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ANNUAL REPORT

GATEWAY
REAL ESTATE

AT A GLANCE

KEY FINANCIAL INDICATORS in € thousand	**2024**	**2023***
Financial performance indicators		
Revenue	100,475	18,765
Gross profit	150,214	171,423
EBIT adjusted	–72,868	–96,168
EBT	–137,217	–134,747
Consolidated profit/loss	–138,358	–130,840
Earnings per share in €	–0.74	–0.70
Financial position and liquidity ratios		
Total assets	1,272,298	1,384,797
Equity	70,210	213,895
Equity ratio	5.5%	15.4%
Cash and cash equivalents	10,179	8,121
Net financial debt	969,387	953,632
Portfolio indicators		
Average gross development volume (GDV) in € billion	4	5
Number of projects (as of end of December)	10	10

* Previous year's figures partially restated (see section 5. Restatements in accordance with IAS 8)

OVERVIEW OF THE FISCAL YEAR 2024

GATEWAY REAL ESTATE AG CLOSES THE FISCAL YEAR 2024 WITH A CONSOLIDATED LOSS OF €–138.4 MILLION

EBIT ADJUSTED AMOUNTS TO €–72.9 MILLION IN THE FISCAL YEAR 2024

GROSS DEVELOPMENT VOLUME (GDV) AMOUNTS TO €3.7 BILLION IN 2024

EARNINGS PER SHARE AMOUNT TO €–0.74 IN THE FISCAL YEAR 2024

SHARE PRICE AT YEAR-END 2024: €0.45 (XETRA CLOSING PRICE ON DECEMBER 30, 2024)

FISCAL YEAR 2025 (PRELIMINARY): EBT OF €110–120 MILLION AND EBIT ADJ. OF €20–30 MILLION

ABOUT US

GATEWAY REAL ESTATE AG, TOGETHER WITH ITS SUBSIDIARIES, IS ONE OF THE LEADING LISTED DEVELOPERS OF RESIDENTIAL REAL ESTATE AND URBAN QUARTERS IN GERMANY, USING RESOURCE-SAVING WOOD CONSTRUCTION METHODS. THE FOCUS OF OUR REAL ESTATE DEVELOPMENT ACTIVITIES IS ON SUSTAINABILITY AND RESPONSIBLE USE OF RESOURCES. OUR AIM IS TO MINIMIZE DETRIMENTAL EFFECTS ON THE ENVIRONMENT BY FOLLOWING A GREEN BUILDING APPROACH. THUS, WE MAKE A SIGNIFICANT CONTRIBUTION TO REDUCING THE CARBON DIOXIDE CONCENTRATION IN THE EARTH'S ATMOSPHERE.

WE DEVELOP SUSTAINABLE AND MODERN LIVING QUARTERS USING WOOD CONSTRUCTION METHODS ACROSS GERMANY, PRIMARILY IN SELECTED HIGH-GROWTH REGIONS.

WE ARE COMMITTED TO THE HIGHEST LEVEL OF PROFESSIONALISM AND SUSTAINABILITY IN PROJECT DEVELOPMENT AND TO DELIVERING TAILOR-MADE RISK-OPTIMIZED SOLUTIONS, AND CAN RELY ON AN EXPERIENCED MANAGEMENT TEAM. A CHALLENGING AND SUSTAINABLE PROJECT DEVELOPMENT THAT IS IN LINE WITH MARKET NEEDS REQUIRES AN INTENSE COLLABORATION OF SPECIALISTS THAT COMPLEMENT AND INSPIRE EACH OTHER. IN TERMS OF DEVELOPMENT, WE COVER THE ENTIRE VALUE CHAIN FROM THE ACQUISITION OF LAND AND PROJECTS THROUGH DEVELOPMENT AND CONSTRUCTION TO THE SALE OF THE PROPERTIES.

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LETTER OF THE MANAGEMENT BOARD

DEAR SHAREHOLDERS,
DEAR LADIES AND GENTLEMEN,

The 2024 fiscal year was once again characterized by exceptionally challenging conditions for the German real estate industry. High interest rates, increased construction and financing costs, regulatory uncertainties and an overall decline in construction activity have weighed on the sector and led to substantial investor restraint.

Gateway Real Estate AG was unable to escape these developments. The past fiscal year was characterized by negative effects on the financial statements, in particular due to loss allowances on projects and receivables as well as additional provisions recognized to account for risks. These effects contributed significantly to the negative consolidated loss of €–138.4 million.

At the same time, we have made significant operational progress. In the fiscal year 2024, we successfully completed several significant transactions, including the disposal of building plots for the SoHo Mannheim project development and the sale of the Hamburg Seevestraße project site. The aim of these measures was to secure liquidity and to strengthen the focus of our portfolio.

At the same time, we continued to advance our project developments. Our portfolio continues to comprise a gross development volume of around €3.7 billion and is regionally diversified with a focus on high-growth metropolitan regions. The structural demand for affordable housing – especially in urban areas – remains high and forms the basis of our strategic positioning.

One of our key activities in 2024 was also to stabilize our financing structure. Against the backdrop of significant current liabilities, we held intensive discussions with our financing partners and were able to conclude extension agreements for significant parts of our financing portfolio. These measures are essential to secure the Company's future development, although uncertainties still remain.

In light of the general conditions described above, we consider the development in the fiscal year 2024 to have a negative impact overall, but at the same time we made important operational progress. The measures introduced to focus the portfolio, secure financing and stabilize liquidity form the basis for the Group's development going forward.

These foundations already had an impact in the fiscal year 2025. Despite the persistent challenges across the markets, significant financing was successfully extended in the current year and further project sales were realized. This progress strengthens our liquidity and capital structure in the long term and confirms the effectiveness of the measures initiated in the previous year. The stabilization trend has thus become visible and forms an important element for the Company's strategic further development.

Based on preliminary and unaudited figures, we expect the 2025 fiscal year to close with earnings before taxes (EBT) of €110–120 million and adjusted EBIT of €20–30 million .

This Annual Report has been published later than originally scheduled. This was due to in-depth valuation and audit processes in connection with complex project structures, risk-oriented analyses and the high regulatory requirements, which required intensive coordination efforts of all parties involved. The additional time was used to provide a complete, transparent and reliable reflection of the Company's financial position.

Our sincere thanks go to our employees, whose high level of commitment and professionalism were pivotal in tackling these great many challenges. We would also like to thank our business partners and financing partners for their constructive cooperation and you, our shareholders, for your trust.

Berlin, March 2026

Stefan Witjes

Tobias Meibom

COMPANY PROFILE

THE BUSINESS MODEL

Gateway Real Estate AG (in the following also referred to as "GATEWAY", "Company" or "Group") is one of the leading listed developers of residential real estate and urban quarters in Germany, using resource-saving wood construction methods. The Company's focus is on developing sustainable, state-of-the-art real estate using wood construction methods in Germany's high-demand metropolitan regions, taking into account the use of public subsidies. The core regions are selected high-growth regions. GATEWAY follows a holistic business model covering the entire value chain.

The Company's strategy is to sell new affordable residential real estate projects through forward sales to institutional investors or to capital investors as part of individual deals, and to construct, and subsequently lease, a portion of its residential real estate development projects for its own portfolio. The previous business of portfolio management in relation to commercial real estate is continued, which, in addition to sustainable cash flow generation through sales, generates stable cash flows from rental revenues. The Company also intends to sell standing asset properties.

GATEWAY follows a holistic approach for project development which covers the most important steps in the value creation chain of a development project. This includes the acquisition of land and projects, the planning and management of the development process, and the sale of real estate. The most significant steps in detail are as follows:

IDENTIFICATION, PROCUREMENT, ACQUISITION AND UTILIZATION OF PUBLIC SUBSIDIES

- Market research
- Business planning and due diligence
- Land acquisition
- Examination of funding prerequisites

PLANNING AND MANAGEMENT

- Cost estimation and budget control
- Coordination of architects, engineers and interior designers
- Permits, licenses, authorizations and accounting

MARKETING AND SALES

- Letting
- Cash flow optimization and risk reduction through forward sales to institutional investors (B2B sales)
- Advertising and communication

CONSTRUCTION ACTIVITIES

- Close controlling of costs, budgets and deadlines by dedicated project managers
- Package and individual contracts

THE GATEWAY PROJECT PORTFOLIO

AS OF YEAR-END 2024, GATEWAY HAS A REGIONALLY DIVERSIFIED, NATIONWIDE PROJECT DEVELOPMENT PORTFOLIO IN SELECTED HIGH-GROWTH REGIONS.

