provisions

In the fiscal year 2024, no provisions were recognised.

21 Borrowings

Accounting Policies

DWI Group recognizes non-current financial liabilities, which include liabilities to credit institutions and to investors, at their fair value on the day of trading, less the directly attributable transaction costs (this generally corresponds to the acquisition cost). These liabilities are subsequently measured 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 over the period of the borrowings using the effective interest method.

The financial liabilities are derecognised when the obligation specified in the contract is extinguished, cancelled or expired.

in kEUR	2024	2023
Bank loans and loans from third parties	533,565	0
Liabilities to shareholder and indirect shareholders	115,072	0
Total	**648,637**	**0**

in kEUR	current	non-current
Bank loans and loans from third parties	4,465	529,100
Liabilities to shareholder and indirect shareholders	0	115,072
Total	**4,465**	**644,172**

Loan arrangements with covenants are classified as current or non-current based on compliance requirements that the Group must meet by or before the end of the reporting period. Covenants that need to be fulfilled after the reporting period do not influence the classification of loans at the reporting date.

Bank borrowings mature on 30. November 2027 and bear an interest rate of 4.17%/4.28%.

The third party loan matures on 30. November 2027 and bears an interest rate of 12.00%.

All interest rates are fixed and therefore no exposure to change of market rates.

The financial liabilities developed as follows in the fiscal year:

in kEUR	As at 1 Jan 2024	New loans	Capitalised interests	Repayments	Adjusted for effective interest method	Modification interests	As at 31 Dec 2024
Bank loans and loans from third parties	0	544,429	1,203	922	-11,145	0	533,565
Loans from shareholder and indirect shareholders	0	141,987	569	0	1,701	-29,186	115,072
Total	**0**	**686,415**	**1,773**	**922**	**-9,444**	**-29,186**	**648,636**

The loans from shareholder and indirect shareholders are granted with a nominal value of kEUR 141,987. The modification of the interests as from 1st October 2024 (from 9% to 0.5% for the main loans) which relate to loans with a nominal value of kEUR 104,171 was treated as a derecognition and recognition of a new liability according to IFRS 9.3.3.3 and IFRS 9 B3.3.6. The new liabilities are recorded with their fair values. The difference between the carrying value of the loans and the fair value of the new liabilities results in a reduction of kEUR 21,604. In addition, loans with a nominal value of kEUR 37,816 are granted with interests of 0.5% for the main loans. These loans are initially recorded with their fair value. This results in a reduction of the liabilities of kEUR 7,582 (compare note 23).

The total result from these effects for all of the loans amounts to kEUR 29,186 and is recorded in the other reserves in equity (see note 19). The adjustment according to the effective interest method for the subsequent measurement results in a loss of kEUR 1,701 for all of the loans.

The credit facility of the Junior Mezzanine loan of FinCo Diamond and FinCo Merlion amounts to kEUR 135,000. The carrying amount on 31 December 2024 is kEUR 95,679. The difference of the undrawn facility amounting to kEUR 39,321 will be utilized through the capitalisation of half of the interests until the end of the term at the end of 2027.

Of the nominal obligations to banks and third parties, kEUR 544,429 are secured by land charges and other collateral (account pledge agreements, assignments, pledges of company shares, mainly composed of the investment properties, see note 13). If payment obligations are not fulfilled, the securities provided are used to satisfy the claims of the banks.

22 Trade and Other current Financial Liabilities

Accounting Policies

Trade and other current financial liabilities are recognised initially at fair value. The fair value of a non-interest-bearing liability is its discounted repayment amount. Because the due date of the trade and other liabilities of the Group are less than one year, they are not discounted.
Financial liabilities are derecognised when the Group's obligations specified in the contract expire or are discharged or cancelled. Liabilities bearing no interest or interest below market rates in return for occupancy rights at rents below the prevailing market rates are recorded at present value.

in kEUR	31 Dec 2024	31 Dec 2023
Trade liabilities	954	0
Contract liabilities	6,317	0
Accruals	32,488	0
Tax liability	4,240	0
Other liabilities	142	33
Total	**44,140**	**33**

Trade liabilities arose from the operating business, the accruals and the tax liability include liabilities from real estate transfer tax in the amount of kEUR 30,953. Other liabilities contain liabilities for VAT (kEUR 99).

