

Net Zero Properties Surpasses €2 billion GAV and 21,000 Units, Strengthens Balance Sheet and Senior Leadership

- Closes 5,600-unit acquisition in Northern Germany taking portfolio to more than 21,000 units and c. €2.1 billion GAV
- Vacancy reduced to c. 6.4%, driving strong rental growth alongside continued ESG upgrades
- Refinances private credit facility with unsecured corporate debt, strengthening balance sheet and cashflow profile
- Appoints Rob Jones as CFO; continues hiring talent across the full German residential value chain

Luxembourg, 1 October 2026 – Net Zero Properties S.à r.l. (“NZP”), a portfolio company of ZAGA Capital Partners, today announced the completion of its acquisition of 5,600 residential units in Northern Germany, together with a series of further milestones achieved over recent weeks that underscore the continued scale-up of its platform: a successful refinancing that strengthens its balance sheet and cashflow generation, and further additions to its management team.

ACQUISITION OF NORTHERN GERMAN PORTFOLIO

NZP has completed the acquisition of a residential portfolio comprising approximately 5,600 units and 333,000 sqm of lettable area, located across five clusters in Schleswig-Holstein and Lower Saxony. Following this acquisition, NZP's total portfolio has grown to more than 21,000 residential units across Germany, with a gross asset value of approximately €2.1 billion and a pro forma annual rent roll of circa €106 million. NZP was advised by POELLATH (legal), PwC (financial and tax), TA Europe (technical) and JLL (commercial).

CONTINUED SCALE-UP OF INVESTMENT ACTIVITY

This closing follows NZP's purchase of approximately 1,010 units announced in June 2026, which together with this transaction extends ZAGA's continued momentum in capitalising on the ongoing dislocation in the German real estate market, acquiring high-quality residential assets in some of the country's most undersupplied regions. ZAGA is currently underwriting a further c. €3.0 billion of pipeline acquisitions and has an ambition to grow the platform to more than 30,000 units by the end of next year.

REFINANCING

NZP has also successfully refinanced its private credit facility, replacing the existing mezzanine financing with unsecured corporate debt. Following the refinancing, NZP's blended loan-to-value across the portfolio stands at approximately 55%. The refinancing strengthens NZP's balance sheet and is expected to have a positive impact on cash flow generation.

STRENGTHENING OF THE MANAGEMENT TEAM

NZP has appointed Rob Jones, CFA, as Chief Financial Officer. Rob joins from CTP N.V., where he served as Head of Investor Relations and PR. He previously spent 15 years as an equity research analyst working for a number of blue-chip financial institutions covering the European Real Estate universe, including the German residential sector. His appointment brings additional finance, capital markets, accounting and IR expertise to NZP's senior leadership.

The company continues to attract talent across the full value creation chain for German residential real estate, increasingly bringing the full suite of asset management, leasing and property management activities in-house.

ASSET MANAGEMENT

Asset management across the combined portfolio continues to perform, with vacancy down circa 160 basis points over the past 12 months to approximately 6.4%. This includes some portfolios that have been under NZP ownership for more than two years which are now trending at or below 3% vacancy, reflecting the compounding benefit of NZP's asset management approach as it matures across the portfolio, alongside robust rental growth driven by targeted capital expenditure and tenant improvement programmes.

TECHNOLOGY AND ESG IMPLEMENTATION

As of September 2026, almost 10,000 units have been fully upgraded under NZP's "manage-to-green" programme, including the installation of heat pumps and AI-enabled technologies to reduce carbon emissions towards net-zero. Of the EPC upgrades completed to date, 70% of newly issued EPC ratings have achieved an A or B rating, reflecting NZP's strategy of acquiring good-quality assets with below-par energy efficiency and repositioning them, in a capital-efficient manner, into future-proofed, high-performing buildings.

"This portfolio is an excellent fit for our strategy: established Northern German markets with resilient demand and strong energy transition potential. Rob Jones' appointment as CFO further strengthens an already experienced senior team, and we continue to attract top talent across the full value chain as we work towards our target of more than 30,000 units."

— Martin Hofmann, CEO of Net Zero Properties

ABOUT NET ZERO PROPERTIES

Net Zero Properties S.à r.l. is a vertically integrated manager of income-producing German residential real estate, focused on owning and managing properties in densely populated regions of Germany. The platform combines centralised investment direction and portfolio steering with localised, on-the-ground asset and property management, and is upgrading its portfolio to high energy efficiency standards through its "Manage-to-Green" programme. The firm has offices in Munich, Düsseldorf, Essen and Luxembourg, with a team of 40 professionals. Net Zero Properties is a portfolio company of ZAGA Capital Partners. Further information: www.n-z-p.com.

ABOUT ZAGA CAPITAL PARTNERS

ZAGA Capital Partners Ltd. is an owner-managed private real estate investment firm headquartered in London, specialising in opportunistic and value-add investments across Europe, with a particular focus on Germany. Founded by Marco Zarges and Antonio Galea, the firm brings more than €10 billion of cumulative real estate transaction experience and a strong institutional approach to sourcing, structuring and asset management. ZAGA's strategy combines deep local expertise with an active value-creation model centred around operational excellence, sustainability transformation and disciplined capital deployment. Further information is available at www.zagacap.com

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