DRESDEN
Blüherpark

Key facts (B389A):

Plot:	29,270 sqm
Residential:	67,245 sqm
Commercial:	10,407 sqm
Residential units:	1,126
Project status:	in progress

Key facts (B389B):

Plot:	12,052 sqm
Residential:	16,164 sqm
Commercial:	649 sqm
Residential units:	228
Project status:	in progress

SOUTH MANNHEIM
Georg-Sullivan-Ring/
Joy-Fleming-Ring

Key facts:

Plot:	36,903 sqm
Residential:	30,209 sqm
Commercial:	174 sqm
Other:	3,885 sqm
Residential units:	460
Project status:	planning stage

CHEMNITZ
Straße der Nationen

Key facts:

Plot:	5,870 sqm
Residential:	12,429 sqm
Commercial:	246 sqm
Residential units:	208
Project status:	sales launch expected

SOEST
Clevische Straße

Key facts:

Plot:	32,751 sqm
Residential:	19,819 sqm
Commercial:	0 sqm
Residential units:	276
Project status:	in progress

LUDWIGSHAFEN
Heinrich-Pesch-Siedlung

Key facts:

Plot:	14,719 sqm
Residential:	15,021 sqm
Commercial:	100 sqm
Residential units:	213
Project status:	planning stage

COLOGNE
Deutz-Mülheimer Str.

Key facts:

Plot:	76,097 sqm
Residential:	112,575 sqm
Commercial:	45,731 sqm
Residential units:	1,589
Project status:	planning stage

AUGSBURG
Berliner Allee

Key facts:

Plot:	120,432 sqm
Residential:	80,554 sqm
Commercial:	5,698 sqm
Other:	8,778 sqm
Residential units:	1,057
Project status:	planning stage

BERLIN
Heinersdorf
Am Schmöckpfuhlgraben

Key facts:

Plot:	102,360 sqm
Residential:	92,574 sqm
Commercial:	0 sqm
Residential units:	1,274 sqm
Project status:	planning stage

THE MANAGEMENT TEAM

MANAGEMENT BOARD

The Management Board is responsible for the GATEWAY Group. Our Management Board has many years of industry experience as regards project development, asset management, capital markets and finance. Our Executive Management has been responsible for the Group as a whole for many years and has been instrumental in expanding our project portfolio and advancing the Company's strategy.

Tobias Meibom's term of office on the Management Board expired at the end of the previous fiscal year 2023 and he has been a member of the Company's Management Board again since January 2025. As a result, Stefan Witjes was the sole responsible member of the Company's Management Board in the 2024 fiscal year and, accordingly, the Management Board of Gateway Real Estate AG had one member as of December 31, 2024.

Tobias Meibom
Chief Financial Officer (CFO)

Tobias Meibom has over 25 years' experience in the property sector, as well as in finance, due diligence and taxation. A graduate in business administration, he began his career as a tax adviser and auditor, specialising in listed companies and complex transactions.

He subsequently held senior positions in the finance department of a listed property company for many years and also served as a member of the board of directors in operating companies. In these roles, his responsibilities included financing, capital market activities, accounting and strategic corporate development.

Following a further executive role at a company in the renewable energy sector, Tobias Meibom was appointed Chief Financial Officer of Gateway Real Estate AG for the first time in 2011.

Stefan Witjes
Chief Operating Officer (COO)

Stefan Witjes has more than 20 years of experience in the real estate industry, particularly in the fields of project development, asset and fund management. Following five years at the audit firm Deloitte & Touche, where he focused on the main construction industry, he has been responsible for the realization of a multitude of commercial and residential real estate developments across Germany since 1999.

SUPERVISORY BOARD

The Supervisory Board of Gateway Real Estate AG, which is the Company's controlling body, combines many years of business experience and a strong real estate expertise.

Ferdinand von Rom resigned from the Supervisory Board with effect from January 31, 2024. In addition, Jan Hendrik Hedding resigned from the Supervisory Board with effect from February 15, 2024.

As of December 31, 2024, GATEWAY's Supervisory Board consisted of the following experienced experts:

Norbert Ketterer
Chairman of the Supervisory Board

Thomas Kunze
Deputy Chairman of the Supervisory Board

Leonhard Fischer
Member of the Supervisory Board

REPORT OF THE SUPERVISORY BOARD

DEAR SHAREHOLDERS,

The fiscal year 2024 was once again characterized by challenging conditions for the German real estate industry. High interest rates, increased construction and financing costs, regulatory uncertainties and an overall decline in construction activity led to substantial investor restraint. Against this backdrop, the Management Board ensured the continued progress of our project developments and implemented measures to focus the portfolio, secure financing and stabilize liquidity. The Supervisory Board closely monitored these measures and continuously satisfied itself of their appropriateness and implementation.

We are particularly pleased that, upon entry in the commercial register on March 3, 2025, Mr. Tobias Meibom rejoined the Company as Chief Financial Officer.

TRUSTING COOPERATION BETWEEN THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

In the fiscal year 2024, the Supervisory Board focused on fulfilling its duties imposed upon it by legal regulations, the German Corporate Governance Code and Gateway Real Estate AG's Articles of Association with utmost care. In particular, the Supervisory Board advised the Management Board in governing the Company on a regular basis and continuously monitored its activities. The cooperation between these two corporate bodies was always characterized by a trusting and constructive atmosphere.

The Management Board informed the Supervisory Board regularly and comprehensively both in writing and orally about the Company's business policy, strategy, business development and position of the Company and the resulting risks and rewards as well as about corporate planning and risk management. In this context, above all, deviations between actual and planned development were timely explained and significant business transactions were coordinated with the Supervisory Board. In addition, the members of the Supervisory Board, in particular its Chairman, maintained regular contact with the Management Board even outside of Supervisory Board meetings in order to share information about topics of significance for the Company, in particular about its strategy and business development.

SUPERVISORY BOARD MEETINGS

In fiscal year 2024, the Supervisory Board held a total of three meetings in the form of video or conference calls. The subject matter of the meetings referred to current business development as well as various significant individual matters and transactions subject to approval.

In its meeting on **January 30, 2024**, the Supervisory Board approved the declaration of compliance with the German Corporate Governance Code. In addition, a sublease agreement and the appointment of Mr. Witjes as managing director of various subsidiaries were approved. The Supervisory Board meeting on January 30, 2024 was attended by Norbert Ketterer, Thomas Kunze, Ferdinand von Rom, Jan Hendrik Hedding, and Leonhard Fischer.

In its meeting on **September 17, 2024**, the Supervisory Board discussed the planning for fiscal year 2024 and approved the respective forecast. The Supervisory Board meeting on September 17, 2024 was attended by Norbert Ketterer, Thomas Kunze, and Leonhard Fischer.

The Supervisory Board meeting for the approval of the financial statements was held on **September 24, 2024**. As part of this meeting, the Supervisory Board, in consultation with the auditor and the Management Board, approved the annual and consolidated financial statements as of December 31, 2023, including the related management reports, the dependent company report, the remuneration report as well as the corresponding reports of the auditor. The Supervisory Board also approved the agenda for the Annual General Meeting and adopted its report to the meeting. The Supervisory Board meeting on September 24, 2024 was attended by Norbert Ketterer, Thomas Kunze, and Leonhard Fischer.

SUPERVISORY BOARD COMMITTEES

The Supervisory Board has an Audit Committee that initially consisted of Jan Hendrik Hedding (Chairman) as well as Ferdinand von Rom and Thomas Kunze. Upon the resignation of both Ferdinand von Rom and Jan Hendrik Hedding at the beginning of 2024, which resulted in the Supervisory Board consisting of only three members, the Supervisory Board concurrently became the Audit Committee pursuant to Section 107 (4) sentence 2 of the German Stock Corporation Act (Aktiengesetz; AktG).

As before, the Supervisory Board also has a Real Estate Committee consisting of Norbert Ketterer and Thomas Kunze.

CORPORATE GOVERNANCE

The Supervisory Board continuously monitored and discussed the development of corporate governance within the GATEWAY Group. Comprehensive information is included in the corporate governance statement for the fiscal year 2024, which can be accessed on the Company's website.

Information about the structure and the amount of the remuneration for members of the Management Board and the Supervisory Board can also be found in a separate remuneration report for the fiscal year 2024, which also has been published on the Company's website.

Management Board and Supervisory Board have adopted the joint declaration of compliance in accordance with Section 161 AktG, following detailed discussions in relation to the requirements of the German Corporate Governance Code. This is an integral part of the corporate governance statement, which also has been made accessible separately on the Company's website.