Section (E): Corporate Governance Disclosures

23 Related Party Transactions

DWI group defines related parties as parties which DWI group directly or indirectly controls through one or more intermediate levels (subsidiary), is directly or indirectly controlled by the company through one or more intermediate levels (parent company) or has a participation in the company that grants it significant influence over the company (associated company).

A natural person is considered a related party if they are a member of key management personnel in the company or its parent company, or a close family member of a member of key management personnel in the company or its parent company. Furthermore, this is a person which controls the company, has a shareholding in the company that grants it significant influence over the company, or is a close family member of a natural person who controls, significantly influences, or jointly manages the company.

At DWI group, the individual in key positions pursuant to IAS 24 include the member of the Management Board of DWI. The director's fees for 2024 amounts to kEUR 114. The director's fees paid to the managing director includes the director's fees for all mandates at DWI Group companies, subsidiaries and participating interests. The managing director is not granted any loans or advances.

Attegia Holding Ltd and Net Zero Properties S.A. are the jointly controlling immediate parent companies and Ingo Krocke and Marco Zarges are the ultimate controlling parties. Attegia Holding Ltd. granted loans with a nominal value of kEUR 111,960 and interests of 0.5% as from 1 st October 2024. The carrying amount as at 31 December 2024 is 90,738 and the loans are due on 31 December 2027. Marco Zarges granted loans with a nominal value of kEUR 23,910 and interests of 0.5% as from 1 st October 2024. The carrying amount as at 31 December 2024 is kEUR 19,395 and the loans are due on 31 December 2027. Net zero properties S.A. granted loans with a nominal value of kEUR 5,497 and interests of 0.5% as from 1 st October 2024. The carrying amount as at 31 December 2024 is kEUR 4,450 and the loans are due on 31 December 2027. Regarding the development of loans, reference is made to Note 21.

Section (F): Additional Financial Management Disclosures

24 Additional Financial Instrument and Fair Value Hierarchy Disclosures

Accounting Policies

The different levels of fair value hierarchy are defined as follows:

- 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).

Financial Instruments

Measurement categories and classes kEUR	Carrying amounts 31 Dec 2024	Amor-tized cost	Fair Value 31 Dec 2024	Fair value hi-erarchy level
Assets				
Trade receivables and other assets	6,000	6,000	6,000	n.a.
Cash and cash equivalents	42,415	42,415	42,415	n.a.
Liabilities				
Trade liabilities	954	954	954	n.a.
Bank loans and loans from third parties	533,565	533,565	548,816	2
Loans from shareholder and indirect shareholders	115,072	115,072	112,957	2

Fair value hierarchy for Assets and Liabilities except for financial instruments

kEUR	Carrying amounts 31 Dec 2024	Fair value hier-archy level
Assets		
Investment properties	878,210	3
Contract assets	7,079	n.a.
Liabilities		
Contract liabilities	6,317	n.a.

The bank loans and liabilities to affiliated companies are measured at amortised cost and the carrying amount is not a reasonable approximation of fair value. They are included in level 2 because all significant inputs required to fair value the instruments are observable.

No financial instruments were reclassified to different hierarchy levels compared to the previous period.

The fair values of the cash and cash equivalents, trade receivables and other financial receivables approximate their carrying amounts at the reporting date owing to their mainly short maturities. It was determined that the cash and cash equivalents have a low risk of default due to the external ratings and short residual maturities and that there is no need for any impairment of cash and cash equivalents.

25 Financial Risk Management

The Group manages financial risks through its risk management function. Financial risks are risks arising from financial instruments to which the Group is exposed during or at the end of the reporting period. Financial risk comprises credit risk and liquidity risk.

There is no relevant market risk within the Group. Because the financial liabilities are comprised entirely of long-term fixed-rate loans, they do not carry significant short-term interest rate risks. Trade and other receivables and trade and other payables are interest-free and with a term of less than one year. The Group has determined there is no interest rate risk associated with these financial assets and liabilities. The business transactions are concluded in euros, so there is no risk from currency conversion.

