

THE GROUNDS

REAL ESTATE DEVELOPMENT AG



HALF-YEAR REPORT | 2025



THE GROUNDS

REAL ESTATE DEVELOPMENT AG

HALF-YEAR REPORT

for the financial period
1 January to 30 June 2025

This half-year report was published on 29 September 2025 and is also available in English.
The German version takes precedent in the case of any doubt.

Both versions of the half-year report are available online on our website:

www.thegroundsag.com/de/investor-relations/finanzberichte-und-praesentationen/halbjahresberichte

www.thegroundsag.com/en/investor-relation/financial-reports-and-presentations/half-year-reports

For reasons of better legibility, we mostly use the masculine form of personal nouns in this report. This always refers to female and male persons at the same time and expressly includes other gender identities.



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KEY FIGURES

Group key figures		H1 2025	H1 2024
Revenue	TEUR	2,924	8,710
... of which sales	TEUR	1,713	7,838
... of which rental income	TEUR	1,211	868
Earnings before interest and taxes (EBIT)	TEUR	-1,076	-4,287
Consolidated net earnings	TEUR	-3,650	-8,079
Earnings per share	EUR	-0.19	-0.30
Total assets	TEUR	169,934	168,326*
Equity	TEUR	44,116	50,746*
Equity ratio	%	26.0%	30.1%*
Financial liabilities & bonds	TEUR	113,401	99,692*
Loan to value (LTV)	%	66%	51%*
Cash flow from operating activities	TEUR	-32,318	-2,725
Cash flow from investing activities	TEUR	136	-72
Cash flow from financing activities	TEUR	10,187	1,062
Employees		17	13

* Value as of 31 December 2024

Portfolio key figures		30 June 2025	31 Dec. 2024
Portfolio properties (Fixed assets)**			
Living/usable space	m²	22,556	26,143
Units		349	414
Rental income p.a.	TEUR	1,583	1,644
Portfolio development (Current assets)			
Living/usable space	m²	12,519	1,560
Units		152	11
Rental income p.a.	TEUR	1,214	129
Land development			
Planned living/usable space	m²	129,972	129,872

** Reclassification of Schorfheide & Rauen in portfolio development

Overview of The Grounds shares (Xetra prices)		H1 2025	H1 2024
Market capitalisation (as at 30 June)	TEUR	56,873	9,170
Share capital (as at 30 June)	TEUR	49,455	17,806
Closing price	EUR	1.15	0.52
Share price low	EUR	1.08	0.52
Share price high	EUR	1.90	0.85
ISIN	DE000A40KXL9		
Segment	Primary market, Düsseldorf Stock Exchange		



LETTER TO THE SHAREHOLDERS

**Dear Shareholders,
Dear Ladies and Gentlemen,**

the overall economic environment showed a very heterogeneous picture in the first half of 2025. Economic growth in Germany remains low, and leading economic research institutes expect higher growth momentum only from 2026 onwards. The ongoing war in Ukraine, the current foreign and economic policy of the USA, in particular its tariff policy, but also the structural need for reform in many areas in Germany continue to be defining influencing factors. Together, they're causing uncertainty on the capital markets and in a wide variety of sectors, which is reflected, not least, in declining investment activity and low private consumption. Positive influencing factors, on the other hand, include the stabilisation of the price level around the European Central Bank's (ECB) inflation target and the renewed moderation of key interest rates.

This mixed situation has also shaped the development of the property markets in the past few months. While the price level stabilised in many places and rising prices can already be observed in some cases, transaction activity on the German



JACOPO MINGAZZINI

CEO

Jacopo Mingazzini (Dipl.-Kfm. and Real Estate Economist ebs) has been member of the Company's Executive Board since August 2020.

Until March 2020 he was Managing Director of Accentro GmbH, which he founded in 1999 – additional since 2011 member of the Management Board of Accentro Real Estate AG.

Jacopo Mingazzini is lecturer at IREBS and, amongst others, he is member of the Management Board of "Liberale Immobilienrunde" as well of "Association to Promote residential property" in Berlin.



ANDREW WALLIS

CFO

Andrew Wallis (MBA, CFA) has been Chief Financial Officer (CFO) of The Grounds Real Estate Development AG since March 2025.

Previously, he worked for Merrill Lynch, JP Morgan and HSBC, among others, and served as Deputy CEO of Aroundtown S. A. in Berlin from 2014 to 2020.

Since 2020, he has worked as a consultant on M&A projects and operational restructuring mandates, taking on interim management and board functions on several occasions.

property investment market lost some momentum again from the first to the second quarter of 2025. Private buyers of houses and residential units also continue to act cautiously in many cases, which was also reflected in the business development of The Grounds during the first half of the year and led to a further decline in sales revenue to EUR 2.9 million. Nevertheless, the realised sales, for example in Dallgow-Döberitz, together with discussions with potential buyers, show that our offers are attracting interest from our target buyer groups and support expectations of higher sales revenue in the future.

Looking at the entire financial year of 2025, The Grounds continues to expect consolidated revenue in the order of between EUR 9 million and EUR 11 million as well as a balanced consolidated EBIT. The gross earnings contribution from the recovery note for the logistics properties in Hangelsberg, which was originally included in the forecast for 2025, is now in question due to a substantive dispute with the buyer. However, based on our current assessment, we will likely be able to offset the resulting negative effects on earnings through the interim new service business in asset

management, hence the proposed takeover of asset management for companies of the insolvent Ziegert Group on behalf of the H.I.G. Capital Group on 16 June 2025. On 21 August 2025, we were able to report on the successful conclusion of the corresponding contracts and have also significantly strengthened our personnel resources in the process.