AUDIT OF ANNUAL FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

The auditor appointed by the Annual General Meeting on October 30, 2024 – Forvis Mazars GmbH & Co. KG, Hamburg – has audited the annual financial statements of Gateway Real Estate AG as well as the consolidated financial statements as of December 31, 2024, as prepared by the Management Board, including the respective management reports, and issued an unqualified audit opinion.

Any of these filings of the Management Board and the report on relationships with affiliated companies for the fiscal year 2024 pursuant to Section 312 AktG ("dependent company report"), were made available to the Supervisory Board in due time and were the subject of the meeting of the Supervisory Board on March 31, 2026; representatives of the auditor also participated in these meetings. The auditors presented the key audit matters and the material findings of their audit and discussed in more detail the key audit matters and the audit procedures employed. The auditors were available to the members of the Supervisory Board for detailed discussions. No circumstances were identified that would indicate any partiality of the auditor.

The Supervisory Board reviewed the annual and consolidated financial statements for the fiscal year 2024, the respective management reports of the Management Board, and concurred with the findings of the audit conducted by the auditor. Based on its own review, the Supervisory Board determined that no objections have to be raised against the annual and consolidated financial statements and the respective management reports. According to the recommendation of the Audit Committee, the Supervisory Board approved the annual and consolidated financial statements prepared by the Management Board. The annual financial statements of Gateway Real Estate AG were thus adopted.

REVIEW OF THE DEPENDENT COMPANY REPORT

In the fiscal year 2024, Gateway Real Estate AG was a dependent company within the meaning of Section 312 AktG. Therefore, the Management Board of Gateway Real Estate AG has prepared a dependent company report for fiscal year 2024, which includes the following closing statement:

"We herewith declare in accordance with Section 312 (3) AktG that our Company has received an appropriate compensation as regards the legal transactions set out in the abovementioned report about relationships with affiliated companies, based on the circumstances of which we were aware at the point in time at which such legal transactions were entered into. There were no measures taken or refrained from upon the initiation or in the interest of Norbert Ketterer and enterprises affiliated with him."

The auditor issued the following unqualified audit opinion for the dependent company report:

"On the basis of our audit and assessment performed in accordance with professional standards, we confirm that
1. the factual statements made in the report are correct,
2. the Company's compensation with respect to the transactions listed in the report was not inappropriately high."

Based on its own review, the Supervisory Board followed the opinion of the auditor. The review did not give rise to any objections. Moreover, the Supervisory Board did not raise any reservations against the Management Board's closing statement in the dependent company report for the fiscal year 2024.

DISCLOSURE OF CONFLICTS OF INTEREST

In compliance with the German Corporate Governance Code, each member of the Management Board and the Supervisory Board shall disclose any conflicts of interest that may arise. A key contractual partner of Gateway Real Estate AG is NOKERA, a company specializing in serial timber construction, which was founded by Norbert Ketterer and of which he is Chairman of the Board of Directors. Mr. Jan Hendrik Hedding, who was a member of GATEWAY's Supervisory Board until February 15, 2024, is also a member of NOKERA's Management Board.

Berlin, March 2026
For the Supervisory Board

Norbert Ketterer
Chairman of the Supervisory Board

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE REPORT AND CORPORATE GOVERNANCE STATEMENT OF GATEWAY REAL ESTATE AG

Gateway Real Estate AG attaches great importance to good corporate governance. The following is a report on the Company's corporate governance prepared jointly by the Management Board and the Supervisory Board. The corporate governance statement for the Company and the Group is part of the Group management report.

In the fiscal year 2024, the Management Board and the Supervisory Board have continued to elaborate on principles of good corporate governance. In November 2021, the Company expanded its compliance framework on a large scale and introduced some amendments. This compliance framework includes strict and rigorous standards for entrepreneurial action which are binding for all employees of GATEWAY.

DECLARATION OF COMPLIANCE PURSUANT TO SECTION 161 AKTG

The Management Board and the Supervisory Board of Gateway Real Estate AG declare that the Company has been in compliance with the recommendations of the Government Commission of the German Corporate Governance Code, as amended on April 28, 2022 (the "**Code**") since the issue of the declaration of compliance in January 2024, save for the following exceptions:

1. **Recommendation A.4:** Pursuant to the recommendation of the Code, employees and third parties shall be given the opportunity to report, in a protected manner, suspected breaches of the law within the company ("whistleblowing"). The Management Board believes that the Company has an effective compliance management system even without establishing such a whistleblowing system since the Management Board and the Group Legal Department are closely integrated in the operating and legal units of Gateway Real Estate AG. Against this backdrop, the Management Board currently does not believe that establishing a formal whistleblowing system is necessary. The effort associated with introducing such a system is not reasonable in view of the potential benefits for the Company and stakeholders, particularly with respect to the Company's size, structure and business activities.

2. **Recommendation A.5:** In accordance with this recommendation, the main characteristics of the entire internal control system and risk management system should be described in the management report, including comments on the appropriateness and effectiveness of these systems. The recommendation thus extends well beyond the legal requirements of Sections 289 (4) and 315 (4) HGB, according to which the main characteristics of the internal control and risk management system only have to be described with regard to the accounting process. As required by law and as deemed appropriate by both Management Board and Supervisory Board, the presentation in the Company's management report continues to be limited to a description of the main characteristics of the internal control and risk management system with regard to the accounting process.

3. **Recommendation B.5:** The Company considers the specification of an age limit for Management Board members, as recommended by the Code, as unnecessary since reaching a certain age limit is no indication for the qualification of a member of the Management Board. Therefore, no age limit has been specified.

4. **Recommendations C.1 and C.2:** The Supervisory Board shall determine concrete objectives regarding its composition and shall prepare a profile of skills and expertise for the entire Board and shall aim at fulfilling the overall profile when making proposals to the Annual General Meeting concerning new appointments. Apart from determining a target for the share of women, the Supervisory Board of Gateway Real Estate AG has not yet determined concrete objectives for its composition and has not prepared a profile of skills and expertise for the entire Board. In its election proposals for the Supervisory Board, the Supervisory Board has based its decisions primarily on the individual professional and personal suitability of candidates. This is a tried-and-tested procedure in the view of the Supervisory Board.

5. **Recommendation C.10:** In contrast to this recommendation, the Chairman of the Supervisory Board is not independent of the Company, which in the opinion of both Management Board and Supervisory Board does not constitute a material and permanent conflict of interest or impede the performance of the related duties.

6. **Recommendation D.1:** The Supervisory Board does not currently consider it necessary to adopt rules of procedure. Hence, the Supervisory Board does not comply with Recommendation D.1. As the Company and/or the Supervisory Board increase in size, the Supervisory Board will consider the preparation of rules of procedure.

7. **Recommendation D.4:** In derogation from Recommendation D.4, the Supervisory Board has not established a Nomination Committee. The Supervisory Board is of the opinion that the Supervisory Board as a whole shall early deal with decisions such as the appointment or nomination of Management Board and/or Supervisory Board members.

8. In accordance with **Recommendation F.2**, the consolidated financial statements and the Group management report shall be made publicly accessible within 90 days from the end of the fiscal year, while mandatory interim financial information shall be made publicly accessible within 45 days from the end of the reporting period. In contrast, the legal provisions require that the consolidated financial statements, including the Group management report, have to be published within four months from the end of the fiscal year, and that half-yearly financial reports have to be published within three months after the end of the reporting period. Pursuant to the Stock Exchange Regulations of the Frankfurt Stock Exchange for the Prime Standard, quarterly statements shall be transmitted to the Management Board of the Frankfurt Stock Exchange within two months from the end of the reporting period. The Company has been in compliance with the legal terms and the terms defined by the Stock Exchange Regulations since the Management Board deems these terms as appropriate. The Company may publish reports earlier if the internal procedures allow such earlier publication.

9. **Recommendations G.1, G.6–G.10 and G.12** set out requirements as regards the remuneration system and the determination of the remuneration. The Company deviates from this recommendation as far as variable remuneration components are used. The remuneration system, as resolved upon by the Supervisory Board and approved by the Annual General Meeting, currently does not provide for variable remuneration components for the Management Board. The Supervisory Board believes that the system adopted for the remuneration of the Management Board is appropriate even in this regard and is aimed at promoting a sustainable company development.