The risks associated with financial instruments and the corresponding risk management are described in detail as follows.

Credit Risks

Credit risk refers to the potential threat that a counterparty might fail to meet its contractual obligations, resulting in a financial loss for the other party. This risk mainly originates from the Group's receivables from tenants. However, the Group has no significant concentrations of credit risk as the Group has a diverse customer base, with no single customer accounting for more than 1% of rental income.

The Group's exposure to credit risk arises from its financial assets and the maximum exposure corresponds to their respective carrying values.

The DWI considers a claim as defaulted if, after the last warning with the announcement of legal action or after the initiation of legal measures (e.g., payment and eviction lawsuit, if applicable, dunning or enforcement order), no payment is received.

- **Trade receivables**

DWI Group's receivables from property letting (rent receivables, receivables from ancillary costs), which generally arise from the third working day of the month, are of a short-term nature and result from claims in relation to tenants relating to operating business activities. Due to the (subsequent) measurement at amortised cost, an impairment test has to be performed.

In accordance with the general provisions set out in IFRS 9, expected credit losses are to be recognised using the simplified approach for current trade receivables. This means that there is no need to track the changes in credit risk. Instead, the Group is required to recognise a provision for doubtful debts in the amount of the lifetime expected loss (expected credit loss) at initial recognition as well as at each subsequent reporting day.

DWI Group's receivables from property letting arose from the investment properties of the two portfolios "Diamond" and "Merlion", which were acquired after the establishment of the Group in the 2024 financial year. The first tranche of investment properties of the Diamond portfolio was closed on 1st October 2024. The Merlion portfolio was closed on 1st December 2024.

The DWI Group has no direct experience with the two portfolios in respect of risk provisions of the receivables from letting.

The Diamond portfolio was acquired at the beginning of the fourth quarter of 2024. The receivables therefore have a maximum age of 3 months as at the balance sheet date (hereinafter "BST"). The tenants were informed of the new bank details on 24 December 2024. The rent receivables accrued up to the BST therefore appear high in relation to the total rental income. A comparison was therefore made of the tenant arrears lists between BST and the comparison date of 31 March 2025 (hereinafter "VST"). The following assumptions were made:

To determine the general valuation allowance, the rent arrears lists at the end of the year were compared with the figures as at 31 March. In those cases in which an increase in rent arrears was identified by 31 March and at the same time no reduction in rent arrears was recorded compared to the previous month, a general valuation adjustment of 100% was made.

The background to this procedure is that tenants only adjusted to the change in payment details at the end of the first quarter and are now beginning to settle the accumulated arrears.

Based on the experience gained from the monthly and quarterly stakeholder reports, the company will draft a regulation on general valuation allowances for the 2025 balance sheet date, which has staggered adjustment rates according to the age of the receivables.

The Merlion portfolio was acquired with the transfer of benefits and encumbrances as at 1st December 2024. Most of the rents had been paid to the previous owner by the balance sheet date and therefore totalled kEUR 785. Due to a lack of further information, the receivables were written down by a lump sum of 20% at the end of the year in the amount of kEUR 157 after consultation with the property management company.

Impairment losses for the trade receivables developed as follows:

in kEUR	
Impairment losses as at 1 Jan 2024	0
Addition	-1,012
Impairment losses as at 31 Dec 2024	**-1,012**

For the subsequent consolidated financial statements, the maturity ECL is applied (age structure list weighted with the group-specific probability of occurrence).

- **Cash and cash equivalents**

The Cash and cash equivalents mainly pertain to bank deposits at the credit institutions Banque Générale du Luxembourg and Landesbank Baden-Württemberg with stable ratings (A2 and Aa2). Therefore, there is no significant credit risk for cash and cash equivalents.

Liquidity Risks

The group monitors the liquidity requirements of the individual group companies at the company level through close-knit monitoring.

Considering the capital contributions pledged by the shareholders within the framework of the shareholder agreement concluded on 6th June 2024, it is ensured that the respective companies are always able to meet their financial obligations properly and timely.

Under the conditions of existing loan agreements, DWI is obliged to fulfil certain financial covenants.