The associated significant expansion of our activities in the area of asset management has led to a broadening of the earnings base of The Grounds. In the financial year of 2025, we will probably be able to report net revenue of more than EUR 3 million in this area as well as a positive EBIT contribution of more than EUR 1 million. This will also result in additional revenue potential for the following financial years. This, along with the expectation that positive effects on earnings from our property developments in Magdeburg and Erkner will be recorded in the coming year, allows us to look confidently at the current and upcoming financial year.

Berlin, September 2025

The Management Board

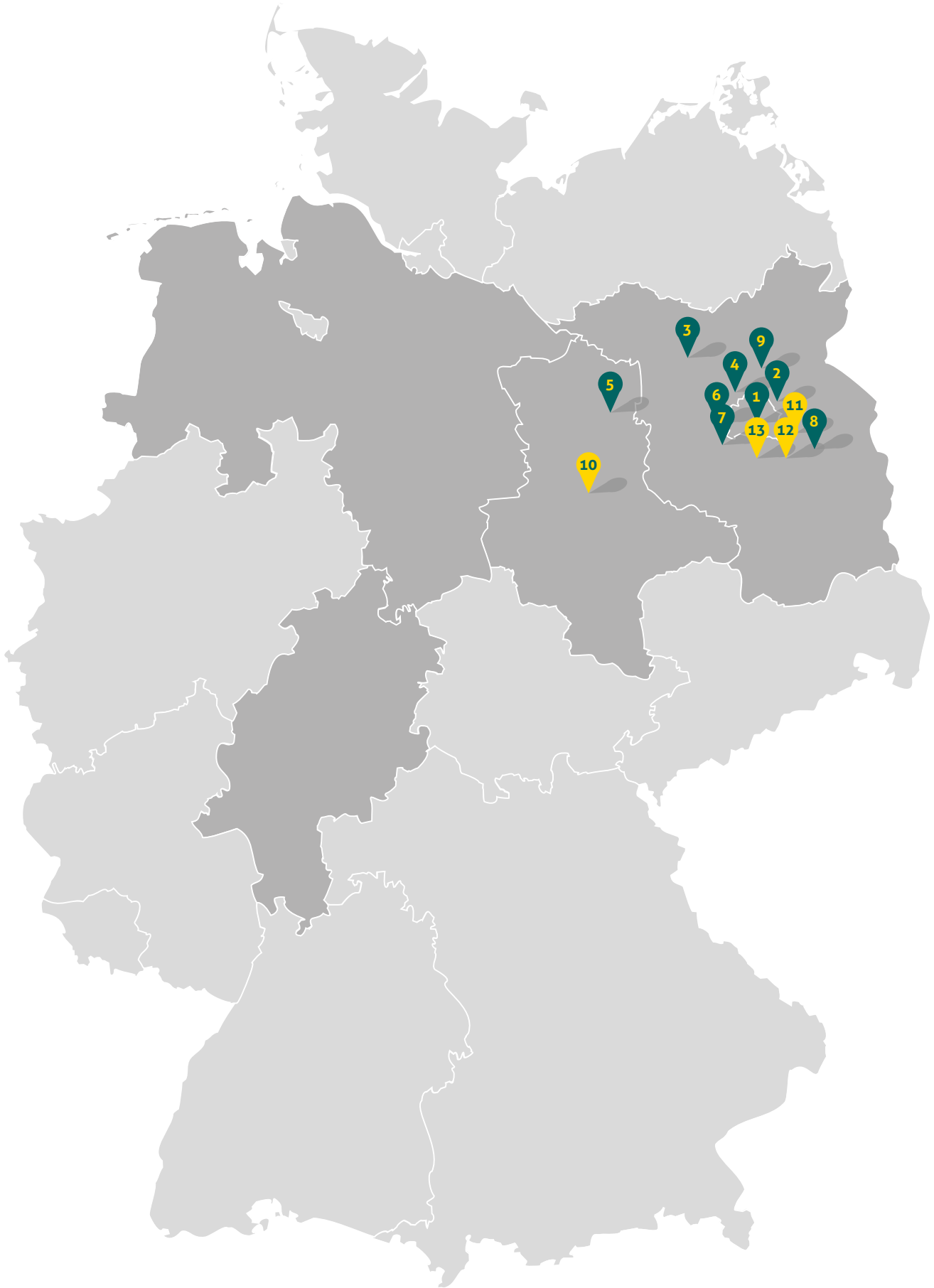
Jacopo Mingazzini

Chief Executive Officer

Andrew Wallis

Chief Financial Officer



















PORTFOLIO AND PROPERTIES

SPECIALIST FOR GERMAN RESIDENTIAL PROPERTY

The Grounds Group carries out housing projects in German metropolitan regions. In addition, The Grounds holds a steadily growing residential property portfolio as fixed assets.

The Grounds Real Estate Development AG is listed in the 'Primary Market' segment of the Düsseldorf Stock Exchange's over-the-counter market, as well as in the open market of the Frankfurt Stock Exchange with trading of its shares on Xetra and on the Tradegate Exchange.