10. In accordance with **Recommendation G.4**, to ascertain whether remuneration is in line with usual levels within the Company itself, the Supervisory Board shall take into account the relationship between Management Board remuneration and the remuneration of senior managers and the workforce as a whole, and how remuneration has developed over time. The remuneration system does not currently provide for such a “vertical” comparison of remuneration since the Supervisory Board believes that this would not result in any useful parameters for evaluation. The remuneration system only provides for a comparison with other companies to ascertain whether total remuneration for the Management Board is in line with usual levels. The suitable comparator group includes companies that are listed in the same stock exchange segment (Prime Standard) as the Company and have a comparable EBT.

Berlin, January 2025
Gateway Real Estate AG

Management Board and Supervisory Board

DISCLOSURES REGARDING CORPORATE GOVERNANCE PRACTICES

WORKFLOWS AND COMPOSITION OF MANAGEMENT BOARD AND SUPERVISORY BOARD

Dual management structure

A dual board management system is required by law for German stock corporations. Gateway Real Estate AG has a dual management structure consisting of the governing bodies Management Board and Supervisory Board. Management and monitoring structures are therefore clearly separated. Apart from the legal requirements and the recommendations of the German Corporate Governance Code, authorities, rights and obligations of Gateway Real Estate AG’s Management Board and Supervisory Board are set out in the Company’s Articles of Association, which are accessible on the Company’s website. Moreover, obligations, responsibilities and workflows of the Management Board as well as the collaboration with the Supervisory Board are prescribed in the Management Board’s rules of procedure. The Supervisory Board currently does not have rules of procedure.

The Management Board manages the business operations of the Company on its own responsibility with the aim of a sustainable value creation and in the interest of the Company, i.e. taking into consideration the interests of shareholders, employees and other groups affiliated with the Company (stakeholders). The Management Board and the Supervisory Board cooperate based on a trusting relationship for the benefit of the Company. The Management Board determines the Company’s business policy and develops the strategic orientation of the Company, coordinates it with the Supervisory Board, and ensures its implementation. The management is divided into business units based on a defined schedule of responsibilities, which in turn are allocated to the members of the Management Board. Adoption, amendment and revocation of the schedule of responsibilities require a resolution to be made by the Supervisory Board. Each Management Board member reports to the

Management Board about measures, transactions and developments in his respective business areas that are material for the Company. In addition, the Management Board informs the Supervisory Board on a regular basis in a timely and comprehensive manner about the planning of business development, the risk situation, risk management and compliance. Reporting shall be made as early as possible.

In fiscal year 2024, the Management Board consisted of one member, Mr. Stefan Witjes.

The Supervisory Board appoints, supervises and advises the Management Board and is directly involved in key decisions affecting the Company. In accordance with the German Corporate Governance Code, the Supervisory Board shall include what it considers to be an appropriate number of independent members, thereby taking into account the shareholder structure. The members of the Supervisory Board in the year under review were as follows:

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Name	Function	Date of appointment	End of term of office
Norbert Ketterer	Chairman of the Supervisory Board	08/24/2016	Annual General Meeting 2026
Thomas Kunze	Deputy Chairman of the Supervisory Board	08/24/2016	Annual General Meeting 2026
Ferdinand von Rom	Member of the Supervisory Board	08/22/2018	01/31/2024
Jan Hendrik Hedding	Member of the Supervisory Board	08/21/2019	02/15/2024
Leonhard Fischer	Member of the Supervisory Board	12/21/2020	Annual General Meeting 2026

Ferdinand von Rom resigned from the Supervisory Board with effect from January 31, 2024. In addition, Jan Hendrik Hedding resigned from the Supervisory Board with effect from February 15, 2024. We are in the process of finding successors.

COMMITTEES

The Supervisory Board of Gateway Real Estate AG has an **Audit Committee** that addresses in particular the monitoring of the accounting, the accounting process, the effectiveness of the internal control system, the risk management system, the internal audit system, the audit and compliance. The Audit Committee submits to the Supervisory Board a reasoned recommendation for the appointment of the auditor, which comprises at least two candidates if the audit engagement is put out to tender. The Audit Committee monitors the auditor's independence and concerns itself with the additional services rendered by the auditor, the issuance of the audit engagement, the determination of key audit areas and the fee agreement.

The Audit Committee was chaired by Jan Hendrik Hedding until his retirement. The other members of the Audit Committee in the reporting year were Ferdinand von Rom and Thomas Kunze. Upon the resignation of both Ferdinand von Rom and Jan Hendrik Hedding, which resulted in the Supervisory Board consisting of only three members, the Supervisory Board concurrently became the Audit Committee pursuant to Section 107 (4) sentence 2 AktG.

Moreover, the Supervisory Board has a **Real Estate Committee** currently consisting of Thomas Kunze and Norbert Ketterer. The Real Estate Committee discusses and makes a decision about sales of real estate proposed by the Management Board when such sales do not require the consent of the Supervisory Board as whole in accordance with the Management Board's rules of procedure. The resolutions of the Real Estate Committee are adopted by simple majority.

SUCCESSION PLANNING

Long-term succession planning within the meaning of the German Corporate Governance Code is based on regular discussions between Management Board and Supervisory Board as well as on regular deliberations as regards this topic in the Steering Committee of the Supervisory Board. Deliberations include the contract terms and extension options for current Management Board members as well as potential successors.

AGE LIMIT

The Company has not specified general age limits for the members of its Management Board and Supervisory Board. Please refer to Section 2 of the declaration of compliance in accordance with Section 161 AktG.

SELF-ASSESSMENT

According to the recommendation set out in the German Corporate Governance Code, the Supervisory Board shall assess, at regular intervals, how effective the Supervisory Board as a whole and its committees fulfill their tasks. The Supervisory Board conducted such a self-assessment on February 20, 2025. All members of the Supervisory Board agreed that the Supervisory Board should be re-staffed with five members in the short term.

DIVERSITY CONCEPT

In accordance with Section 76 (4) AktG and Section 111 (5) AktG, the Company is obliged to determine target figures for the share of women and terms for achieving such target figures.

— The target figure for the share of women in the Supervisory Board is 20 percent.

— The target figure for the share of women in the Management Board is 25 percent.

— The target figure for the share of women in the first management level below the Management Board is 20 percent.

The targets were not achieved in the year under review. There are no women in the Management Board and the Supervisory Board as well as in the first management level below the Management Board. In connection with proposals to the Annual General Meeting as regards the election of Supervisory Board members, the Supervisory Board takes into account the targets set in relation to its composition, however, the Board focuses on the technical, professional and personal qualifications of the candidates.

There is only one further management level at Gateway Real Estate AG below the Management Board; therefore, no target has been specified as regards the second management level below the Management Board.

DISCLOSURE OF CONFLICTS OF INTEREST

In compliance with the German Corporate Governance Code, each member of the Management Board and the Supervisory Board shall disclose any conflicts of interest that may arise. A key contractual partner of Gateway Real Estate AG is NOKERA, a company specializing in serial timber construction, which was founded by Norbert Ketterer and of which he is Chairman of the Board of Directors. Moreover, Jan Hendrik Hedding is Chief Financial Officer (CFO) at NOKERA. Against this backdrop, Norbert Ketterer and Jan Hedding did not participate in the vote on the Supervisory Board's resolution in July 2023 to commission NOKERA with general contractor services for the project in Mannheim. In addition, Jan Hedding retired from the Supervisory Board of Gateway Real Estate AG in February 2024 in order to focus more strongly on his work at NOKERA.

REMUNERATION REPORT AND REMUNERATION SYSTEM

The remuneration report pursuant to Section 162 AktG for the 2024 fiscal year, the auditor's report on the review of the remuneration report, the applicable remuneration system for the members of the Management Board and the Supervisory Board, and the most recent resolutions passed by the Annual General Meeting on the remuneration systems of the Management Board and the Supervisory Board and the remuneration of the Supervisory Board are available on Gateway Real Estate's website in the Corporate Governance section.

D&O INSURANCE

D&O insurance policies exist for the members of the Management Board and the Supervisory Board; they provide insurance cover for damages claimed by the Company, shareholders and third parties as a result of violations of the boards' duty of care. The costs for the insurance are borne by Gateway Real Estate AG. A deductible applies to members of the Management Board in an insured loss event.