For the Senior Financial Agreement with Landesbank Baden-Württemberg (LBBW), which has a carrying amount of kEUR 437,922 these covenants include Debt Coverage Ratio (DCR), Debt Yield (DY), Loan to Value (LTV) and Loan to Market (LTMV). A breach of any of these financial covenants results in the occurrence of a “Cash Trap Event”. The Senior Borrower is obliged to prepay the loans in an amount sufficient to cure the breach of the relevant financial covenant. In case of breach of the LTV or the LTMV, the Senior Borrower may also deposit an amount sufficient to cure the breach of the LTV or, as applicable, LTMV, into the Reserve Account provided that such amount may be credited into the General Account if no breach of the LTV or, as applicable, LTMV is continuing and no Event of Default, no Default and no Trap Event would occur or be continuing as a result of the payment into the General Account.

For the Mezzanine Financial Agreement with CLZ I S.à r.l., which has a carrying amount of kEUR 96,262 the covenants include DY, LTV and Debt Service Cover. In case of a breach of any of these financial covenants, the Mezzanine Borrower may repay the loan in an amount sufficient to ensure that the relevant financial covenant is complied with (together with any prepayment fee, break costs and other costs becoming due) or, in case of non-compliance with the Consolidated Loan to Value Covenant or the Portfolio Loan to Value Covenant, pay into the relevant Reserve account an amount calculated by the Agent to ensure compliance with this financial covenants (and covering any prepayment fees, break costs and other costs which would become due) in case of a prepayment.

There are no indications that the entity might have difficulties complying with the covenants. As of the balance sheet date, the Group had cash funds amounting to kEUR 42,415.

The subsequent liquidity analyses show the contractually agreed (undiscounted) cash flows of the original financial liabilities, including interest payments, as of the respective balance sheet date. All financial instruments that were held as of the respective balance sheet date were included in the analyses. Planned payments for future new liabilities were not considered.

in kEUR	Nominal obliga-tion 31 Dec 2024	less than 1 month	From 1 to 3 months	From 3 to 12 months	2026	2027
Bank loans and loans from third parties	544,429	0	7,341	22,086	29,611	576,919
Loans from share-holder and indirect shareholder	141,987	0	0	0	0	144,651
Trade liabilities	954	954	0	0	0	0
Other Liabilities	142	142	0	0	0	0
Total	**687,511**	**1,096**	**7,341**	**22,086**	**29,611**	**721,570**

26 Capital Management

The company determines various key figures (Financial Covenants) as part of lender reporting, which must be complied with on the respective reporting dates. These include the Debt Coverage Ratio (DCR), Debt Yield (DY), Loan to Value (LTV) and Loan to Market (LTMV).

The equity ratio is as follows at the end of the year:

in kEUR	31 Dec 2024
Total equity	196,400
Total assets	933,801
Equity ratio	**21.03%**

27 Disclosures on Lease Arrangements according to IFRS 16

DWI Group enters into lease agreements particularly for the hereditary lease contracts for land (hereditary building rights).

Leasehold agreements have terms of up to 180 years and sometimes provide a pre-emptive right to renew the leasehold in case of a new establishment of a leasehold after the contract expires or a right of first refusal for the leaseholder in cases of land sale.

From the lessee's perspective, there are no renewal or purchase options. The lease payments are partly indexed.

The rights of use for investment properties (leasehold rights) which are measured at fair value as the book value corresponds to the fair value according to IAS 40 are also measured at fair value and reported under Investment Properties.

The amounts recorded in the consolidated income statement in connection with hereditary building rights are kEUR 60 (Interest expense leasing).

The carrying values of the lease liabilities from hereditary building rights amount to kEUR 4,777.

DWI Group is also lessor DWI is also the lessor of residential properties. In the area of residential properties, there are usually rental agreements with the statutory notice period of three months. Therefore, there are no long-term lease agreements in the sense of IFRS 16.

28 Contingent Liabilities

Apart from the securities for the bank loans (see Note 21) there are no other contingent liabilities for DWI group.

29 Other Financial Obligations

The Group has no other financial obligations as of 31 December 2024.