REGIONAL OVERVIEW

	Berlin Investment property		Magdeburg Property development
	Bernau Investment property	<ul style="list-style-type: none">• The Central• Börde Bogen	
	Fehrbellin Investment property		Erkner Property development
	Kremmen Investment property		Königs Wusterhausen Property development
	Stendal/Prignitz Investment property		Blankenfelde-Mahlow Property development (Joint Venture)
	Dallgow-Döberitz Portfolio development		
	Potsdam-Fahrland Portfolio development		
	Werder (Havel) Portfolio development		
	Rauen Portfolio development		
	Schorfheide Portfolio development		

PORTFOLIO OVERVIEW

Our rental portfolio properties



Berlin-Lichtenberg

- 22 residential units
- Usable space: 1,089 m²

1



Bernau

- 59 residential units
- Usable space: 4,355 m²

2



Fehrbellin

- 24 residential units
- Usable space: 1,503 m²

3



Kremmen

- 24 residential units
- Usable space: 1,430 m²

4



Stendal/Prignitz

- Multiple locations
- 220 residential and commercial units
- Usable space: 14,385 m²

5

Portfolio development

Condominiums and terraced houses for investors and owner occupiers



Dallgow-Döberitz

- 8 residential units*
- Usable space: 1,129 m²*
- In the sales process



Potsdam-Fahrland

- 55 residential units
- Usable space: 5,355 m²
- In the sales process



Rauen near Fürstenwalde

- 27 residential units
- Usable space: 1,565 m²
- In the sales process



Schorfheide near Eberswalde

- 38 residential units
- Usable space: 2,155 m²
- In the sales process



Werder (Havel)

- 24 residential units
- Usable space: 2,155 m²
- In the sales process



* Areas and units refer to the units not yet economically transferred/transitioned as at 30 June 2025.

Property development

Our property development projects



Betty in Königs Wusterhausen

12

- 90 residential units
- Usable space: 6,640 m²
- In planning
- Sales launch: still pending



Börde Bogen in Magdeburg

10

- 655 units
- Gross floor space: 67,857 m²
- In planning
- Sales launch: still pending



The Central in Magdeburg

10

- Offices/hotel/residential
- Gross floor space: 17,240 m²
- Building permit obtained
- In the sales process



Terra Homes in Erkner

11

- 34 homes
- Usable space: 4,279 m²
- Under construction
- In the sales process

Joint ventures

Joint development of property



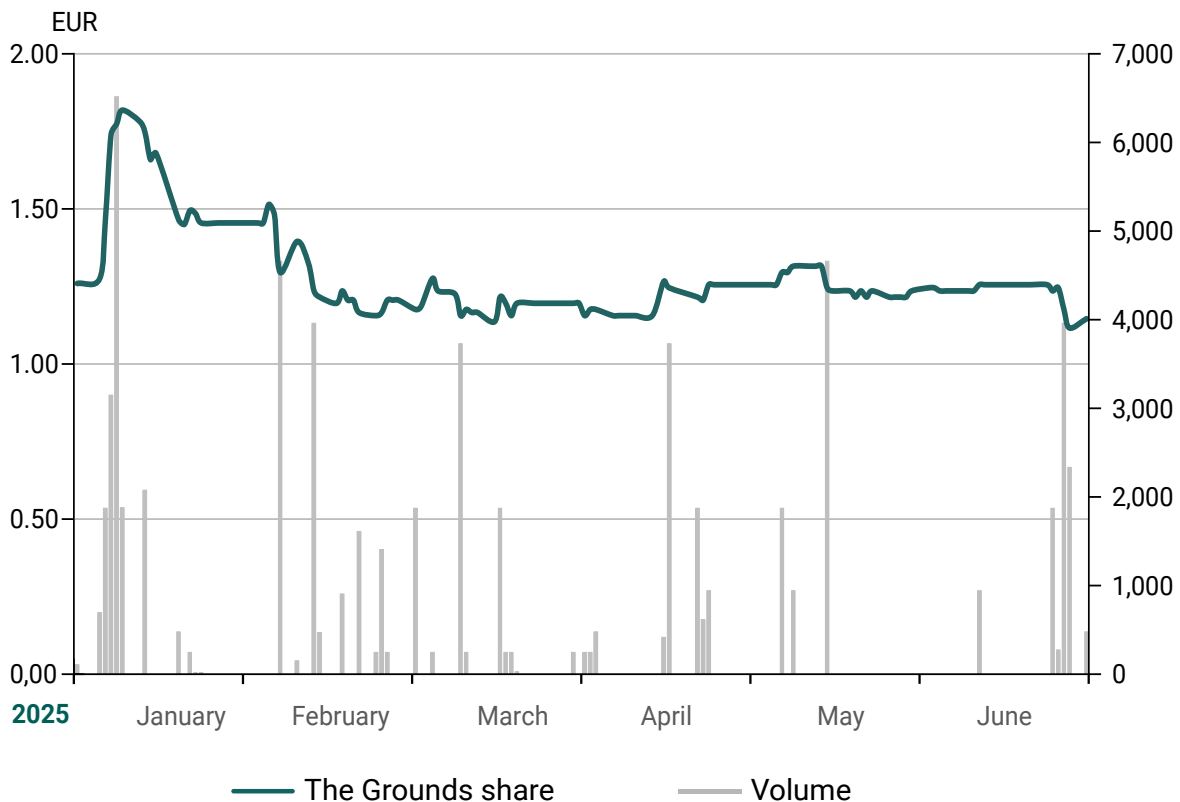
Highfly in Blankenfelde-Mahlow

13

- 186 terraced houses
- Gross floor space: 33,956 m²
- In planning
- Sales launch: still pending