DIRECTORS' DEALINGS

Pursuant to Art. 19 of the Market Abuse Regulation, executives and persons closely associated with them shall notify managers' transactions in shares or debt securities within three business days after the conclusion of the transaction if a total volume of €20,000 is reached in the calendar year. These notifications may be accessed on the Company's website under:
https://www.gateway-re.de/en/investor-relations/corporate-governance/managers-transactions

DISCLOSURE OF MATERIAL TRANSACTIONS WITH RELATED PARTIES IN ACCORDANCE WITH SECTION 111C AKTG

Since January 1, 2020, the effective date of Section 111c AktG, listed companies have to disclose any related party transaction if its economic value individually or together with the transactions conducted with the same party during the current fiscal year prior to the relevant transaction exceeds 1.5 percent of the sum total of the Company's non-current and current assets. Transactions that are carried out in the normal course of business and on an arm's length basis do not fall under the scope of this rule. These notifications may be accessed on the Company's website under: https://www.gateway-re.de/en/investor-relations/corporate-governance/related-party-transactions

COMPLIANCE

In November 2021, the Management Board of GATEWAY issued a new code of conduct, which replaces the compliance policy dated November 2019. Moreover, the Management Board issued a non-discrimination policy and a diversity policy also in November 2021. These policies apply to all employees of the GATEWAY Group; adherence to these policies is mandatory. The code and the policies mentioned above include statements and requirements regarding conduct in accordance with legal provisions and set out the Company's values. The GATEWAY Group expects that all executives and employees are familiar with and adhere to all relevant legal requirements and the company-internal compliance policy. They receive regular training for this purpose. In addition, the GATEWAY Group has appointed a Data Protection Officer. The responsibility for monitoring compliance lies with the Management Board, which is supported in this context by the Group Legal Department.

REMUNERATION REPORT

In accordance with Section 162 AktG, the Management Board and the Supervisory Board of the listed company together prepare a clear and understandable report about the remuneration granted and owed to each current or former member of the Management Board and the Supervisory Board of the Company and of companies of the same group in the last fiscal year.

Pursuant to Section 87a AktG, the Supervisory Board of the listed company also adopts a clear and understandable system for the remuneration of the Management Board members. Based on the previous remuneration system for the members of the Management Board, the Supervisory Board resolved a remuneration system pursuant to Section 87a AktG on July 7, 2021, and submitted its proposal for approval by the Annual General Meeting on August 25, 2021. The Annual General Meeting approved the remuneration system for the members of the Management Board with an approval rate of 98.85 percent. The Annual General Meeting 2021 also confirmed the remuneration for the Supervisory Board members and the underlying remuneration system with an approval rate of 99.99 percent.

The current remuneration system for Management Board members applies to all service contracts with members of the Company's Management Board that are newly entered into, amended or renewed as from August 25, 2021. The currently applicable contracts for Management Board members therefore do not fall under the scope of the newly approved system, although being largely in line with it.

The criteria for the adequacy of Management Board remuneration comprise the responsibilities of the individual Management Board member, his or her individual performance, the Company's financial situation, success and future prospects, as well as the usual levels of remuneration taking into account its peer companies.

In terms of the suitable comparator group to assess the usual levels of the specific overall remuneration compared with other companies, the Supervisory Board relies on those companies that are listed in the same stock exchange segment (Prime Standard) as the Company and have a comparable EBT.

FIXED REMUNERATION

Fixed annual remuneration

The fixed annual remuneration is a cash remuneration related to the fiscal year which is primarily based on the areas of responsibility of the respective Management Board member. The individually specified fixed remuneration is paid in twelve equal installments.

Other remuneration

a) Members of the Management Board receive a monthly allowance in the amount of half of the contributions paid to a reasonable health and nursing care insurance. The allowance is limited to half of the general contribution rate applicable for the statutory health and nursing care insurance.
b) Instead of benefits, the members of the Management Board receive monthly payments that are equal to the maximum amount due to be paid to the statutory pension insurance by an employer in line with the respective statutory income threshold for contribution assessment (employer's contribution).
c) Management Board members receive a monthly flatrate allowance as compensation for business trips with their own car.

RECOGNITION AWARD

The Supervisory Board may, based on its due discretion, may resolve an additional voluntary bonus (recognition award) for special achievements of the Management Board for the benefit of the Company and subject to a corresponding special economic success of the Company. An enforceable legal right to such recognition award only arises if the Supervisory Board has made a corresponding resolution in substance and amount.

When determining the recognition award, the Supervisory Board takes into account the extraordinary performance of the individual Management Board member, especially with regard to the Company's long-term sustainable success, the interests of shareholders and employees alike, the environmental and social responsibility as well as the compliance culture of the Company.

The remuneration system does not provide for the possibility to reclaim any variable remuneration components.

DETERMINATION OF TARGET TOTAL REMUNERATION OF THE MANAGEMENT BOARD MEMBER

The annual target total remuneration for Management Board members solely consists of the respective fixed remuneration. The relative share of fixed remuneration in target total remuneration therefore is 100 percent.

A potential recognition award is not taken into account in the determination of the target total remuneration as the Management Board members are not entitled to the recognition award; it is only granted to honor extraordinary performance.

DETERMINATION OF MAXIMUM REMUNERATION

The maximum remuneration for the members of the Management Board is determined as follows:
Chairman of the Management Board:
€1,000,000.00 (in words: one million euro)

Other members of the Management Board:
€1,000,000.00 (in words: one million euro)

The maximum remuneration comprises any fixed remuneration components (including ancillary benefits) and any recognition award.

REDUCTION

A reduction of the Management Board's emoluments unilaterally by the Supervisory Board in accordance with the legal requirements set out in Section 87 (2) AktG in conjunction with Section 87 (1) AktG is permitted.

REMUNERATION-BASED LEGAL TRANSACTIONS

Terms and termination of service contracts

Each of the service contracts of the Management Board members are entered into for the term of the appointment. Taking into account the requirements under German stock corporation law as defined in Section 84 AktG, the term of the appointment and the contract term must not exceed five years. In accordance with the requirements under stock corporation law, the service contracts of the Management Board members do not provide for an option for ordinary termination; the mutual right to terminate the service contract without notice for good cause remains unaffected.

Benefits in case of an early termination of the service contract
In case of a termination of the service contract during the year, the fixed remuneration is generally granted only on a pro rata basis. A severance payment may be agreed in the service contracts in case the contract is terminated early due to the revocation of the appointment or by way of a termination agreement. However, the amount of such a severance payment is limited to twice the fixed annual remuneration, but not more than the remuneration that would have been payable for the remaining term of this contract (severance payment cap). Any severance payments are charged against any compensation payments (Karenzentschädigung) granted in connection with non-compete clauses.

Commitments for benefits paid for early termination of the service contract by the member of the Management Board following a change of control have not been agreed upon.

Post-contractual non-compete clause
The service contracts of the Management Board members may include post-contractual non-compete clauses to the extent permitted by law. For the period of a post-contractual non-compete clause, a compensation payment (Karenzentschädigung) may be granted in the amount of 50 percent per annum of the contractual benefits last received by the Management Board member. Payment shall be made in monthly installments. The details have to be set out in the service contracts of the Management Board members.

PRESENTATION OF THE PROCEDURE TO DETERMINE, IMPLEMENT AND REVIEW THE REMUNERATION SYSTEM

The remuneration system is determined by the Supervisory Board in accordance with Section 87a (1) AktG. For this purpose, the Supervisory Board jointly designs the structure of the remuneration system and discusses its individual aspects to ultimately pass a corresponding resolution. In this context, the Supervisory Board may rely on external remuneration experts, ensuring their independence. The Supervisory Board may also consult external legal advisers.

The General Meeting resolves upon the remuneration system whenever there is a significant change in the remuneration system, but at least every four years. If the General Meeting does not approve the remuneration system, a revised remuneration system shall be submitted for resolution not later than at the following Ordinary General Meeting.

The remuneration system, as resolved by the Supervisory Board, is implemented by the Supervisory Board as a whole when the individual service contracts for the Management Board members are concluded. In addition, the Supervisory Board reviews the remuneration system on an ongoing basis, taking into account the following criteria: the future business strategy, the economic situation, the success of the Company, as well as the responsibilities of the individual members of the Management Board and their personal performance in the past. The situation in the relevant industry is also taken into account. If any adjustments are deemed necessary, the Supervisory Board will resolve upon any changes to the remuneration system. In the event of changes, the Supervisory Board submits the amended remuneration system to the next Ordinary General Meeting for approval.

No conflicts of interest have yet occurred among the individual Supervisory Board members in the context of decisions on the remuneration system for the Management Board. Should such a conflict of interest arise during the determination, implementation and review of the remuneration system, the Supervisory Board will address such conflicts in the same way as other conflicts of interest in relation to a Supervisory Board member, so that the Supervisory Board member in question will not participate in passing the resolution or, in the case of a more serious conflict of interest, will not take part in the deliberations. If a permanent conflict of interest arises or cannot be solved, the Supervisory Board member concerned shall resign from office. In this context, early disclosure of conflicts of interest ensures that the decisions of the Supervisory Board are not influenced by inappropriate considerations.