THE GROUNDS ON THE CAPITAL MARKET

Development of The Grounds Share from 1 January to 30 June 2025 (Xetra prices)



The German stock market presented itself in the first half of 2025 as surprisingly dynamic, particularly against the backdrop of the still only modest economic growth in Germany, the problems of the German automotive industry and the factors of uncertainty associated with the US customs policy. The leading index DAX ended the first half of the year with an increase of around 20%, after it had reached new all-time highs in each of the months of January, February, March and May.

The Midcap index MDAX also developed markedly positively in the first six months of the year and exceeded the 30,000-point mark again for the first time since 2022. At the close of trading on 30 June 2025, it was up by 19% compared to the beginning of the year. The SDAX – index for smaller listed companies – even ended the first half of 2025 with a gain of almost 28%.

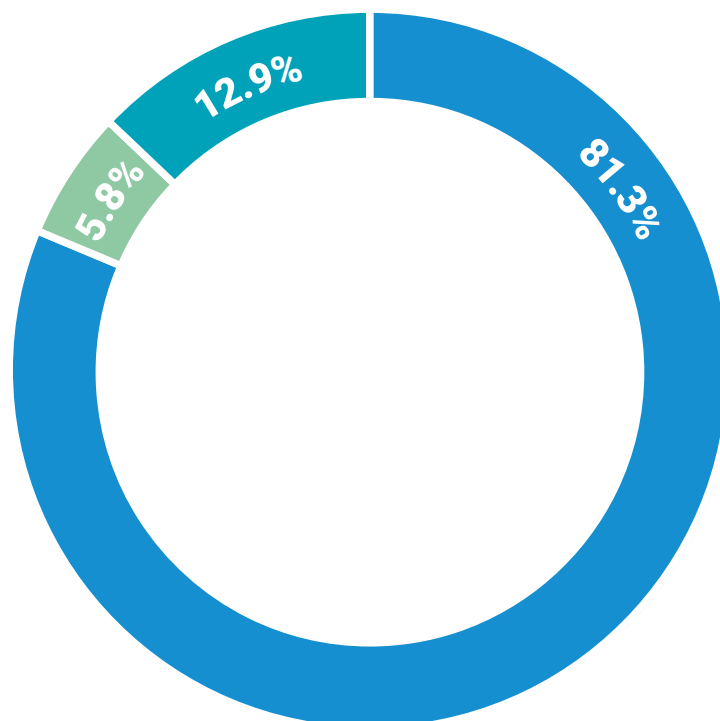
In contrast, property shares showed a markedly weaker development, which reflects not least the still challenging market environment. The property share index Solactive DIMAX trended overall sideways and ended the first half of the year almost unchanged at the level of the beginning of January, although it was quoted in the interim predominantly at a – in part markedly – lower level. With minus 9%, the share of The Grounds developed weaker than this sector index in the reporting period, after it had relinquished the marked share price gains it had recorded in the interim.

The Grounds share at a glance

ISIN / WKN	DE000A40KXL9 / A40KXL	
Market segment	Primary Market, Düsseldorf Stock Exchange	
Markets	Xetra Tradegate OTC in Berlin, Frankfurt, Munich, Stuttgart	
Type of shares	No-par value registered shares	
Number of shares as at 30 June	49,454,740	
Analyst recommendations	SMC Research Price target: EUR 1.50 "Speculative Buy" (17 June 2025)	
	H1 2025	H1 2024
Share price as at 30 June*	EUR 1.15	EUR 0.52
Percentage change compared to the start of the year	-9%	-37.6%
Market capitalisation as at 30 June	EUR 56,872,951	EUR 9,169,841
High for the first half of the year*	EUR 1.90	EUR 0.85
Low for the first half of the year*	EUR 1.08	EUR 0.52

* Prices on Xetra trading system of Deutsche Börse AG

Shareholder structure (as at 30 June 2025)



● Tempus Holdings 112 S.à r.l.
(a fund managed by H.I.G. Capital Group)

● Millennium Verwaltungs GmbH

● Free float

total: 49,454,740 shares

INTERIM GROUP MANAGEMENT REPORT

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Economic Report

1.1 Macroeconomic development

The German economy presented an overall mixed picture during the first half of 2025. According to information from the Federal Statistical Office (Destatis), the price-, seasonally and calendar-adjusted gross domestic product (GDP) grew more strongly than expected by 0.4% compared to the fourth quarter of 2024 in the first three months, but remained unchanged compared to the corresponding previous-year period. In the second quarter, there was a price-, seasonally and calendar-adjusted decline of 0.3% compared to the previous quarter. Compared to the second quarter of the previous year, the GDP was 0.2% lower in price-adjusted terms, while the price- and calendar-adjusted figure was 0.2% higher. In particular, industrial production developed more weakly than expected. Consumer spending increased by 0.3% compared to the first quarter, with private consumption rising only slightly by 0.1%, while government consumer spending rose significantly more strongly by 0.8%. Investments developed markedly downwards. The gross fixed capital formation, which had still increased slightly at the beginning of the year, decreased by 1.4% in the second quarter of 2025. For investments in equipment such as machinery, equipment and vehicles, there was a minus of 1.9%; construction investments even decreased by 2.1%. There were hardly any further changes in employment. Thus, Germany's economic performance in the second quarter of 2025 was provided by around 46.0 million employed persons and therefore by 10,000 persons, or 0.0% more than in the corresponding previous-year quarter. According to the Federal Statistical Office, this was offset by gains in the services sector against the continuing declines in manufacturing and construction. The inflation rate eased slightly again towards midyear. In June 2025, the consumer price index (CPI) was 2.0% higher than in the corresponding previous-year month. This reached the lowest level of the first half of the year and, at the same time, corresponded to the inflation target of the European Central Bank (ECB).

1.2 Sector development

On the German property investment market, the investment management and consulting company JLL observed, after a relatively transaction-strong fourth quarter of 2024 and a promising start to 2025, a renewed decline in momentum during the course of the second

quarter. The total transaction volume was still somewhat higher in the first quarter at EUR 7.9 billion than in the second quarter at EUR 7.3 billion. Overall, the transaction volume in Germany from January to June 2025 totalled around EUR 15.3 billion and was thus almost at the same level as in the first half of 2024. With EUR 5.5 billion, or 36%, by far the largest share of the invested capital was attributable to residential properties. In retail and office properties, 19% and 18% of the investments flowed respectively, while logistics and industrial properties accounted for 16%. The share of the seven major German metropolises – Berlin, Düsseldorf, Frankfurt (Main), Hamburg, Cologne, Munich and Stuttgart – in the total transaction volume, which had still accounted for more than half in the previous year, fell to 39% in the first half of 2025. JLL points out that this value, which is also below average in a ten-year comparison, is not due to a lack of attractiveness of the metropolises, but to the tight supply of core products. In the residential segment, the trend towards lower yields has apparently continued, underscoring the persistently high demand for this asset class, which is regarded as secure. Overall, JLL states that the German property market is moving sideways, but shows signs of recovery in the second half of the year. The further alignment of price expectations between buyers and sellers, in connection with the stabilised financing conditions, is apparently leading to increased investment willingness, which is why a higher transaction volume is expected for the second half of the year.

On the German rental flat market, according to analyses by the brokerage and consulting company BNP Paribas Real Estate, there was a significant increase in offering rents in all city categories in the first six months of 2025. A particular highlight is the strong dynamism evident across all market segments, according to BNP. Persistent supply shortages in connection with high demand are leading to far-reaching upward pressure on rental prices. Further influencing factors mentioned are the collapsed numbers of construction completions and the persistently high construction costs. Overall, around 252,000 new apartments were completed in 2024; that was 42,000 units fewer than in the previous year. In parallel, the number of households rose by 162,000 in 2024 compared to the previous year. Against this background, in the A-cities, the average offering rent for the existing properties increased by 4% compared to the previous year during the first half of 2025 to now 15.75 EUR per square metre per month. In the new-build segment, the current offering rent averaged across the seven largest German cities at the end of the reporting period was 21.10 EUR per square metre per month. According to BNP Paribas Real Estate, the vacancy rates in the A-cities are significantly below the fluctuation reserve of 3%, which is regarded as the minimum for a functioning residential market.

BNP Paribas Real Estate registered a heterogeneous development in the offering purchase prices for residential units in the seven German A-cities during the first half of 2025. While the median price for newly built residential units in Stuttgart, at 8,030 EUR per square metre, was 3% below the previous year's level, and although Frankfurt showed a slight negative trend with a decline of 1% to 7,760 EUR per square metre, there were significant price increases in Munich (+1% to 11,130 EUR/m²), Cologne (+2% to 6,900 EUR/m²), Berlin (+4% to 8,000 EUR/m²) and Hamburg (+5% to 8,290 EUR/m²). Only Düsseldorf saw almost no change; the median price at midyear in the city was 7,350 EUR/m².

1.3 General legal conditions

No material changes in the legal framework conditions occurred during the reporting period, but changes are expected in the coming months, particularly through the measures planned by the federal government to accelerate housing construction, referred to as the 'building turbo' (German: 'Bauturbo'). However, the detailed design and timing of their entry into force remain to be seen.

2 Business Performance

2.1 Financial performance

During the first half of 2025, The Grounds generated sales revenue of EUR 2.9 million. The decline compared to the corresponding previous-year period (EUR 8.7 million) is mainly attributable to a lower volume of sales in the area of property development and portfolio development or individual privatisations. Nevertheless, revenue from property disposals accounted for by far the predominant part of the sales revenue, including EUR 1.4 million from the sale of houses in Dallgow-Döberitz and EUR 0.3 million from the sale of an object from the property portfolio. Other operating income amounted to approximately EUR 176 thousand (previous year: EUR 566 thousand).

The cost of materials amounted to EUR 2.6 million in the first half of 2025, down from EUR 11.9 million in the same period of the previous year, reflecting the lower sales revenue volume. Staff costs increased during the reporting period to EUR 871 thousand (previous year: EUR 759 thousand). Other operating expenses were slightly lower at EUR 1.0 million compared to the first half of the previous year (EUR 1.2 million).