TEMPORARY DEVIATIONS FROM THE REMUNERATION SYSTEM

Pursuant to Section 87a (2) sentence 2 AktG, the Supervisory Board may temporarily deviate from the remuneration system if this is necessary in the interest of the long-term well-being of the company. This includes, for example, the alignment of the remuneration system in the event of a significant change in corporate strategy in order to provide adequate incentives or in the event of broad-based changes in the economic situation (for example, due to pandemics or severe economic crises) that render the original performance criteria and/or key figures of the remuneration system obsolete, provided that the specific impact could have been foreseen. It is explicitly stated that generally unfavorable market developments do not constitute an exception that would allow for a deviation from the remuneration system to be implemented.

As far as the procedure is concerned, such a deviation requires an explicit resolution of the Supervisory Board in which the duration of the deviation as well as the deviation as such, as well as the reason for it (i.e. why the long-term well-being of the Company requires the deviation) are described in an appropriate form. The components of the remuneration system that may be subject to deviations in exceptional cases include the procedure, the regulations on the remuneration structure and amount as well as the individual remuneration components and in particular the performance criteria. As a matter of fact, the Supervisory Board may deviate both from the respective relative share of the individual remuneration components as well as their respective prerequisites, and it may also temporarily set the basic remuneration differently in individual cases if this is in the interest of the long-term well-being of the Company, provided, however, that the maximum remuneration set by the Annual General Meeting is not exceeded.

DISCLOSURE OF THE ACTUAL REMUNERATION GRANTED AND OWED TO THE MANAGEMENT BOARD

The following overview shows the remuneration granted to the current members of the Management Board in the year under review (2024). The overview comprises all amounts actually paid to the individual Management Board members in the reporting year (2024). The remuneration granted corresponds to the remuneration actually owed.

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Remuneration granted	**Stefan Witjes, COO First appointment: 2021**			
in € thousand	**2023**	**2024**	**2024 (min)**	**2024 (max)**
Fixed remuneration	690	690	690	690
Fringe benefits	0	0	0	0
Total	690	690	690	690
Pension benefits	0	0	0	0
Total remuneration	690	690	690	690

SUPERVISORY BOARD REMUNERATION

The remuneration for the members of the Supervisory Board had already been resolved upon at the Company's Ordinary General Meeting on August 21, 2019, and was confirmed by the Annual General Meeting on August 25, 2021. Accordingly, each member of the Supervisory Board receives a fixed remuneration of €20,000.00 for each fiscal year. The Chairman of the Supervisory Board receives a fixed remuneration of €40,000.00 for each fiscal year and the Deputy Chairman receives a fixed remuneration of €30,000.00. This complies with the German Corporate Governance Code which recommends that the status as Chairman or Deputy Chairman of the Supervisory Board as well as Chair or memberships in the committees shall be taken into consideration in the determination of the remuneration for the Supervisory Board.

This is complemented by the reimbursement of expenses reasonably incurred in the exercise of their office, e.g. travel expenses actually incurred, as well as value added tax on the reimbursement of expenses. In addition, the members of the Supervisory Board shall be included in a D&O liability insurance policy at the Company's expense, to the extent that such an insurance policy exists.

Since the remuneration system does not include variable remuneration components, the disclosures pursuant to Section 87a (1) sentence 2 No. 4, 6, 7 AktG are not required. The remuneration of the Supervisory Board members is approved by the Annual General Meeting so that no contractual remuneration-based legal transactions within the meaning of Section 87a (1) sentence 2 No. 8 AktG are entered into.

The remuneration is payable on the day after the Annual General Meeting at which the members of the Supervisory Board are discharged. There are no other deferral periods for the payout of remuneration components.

The remuneration granted (i.e. owed) to the Supervisory Board members in 2024 can be broken down as follows:

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Member of the Supervisory Board	Time period	Remuneration in 2024 in € thousand	Remuneration in 2023 in € thousand
Norbert Ketterer (Chairman of the Supervisory Board)	01/01/2024–12/31/2024	40	40
Thomas Kunze (Deputy Chairman of the Supervisory Board)	01/01/2024–12/31/2024	30	30
Ferdinand von Rom	01/01/2024–01/31/2024	1.67	20
Jan Hendrik Hedding	01/01/2024–02/15/2024	2.79	20
Leonhard Fischer	01/01/2024–12/31/2024	20	20

COMPARATIVE PRESENTATION OF CHANGES IN REMUNERATION AND FINANCIAL PERFORMANCE

The following comparative presentation shows the annual percentage change of remuneration granted and owed to members of the Management Board and the Supervisory Board, of the financial performance of Gateway Real Estate AG (earnings before tax, consolidated financial statements) and of the remuneration of the employees on the basis of full-time equivalents. The latter is based on average wages and salaries of the staff directly employed by Gateway Real Estate AG. The presentation shows the respective changes for the past five fiscal years over the respective previous fiscal year (except for the development of remuneration for employees which, in line with legal requirements (Section 26j (2) sentence 2 of the German Introductory Act for the Stock Corporation Act), is presented for the first time for fiscal year 2021 compared to 2020). As regards the remuneration granted and owed to board members, the terms set out in Section 162 para. 1 sentence 1 AktG apply so that the remuneration is taken into account that was received or became due in the relevant fiscal year.

	Change in 2024 compared to 2023 in %	Change in 2023 compared to 2022 in %	Change in 2022 compared to 2021 in %	Change in 2021 compared to 2020 in %	Change in 2020 compared to 2019 in %
Member of the Management Board					
Stefan Witjes[1]	0	0	9	100	–
Members of the Supervisory Board					
Norbert Ketterer	0	0	0	0	0
Thomas Kunze	0	0	0	0	0
Ferdinand von Rom[2]	–92	0	0	0	0
Jan Hendrik Hedding[3,4]	–86	0	0	0	300
Leonhard Fischer[3]	0	0	0	4,000	100
Financial performance					
EBT as reported in the consolidated financial statements	–435	–435	–148	–40	–11
Employees					
Average wage/salary	–6.34	10.77	–41.79	69.51	–

[1] Appointed during the year 2021
[2] Resignation as of Jan. 1, 2024
[3] Appointed during the year 2019
[4] Resignation as of Feb. 15, 2024
[5] Appointed during the year 2020

THE GATEWAY SHARE

SHARE INFORMATION

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ISIN/WKN	DE000A0JJTG7/A0JJTG
Number of shares	186,764,040
Share capital	€186,764,040.00
Ticker symbol	GTY
Market segment	Regulated market (Prime Standard)
Subsector	Real estate
Trading venues	Xetra, Frankfurt am Main, Duesseldorf, Munich, Berlin, Hamburg, Stuttgart
Designated Sponsor	ODDO BHF
Opening price (January 2, 2024)	€0.64
Closing price (December 30, 2024)	€0.45
Highest price (February 16, 2024)	€1.07
Lowest price (July 3, 2024)	€0.20
Market capitalization (December 30, 2024)	€84.0 million

SHAREHOLDER STRUCTURE

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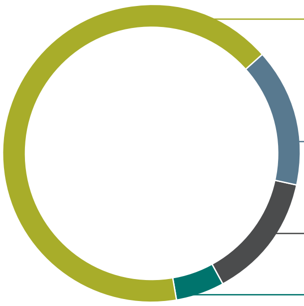
AS OF DECEMBER 31, 2024



GROUP MANAGEMENT REPORT

GROUP MANAGEMENT REPORT OF GATEWAY REAL ESTATE AG

1. FUNDAMENTAL INFORMATION ON THE GROUP

1.1 BUSINESS MODEL

Gateway Real Estate AG (in the following also referred to as "GATEWAY", "Company" or "Group", in each case referring to the GATEWAY Group as a whole) is a listed developer of residential real estate in Germany with a market capitalization of around €84 million (as of December 30, 2024). Established in 2006, GATEWAY can look back on extensive expertise in the German real estate market and is currently (as of December 31, 2024) developing real estate with a gross development volume (GDV) of €3.7 billion.