The EBIT for the first half of 2025 was EUR –1.1 million, thus improving compared to the corresponding period of the previous year (EUR –4.3 million).

The net finance costs for the first half of the year were EUR –3.4 million, almost at the level of the first six months of 2024 (EUR –3.4 million).

At EUR –3.7 million, of which EUR –3.3 million was attributable to shareholders of the parent company, the consolidated profit or loss for the first half of 2025 was again negative, but improved significantly compared to the previous year (EUR –8.1 million). Earnings per share amounted to EUR –0.19 (first half of 2024: EUR –0.30).

2.2 Financial and asset position

The total assets of The Grounds increased slightly from approximately EUR 168.3 million as at the balance sheet date of the previous financial year to around EUR 169.9 million as at 30 June 2025.

Changes on the asset side occurred in non-current assets due to the reclassification of the properties in Schorfheide and Rauen to inventories, resulting from the division of these projects and the start of individual sales. Purchase contracts for the first sold units were already notarised during the reporting period; however, the economic transfer to the buyers will only take place during the second half of the year. The reclassification in the amount of EUR 5.7 million significantly contributed to a reduction in the value of investment property to EUR 29.5 million (31 December 2024: EUR 35.1 million).

Among the current assets, inventories increased significantly to EUR 122.8 million (31 December 2024: EUR 92.6 million), with the increase mainly due to the reclassification of the properties in Schorfheide and Rauen and primarily driven by the acquisition of the portfolio of single-family and terraced houses in Werder (Havel) and Potsdam-Fahrland. In addition, trade receivables as at the reporting date were lower at EUR 806 thousand compared to the balance sheet date of the previous year (EUR 1.6 million). The significant decrease in cash and cash equivalents from EUR 27.6 million to EUR 5.6 million is mainly due to the planned use of proceeds from the capital increase carried out in December 2024, particularly for the acquisition of properties in Werder (Havel) and Potsdam-Fahrland, the purchase of additional shares in The Grounds App2 GmbH and the reduction of other liabilities and trade payables.

On the liabilities side, equity decreased from approximately EUR 50.7 million to EUR 44.1 million, mainly due to the negative consolidated profit or loss in the first half of 2025. In connection with this, the equity ratio also decreased to 26.0% (31 December 2024: 30.1%).

Non-current liabilities increased compared to the end of the 2024 financial year from EUR 55.0 million to EUR 68.6 million. The main reason for this was the increase in non-current financial liabilities from EUR 13.8 million to EUR 25.3 million, which primarily reflects the raising of new financing for the newly acquired properties in Werder (Havel) and Potsdam-Fahrland. In addition, the position for bonds increased from EUR 34.2 million to EUR 36.8 million. This was mainly due to the planned further accumulation of final maturity bond interest.

Current liabilities decreased from EUR 62.6 million to EUR 57.3 million, primarily due to the reduction in trade payables from EUR 3.5 million to EUR 856 thousand and the decrease in other liabilities from EUR 2.8 million to EUR 647 thousand.

At the end of the reporting period, The Grounds had cash and cash equivalents of EUR 5.6 million available (31 December 2024: EUR 27.6 million). A negative cash flow from operating activities of EUR 32.3 million resulted during the reporting period, primarily due to the increase in inventories by EUR 30.2 million and the decrease in other liabilities and trade payables by EUR 5.3 million. Cash flows from investing activities amounted to EUR 136 thousand, and cash flows from financing activities amounted to EUR 10.2 million during the reporting period.

Executive Bodies and Employees

During the reporting period, the Management Board of The Grounds Real Estate Development AG consisted of Jacopo Mingazzini (CEO) and, as at 1 March 2025, Andrew Wallis (CFO).

The Chairman of the Supervisory Board is Dr Peter Maser. On 16 January 2025, Stelios Theodosiou, Managing Director at H.I.G. Realty Partners, London, and Daniel Wöhler, Director and Head of DACH at H.I.G. Realty Partners, London, were appointed as additional members of the Supervisory Board. In turn, Thomas Bergander and Eric Mozanowski stepped down from the Supervisory Board.

During the reporting period, The Grounds employed an average of 15 employees.

4 Risks of Future Development

The risk profile of The Grounds was presented in detail in the 2024 annual report. During the reporting period, no material changes occurred in this regard.

Looking ahead, greater emphasis on risks associated with asset management activities is to be expected, as this business segment has gained significant importance since the reporting date due to The Grounds' acquisition of asset management for companies of the insolvent Ziegert Group.

5 Forecast Report

For the 2025 financial year, The Grounds continues to expect consolidated revenue between EUR 9 million and EUR 11 million and a balanced consolidated EBIT. The reason is that the gross earnings contribution from the recovery note for the logistics properties in Hangelsberg, included in the 2025 forecast, is in question due to a substantive dispute with the buyer. However, according to the current assessment, the resulting negative earnings effects can be offset by the newly added asset management service business. This is expected to generate net revenue of more than EUR 3 million and a positive EBIT contribution of more than EUR 1 million in 2025.





CONSOLIDATED HALF-YEARLY FINANCIAL STATEMENTS

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CONSOLIDATED BALANCE SHEET

The Grounds Real Estate Development AG, Berlin, as at 30 June 2025

	30 June 2025	31 Dec. 2024
	TEUR	TEUR
Assets		
Non-current assets		
Intangible assets	12	13
Property, plant and equipment	272	176
Right-of-use assets	106	120
Investment property	29,488	35,075
Equity investments	2	2
Other financial assets	160	160
Deferred tax assets	4,063	3,371
Total non-current assets	34,103	38,917
Current assets		
Inventories	122,766	92,562
Trade receivables	806	1,598
Other receivables	6,679	7,385
Cash	5,579	27,574
Non-current assets held for sale	0	290
Total current assets	135,831	129,409
Total assets	169,934	168,326

	30 June 2025	31 Dec. 2024
	TEUR	TEUR
Equity		
Issued capital	49,455	49,455
Adjustment item from business acquisition	-12,453	-12,453
Capital reserves	2,605	2,605
Retained earnings	155	155
Net income	4,606	8,362
Attributable to shareholders of the parent company	44,369	48,125
Attributable to non-controlling shareholders	-253	2,621
Total equity	44,116	50,746
Liabilities		
Non-current liabilities		
Financial liabilities	25,294	13,793
Bonds	36,753	34,170
Lease liabilities	797	786
Other liabilities	1,161	1,661
Deferred tax liabilities	4,584	4,610
Total non-current liabilities	68,590	55,020
Current liabilities		
Provisions	1,322	1,169
Financial liabilities	51,354	51,729
Lease liabilities	83	119
Advance payments received	1,334	1,015
Current income tax liabilities	1,631	2,202
Trade payables	856	3,501
Other liabilities	647	2,825
Total current liabilities	57,228	62,560
Total assets	169,934	168,326

CONSOLIDATED INCOME STATEMENT

The Grounds Real Estate Development AG, Berlin, 1 January to 30 June 2025

	1 Jan. 2025 – 30 June 2025	1 Jan. 2024 – 30 June 2024
	TEUR	TEUR
Revenue	2,924	8,710
Other operating income	176	566
Change in inventories	430	469
Cost of materials	–2,632	–11,943
Staff costs	–871	–759
Depreciation of property, plant and equipment and amortisation of intangible assets	–91	–89
Other operating expenses	–1,014	–1,236
EBIT before income from associates	–1,076	–4,282
Income from associates	0	–4
EBIT	–1,076	–4,287
Interest income	40	50
Interest expenses	–3,446	–3,368
Financial result	–3,406	–3,318
Earnings before income taxes	–4,482	–7,604
Income taxes	833	–475
Consolidated net earnings	–3,650	–8,079
of which attributable to non-controlling shareholders	–353	–2,682
of which attributable to shareholders of the parent company	–3,297	–5,397
Earnings per share (in EUR)	–0.19	–0.30

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

The Grounds Real Estate Development AG, Berlin, 1 January to 30 June 2025

	Issued capital	Adjustment item from business acquisition	Capital reserves	Retained earnings	Net income/ loss	Attributable to non-controlling shareholders	Total
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
As at 1 Jan. 2025	49,455	-12,453	2,605	155	8,362	2,621	50,746
Disposal of non-controlling interests					-459	-2,521	-2,980
Consolidated comprehensive income					-3,297	-353	-3,650
As at 30 June 2025	49,455	-12,453	2,605	155	4,606	-253	44,116

The Grounds Real Estate Development AG, Berlin, 1 January to 30 June 2024

	Issued capital	Adjustment item from business acquisition	Capital reserves	Retained earnings	Net income/ loss	Attributable to non-controlling shareholders	Total
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
As at 1 Jan. 2024	17,806	-12,453	3,011	155	10,488	5,826	24,833
Share-based remuneration			79				79
Consolidated comprehensive income					-5,397	-2,682	-8,079
As at 30 June 2024	17,806	-12,453	3,091	155	5,090	3,144	16,833

CONSOLIDATED CASH FLOW STATEMENT

The Grounds Real Estate Development AG, Berlin, 1 January to 30 June 2025

	1 Jan. 2025 – 30 June 2025	1 Jan. 2024 – 30 June 2024
	TEUR	TEUR
Consolidated net earnings	–3,650	–8,079
+ Write-downs on fixed assets	26	19
+ Depreciation of right-of-use assets	65	70
–/+ Net income from associates accounted for using the equity method/ investment income	0	4
+/- Increase/decrease in provisions	154	–445
+ Other non-cash changes	–2,980	2,345
–/+ Increase/decrease in inventories, trade receivables, contract assets and other assets not related to investing or financing activities	–23,087	3,392
+/- Increase/decrease in trade payables and other liabilities not related to investing or financing activities	–5,004	–3,039
+/- Interest expenses/income	3,406	3,318
+/- Income tax expense/income	–833	475
–/+ Income taxes paid	–415	–785
= Cash flow from operating activities	–32,318	–2,725

Continued on page 37

Continued from page 36

	1 Jan. 2025 – 30 June 2025	1 Jan. 2024 – 30 June 2024
	TEUR	TEUR
+ Proceeds from disposals of property, plant and equipment	52	0
+ Proceeds from the disposal of investment property	290	0
– Payments for investments in property, plant and equipment	–173	0
– Payments for investment property	–43	–73
+ Interest received	10	1
= Cash flow from investing activities	136	–72
+ Proceeds from issuing bonds and (financial) borrowing	19,291	4,765
– Payments from repaying bonds and (financial) loans	–6,875	–1,012
– Repayment of lease liabilities	–76	–76
– Interest paid	–2,152	–2,615
= Cash flow from financing activities	10,187	1,062
Cash changes in cash funds	–21,995	–1,736
+ Cash funds at the beginning of the period	27,574	3,028
= Cash funds at the end of the period	5,579	1,292

NOTES TO THE CONSOLIDATED HALF-YEARLY FINANCIAL STATEMENTS

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1 Fundamental Information

The Grounds Real Estate Development AG (hereinafter: The Grounds) has its registered office in Berlin, Germany. It is registered in the commercial register of the district court of Berlin Charlottenburg under the registration number HRB 191556 B.