In this context, GATEWAY focuses on selected high-growth areas in Germany and covers all of the important steps in the value creation chain of a development project with its own in-house teams. In all of its project developments, GATEWAY pursues the strategy of generating attractive margins and, at the same time, minimizing the project development risk by means of a detailed process management. In fiscal year 2020, the Management Board and the Supervisory Board jointly decided to build residential real estate in future also for the Company's own portfolio (build-to-hold). Since then, in the context of this extended corporate strategy, GATEWAY has been increasingly seeking to develop residential real estate for long-term holding and administration to generate sustainable rental revenues. Accordingly, the Standing Assets and Residential Properties Development segments will be expanded further in the medium term. In 2021, GATEWAY sold all its shares in Development Partner AG and, except for three commercial properties development projects in Berlin, discontinued nearly all its activities in the Commercial Properties Development segment in order to focus its development activities increasingly on the Residential Properties Development segment and develop residential real estate and urban quarters. However, as the necessary shareholder approval could not be obtained, three development projects for commercial properties in Berlin have remained in GATEWAY's ownership and are planned to be sold over time.

GATEWAY regularly carries out sensitivity analyses in connection with the calculation and supervision of projects and the related financing arrangements, in which the effects of potential increases in construction costs are examined and suitable countermeasures taken to offset them are reviewed. Upon purchase, all our projects are generally evaluated and analyzed on an individual basis. In order to facilitate a close cost control and management, a regular internal meeting is held each month for each project, with the Management Board also being involved in each case. In connection with all sales of real estate and development projects, the Management Board, in turn, has to liaise with the Real Estate Committee, which consists of two members of the Supervisory Board and must grant its approval for the transaction.

When acquiring new plots of land, GATEWAY focuses on space where there are no finally approved zoning or land use plans. This enables GATEWAY to leverage potential value thanks to its long-standing expertise in the process of obtaining planning permissions and to actively determine the planning process for developments early on. GATEWAY's focus as regards land purchases is always on real estate development rather than the speculative resale of undeveloped sites. Accordingly, GATEWAY also lives up to its corporate social responsibility by newly constructing much needed residential space in Germany.

In connection with the sale of its development projects, GATEWAY primarily addresses institutional investors, operates on the basis of lean and recurring sales structures and primarily follows a forward sales model pursuant to which properties are sold to investors once the building permit is obtained. GATEWAY then completes the projects, but generates revenue already upon the conclusion of a forward sales contract based on the progress of the construction activities. This strategy, together with contractually agreed payment schedules, enables GATEWAY to generate long-term and stable cash flows from its development projects.

GATEWAY is continuing its existing business of holding properties to generate stable and sustainable cash flows in order to diversify risk.

EMPLOYEES OF THE GATEWAY GROUP

As of December 31, 2024, the GATEWAY Group had 28 (previous year: 26) and 27 (previous year: 28) employees on average for the year, in addition to the Management Board.

The commitment and the extensive technical and professional expertise of the employees and managers are major prerequisites for GATEWAY's success, which is why the Group has set itself the goal of retaining employees in the long term and creating an attractive working environment. In addition to competitive remuneration models in line with market conditions, these also include external and internal trainings and advanced training courses geared to the needs of the respective employees for individual support and development. By providing a modern, digital work infrastructure, GATEWAY wants to enable its employees to work from their home office (telecommuting) and thus also wants to promote a reasonable work-life balance. At the same time, GATEWAY offers its employees at its modern premises in Berlin a wide range of measures to improve employee health and satisfaction as well as to create a sense of team spirit. These include daily fresh fruit, free drinks such as coffee or ergonomic office seating to prevent spinal diseases. GATEWAY is characterized by flat hierarchies and a flexible model of working hours and flexitime.

1.2 MANAGEMENT SYSTEM

As a modern publicly traded company, GATEWAY is continuously developing its internal management system with the aim of supporting sustainable corporate growth through planning, reporting and controlling processes. In this respect, GATEWAY distinguishes three segments: Standing Assets, Commercial Properties Development and Residential Properties Development.

— **Standing Assets**: The Standing Assets segment comprises a portfolio of existing properties. This includes both investment properties held to generate rental income and individual properties that are in the development planning stage or in the process of being sold. The segment revenues during the fiscal year mainly consist of rental income from the investment properties held in the portfolio.

— **Commercial Properties Development:** The development activities for commercial properties are combined in the Commercial Properties Development segment. The objective of this segment is to develop attractive and high-quality office buildings with modern architecture and flexible usage formats. In the past, these activities were concentrated on the Top 7 cities in Germany and on selected metropolitan areas such as Nuremberg. Upon the sale of Development Partner AG in February 2021, the Commercial Properties Development segment was discontinued and, as of December 2021, was reduced to three projects located in Berlin.

— **Residential Properties Development:** In the Residential Properties Development segment, the Group focuses on development activities in selected metropolitan regions in Germany, usually in high-growth regions such as the cities of Mannheim, Augsburg and Chemnitz. The focus here is on the new construction of medium-sized apartment buildings for sustainable modern affordable living and mixed-use properties and real estate. This segment also continues to include joint ventures with other project developers. In future, GATEWAY plans to develop the majority of its assets on its own, however, and also plans to transfer residential real estate developments into its own portfolio after completion.

The **internal management system** at GATEWAY essentially consists of the following components:
— Planning, process and risk management
— Project controlling including sensitivity analyses
— Structured management reporting
— Financial indicators and real estate industry control indicators

FINANCIAL PERFORMANCE INDICATORS

EBIT adjusted and consolidated profit before taxes (EBT) are the most important performance indicators at the level of the Group as a whole. GATEWAY evaluates and controls the Company's profitability on the basis of these indicators. EBIT adjusted is defined by the Group as the operating profit plus the result from investments accounted for using the equity method.

For GATEWAY, the real estate performance indicator GDV (Gross Development Volume) represents an important performance indicator for all development projects (residential and commercial properties as well as properties developed for the Company's own portfolio). The GDV is the gross development value, i.e. the expected value that a development property would achieve if sold or let normally on the open market to a willing buyer.

1.3 CORPORATE GOVERNANCE STATEMENT

The corporate governance statement in accordance with Sections 289f and 315d HGB for the Company and the Group can be retrieved from the Company's website in the Investor Relations section under the following link:

https://www.gateway-re.de/en/investor-relations/corporate-governance/corporate-governance-statement

In the corporate governance statement, the Supervisory Board and the Management Board also report about the Company's corporate governance in accordance with Principle 22 of the German Corporate Governance Code.

2. REPORT ON ECONOMIC POSITION

2.1 GENERAL STATEMENT ON THE REPORT ON ECONOMIC POSITION

While the global economy continued to be characterized by the fight against inflation in 2023, leading central banks began easing monetary policy again in 2024. This had a positive effect on the economic recovery of many national economies.

In contrast, geopolitical tensions had a negative impact. The war in Ukraine has contributed to a change in attitude in Europe with regard to its capabilities to defend itself and also in terms of armaments. With the attack on Israel on October 7, 2023, the conflict in the Middle East region escalated and became a war, which spread beyond the Palestine region in November 2023 following the Houthi attacks in Yemen on merchant ships in the Red Sea and, in April 2024, as a result of Iran's intervention. However, the conflict over Taiwan and border disputes in the South China Sea also pose a threat to international trade.

In the wake of Donald Trump's election as the 47th President of the United States in November 2024, new tariff policies were announced and partially implemented, slowing down world trade and global growth momentum. In addition, markets were unsettled as the U.S. showed interest in bringing Canada, Greenland and the Panama Canal under U.S. control in early 2025.

In Europe, the positive factors influencing economic development predominated in 2024. In the last quarter of the reporting year, GDP grew moderately by 0.4% compared to the same quarter of the previous year. Inflation had risen slightly to 2.7% by the end of 2024. At 75.9%, the employment rate remains very high by historical standards. The vacancy rate remained stable at 2.3%. Unemployment reached a low of 5.8% at the end of 2024.

Economic recovery in the eurozone continued, although GDP growth in the final quarter of the year was only 0.5%. While inflation picked up again slightly in the fall of 2024, it remained within the European Central Bank's target corridor at 2.4% in December 2024. In both the third and the fourth quarter of 2024, the employment rate peaked at 75.4%. 2.5% of jobs were vacant in the fourth quarter of 2024. The unemployment rate reached a historically low level of 6.2%.

GATEWAY believes that the economic, sociodemographic and industry-specific development in Germany in 2024, especially in the cities in which GATEWAY operates, generally remains a positive factor for the Group's future business activities. However, high interest rates and high material costs, a shortage of skilled workers and regulatory uncertainties continue to weigh on German construction activity and led to a sharp rise in insolvencies among real estate companies in 2024. Nevertheless, the housing market is under pressure due to the decline in new residential construction. There is a shortage of (affordable) living space, particularly in metropolitan areas, meaning that rents will continue to rise in sought-after markets. Therefore, the residential sub-asset class becomes less attractive for domestic and foreign investors.