The shares of the company are traded under the ISIN DE000A40KXL9 in the open market (segment: Primary Market) on the Düsseldorf Stock Exchange.

The company's operating activities consist of the realisation of residential projects in German metropolitan regions and conurbations; its business activities are in three core areas. This includes the development of the company's own property portfolio, the tenant-oriented sale of existing flats to capital investors or owner-occupiers and the development and realisation of new residential construction projects with the aim of selling them to institutional investors, capital investors or owner-occupiers. The Grounds acts primarily as an operational holding company for its property companies.

2 Reporting Principles

The present abbreviated consolidated interim financial statements of The Grounds were prepared voluntarily and were neither subjected to an audit nor a review.

The Grounds has prepared its consolidated interim financial statements for the first half of 2025 in accordance with IAS 34 Interim Financial Reporting as adopted into European law on the basis of EU Regulation No. 1606/2002 of 19 July 2002 concerning the application of international accounting standards (IFRS). The condensed consolidated interim financial statements are to be read in conjunction with the likewise voluntary IFRS consolidated financial statements of The Grounds as at 31 December 2024.

The presentation of a consolidated statement of comprehensive income was dispensed with, as there were no effects to be recognised in other comprehensive income that were neutral in terms of profit or loss.

The Grounds has not yet divided its business activities, also with regard to the size of the company, into reportable segments within the meaning of IFRS 8, which is why no segment reporting has been prepared.

In the financial year, two properties originally recognised as investment property were reclassified to inventories due to a change in utilisation intention following a legal division and the realisation of individual residential unit sales.

The amounts in the notes to the consolidated interim financial statements are stated in thousands of euros (TEUR resp. EUR thousand) unless otherwise noted. Both individual and total values represent the value with the smallest rounding difference. When adding up the individual values shown, small differences to the totals shown may therefore occur.

3 Accounting Policies

The Grounds has applied the same accounting policies in its abbreviated consolidated interim financial statements for the first half of the financial year 2025 as in the voluntary IFRS consolidated financial statements as at 31 December 2024.

4 Explanatory Notes

4.1 Consolidated group

The Grounds has included 22 subsidiaries in the consolidated interim financial statements as at 30 June 2025.

In the first half of the financial year 2025, Wohnen am Haseknie GmbH & Co. KG merged onto CSO Verwaltung GmbH and Grundstücksgesellschaft LennéQuartier mbH & Co. KG merged onto WMKG GmbH.

In addition, further interests in two subsidiaries were acquired and thereby the capital shares in Börde Bogen Management GmbH were increased from 51% to 100% and in The Grounds App2 GmbH from 51% to 89.9%.

4.2 Financial instruments

The fair values of the financial instruments included in the present consolidated interim financial statements essentially correspond to their carrying amounts.

4.3 Related party transactions

Up to 30 June 2025, the following related-party transactions occurred in the financial year:

As at 30 June 2025, there are receivables from related companies in the amount of EUR 1,389 thousand. This results in interest income from related companies in the amount of EUR 29 thousand.

As at 30 June 2025, there are liabilities to related companies in the amount of EUR 24,753 thousand. This results in interest expense to related companies in the amount of EUR 1,983 thousand.

There were no transactions with related parties at non-standard market conditions in the reporting period.

4.4 Average number of employees

In the reporting period, the companies included in the consolidated financial statements employed an average of 15 employees.

5 Events After the Reporting Period

The Grounds has concluded contracts in the second half of the year for the takeover of asset management on behalf of the H.I.G. Capital Group for companies of the insolvent Ziegert Group. These companies hold a total of around 1,100 residential and commercial units with a gross asset value (GAV) of around EUR 660 million. The Grounds Group will, in future, provide all asset management services for the companies concerned, particularly in sales, construction management, bookkeeping and financing.

Otherwise, no events of particular significance for the net assets, financial position and financial performance of The Grounds Group have occurred after the end of the reporting period.

Berlin, 29 September 2025

The Management Board of The Grounds Real Estate Development AG

Jacopo Mingazzini

Andrew Wallis



FINANCIAL CALENDAR

2026

30 April

Publication of Annual Report 2025

These dates are provisional. Please check all final confirmed dates and further IR activities on our website at www.thegroundsag.com/en/investor-relation/financial-calendar.

Forward-looking statements

This report may contain forward-looking statements. These relate to assumptions, estimates and expected developments for individual events. The forward-looking statements made are based on current expectations and certain assumptions. Accordingly, they entail a series of risks and uncertainties and may change over time. Many factors, many of which are beyond the company's control, could cause actual results and events to deviate from expected results and events – both positively and negatively.

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