2.2 ECONOMIC FRAMEWORK

2.2.1 MARKET ENVIRONMENT/ MACROECONOMIC SITUATION

In 2024, just like in the year before, the global economy remained characterized by the war in Ukraine, which among other things resulted in shortages in individual markets. While the markets were still dominated by measures to curb inflation in 2023, the major central banks began easing monetary policy again in the reporting year. As a result, the global economy performed better than expected. In its World Economic Outlook issued in October 2023, the International Monetary Fund (IMF) had predicted growth of 2.9% for 2024. In July 2025, the IMF estimated global growth to amount to 3.3% in 2024.

In their joint forecast, the leading German economic research institutes noted a slowdown in the U.S. economy, after government-subsidized corporate investments initially had supported the economy. In China, the upturn was slowed down by structural problems and the crisis in the real estate market. There were increasing signs of economic recovery in Europe, but Germany, the largest economy in the EU and the eurozone, remained in recession. Globally, the service sector was more dynamic than the manufacturing industry. Global trade in goods, which had been growing at the start of 2024, lost momentum in the second half of the year.

In view of declining inflation rates, major central banks eased their monetary policy again. The U.S. Federal Reserve cut its interest rates by a total of 100 basis points to 4.5% in a total of three steps between September and December 2024. The European Central Bank (ECB) initiated a turnaround in interest rates in June 2024 and initially lowered the main refinancing rate from 4.5% to 3.15% in four steps by December 2024 and then again, in 2025, in four steps to 2.15% until June 2025. In the United Kingdom, the Bank of England cut the base rate, starting with a reduction to 5.0% in August 2024 and subsequently to 4.75%. This was followed by five further reductions to 4.0% in 2025. In contrast, the Bank of Japan has ended its accommodative monetary policy and initially raised the key interest rate from −0.10% to 0.10% in March 2024 and to 0.25% in July 2024. In January 2025, there was a further increase to now 0.50%.

2.2.2 SOCIODEMOGRAPHIC DEVELOPMENT

According to an initial estimate issued by the German Federal Statistical Office (Destatis), almost 83.6 million people lived in Germany at the end of 2024, almost 100,000 more than at the end of 2023. The increase was again solely attributable to net immigration, as the number of deaths continues to exceed the number of births. Nevertheless, net immigration also declined.

According to Destatis, the number of both births and deaths fell by around 2.5% in 2024. 677,100 births (2023: 693,000) were offset by around 1.0 million deaths (2023: 1.03 million). As a result, the birth deficit exceeds 300,000 for the third year in a row. The previous high of around 335,000 was recorded in 2023.

According to Destatis, the net surplus of people immigrating to Germany amounts to 430,000 in 2024. Net immigration thus fell by around a third compared to 2023 and returned to the level of 2016 to 2019, when the net immigration surplus was 410,000 people on average. In particular, fewer people than in the previous year migrated from Syria, Afghanistan, Turkey, and member states of the European Union.

The population trend in Germany varies from region to region. According to Destatis, the population in the western federal states increased by 10% to 67.5 million between 1990 and 2024, while it fell by 16% to 12.4 million in the eastern federal states over the same period.

One reason for this is the migration from eastern Germany that began after German reunification. According to Destatis, 1.2 million people (excluding internal migration to and from Berlin) moved from the eastern German states to western Germany between 1990 and 2016. Between 2017 and 2022, however, there was a surplus of 18,000 people moving to eastern Germany compared to people moving to western Germany. This trend reversed in 2023. In particular, the number of young people moving from the eastern German states to the western German states increased. A net total of 7,100 people aged 18 to under 30 moved from eastern Germany to the western German states (excluding Berlin in each case). Across all age groups, a net total of 3,000 people left the eastern German states and moved to western Germany.

Another reason for the stronger population growth in western Germany is the higher immigration from abroad, according to Destatis. Between 1991 and 2022, positive net migration in the eastern federal states (excluding Berlin) amounted to around 1.2 million people. In contrast, net immigration to the western federal states was around seven times as high, at just under 8.9 million people. Looking at the ratio of immigration from abroad to the number of inhabitants, the ratio was highest in Bremen in 2023, with 140 immigrants per 10,000 inhabitants. This is followed by Berlin (131) and Hamburg (116). Among the territorial states, Saarland (92), Saxony (85) and Thuringia (84) had the highest net immigration from abroad in relation to the number of inhabitants. The lowest relative immigration was recorded for Brandenburg (63), Bavaria (69) and North Rhine-Westphalia (70).

The 2023 microcensus revealed that 27.6% of the population in the western German states (excluding Berlin) has a migration background. In the eastern German states (excluding Berlin), the figure is only 9.7%. In Berlin, the proportion of people who immigrated to Germany themselves or whose parents both immigrated to Germany after 1950 was 33.6%.

Due to the emigration of young people and the overall lower immigration from abroad, the proportion of older people in eastern Germany is growing faster than in the west. According to the results of the 2023 microcensus, the proportion of people of working age was 57.5% in the eastern German states (excluding Berlin), 61.6% in the western German states and 63.9% in Berlin.

According to Destatis data, the total number of private households in Germany is 40.1 million. One-person households are the largest group (17 million households), followed by around 13.7 million two-person households. 4.9 million households consist of three people and 3.9 million households consist of four people. Only 1.5 million households are households with five or more people. This means that the average German household has 2.02 members. In Berlin and Hamburg, one-person households account for around 50 percent. Both city states have an average of just 1.87 members per household, which is lower than in any other federal state.

According to Destatis, children lived in a total of 12.0 million households in 2023, with 6.0 million households being one-child families. The number of households with two children was 4.4 million, while 1.6 million households had three or more children. The share of children in Germany living in households with three or more children is 26%.

Urbanization continues to increase. According to Destatis, 77.8% of the total population lived in cities in 2023. In 1993, the share was 73.5%, in 2003 75.6%, and in 2013 77.2%.

2.2.3 ECONOMIC DEVELOPMENT IN GERMANY AND IN GATEWAY'S FOCUS CITIES

Although German gross domestic product increased in nominal terms to €4,305.3 billion in 2024 (2023: €4,185.6 billion), Germany's economic output fell by 0.2% in price-adjusted terms, according to calculations by the Federal Statistical Office (Destatis). This is the second decline in a row. The export-oriented German economy is particularly affected by the weakness of the global economy. Above all, the weakening economic momentum in the U.S. and slower growth of the Chinese economy are leaving their traces in the order books of German companies. In addition, shortages are being exacerbated by the war in Ukraine and other geopolitical tensions.

The prices, which remain high at all levels of the economy, the costs of the transition to a carbon-neutral economy and higher wage costs are also weighing on the German economy. Moreover, demographic changes pose major challenges for many companies.

According to Destatis, developments in the individual economic sectors varied. Gross value added in the construction industry fell particularly sharply by −3.8% in 2024. High material costs, a shortage of skilled workers and deteriorating financing conditions hampered construction activity, particularly in residential construction. In contrast, output in civil engineering was up due to increased modernization activities and new construction of roads, railroad lines and pipelines.

According to Destatis, gross value added in the manufacturing sector fell significantly year over year by 3.0% in 2024. Production declined in important sectors such as mechanical engineering and the automotive industry. After economic output in energy-intensive industries such as the chemical and metal industries had already fallen significantly in 2023 as a result of the sharp rise in energy prices, it remained on a low level in 2024.

According to Destatis, the service sectors developed positively overall, with gross value added increasing by 0.8% in 2024. While the retail trade and transport service providers each generated more income than in the previous year, the motor vehicle trade, the wholesale sector and the foodservice business recorded declines. Business service providers also recorded a sluggish gross value added. In contrast, the output volume of the information and communication sector grew by 2.5% year-on-year. In addition to public administration itself, the volume of services provided by the education and healthcare sectors increased. Their combined gross value added was up 1.6% on the previous year.

According to Destatis, gross fixed capital formation fell by 2.8% compared to the previous year. The most significant impact was recorded for investments in equipment, particularly machinery, appliances and vehicles, which fell by 5.5% year-on-year in 2024 after adjusting for price effects. High construction costs dampened construction spending, which fell by 3.5% in 2024 on a price-adjusted basis. The drop in investments in residential construction, which fell for the fourth year in a row, was particularly large.

Weak impetus came from private consumer spending, which increased by 0.3% in 2024 on a price-adjusted basis, according to Destatis. As a result, the sector only benefited to a limited extent from the decline in inflation and the significant wage increases for many employees. Private households increased their price-adjusted consumer spending on healthcare (+2.8%) and transport (+2.1%) in particular, but spent less on food and accommodation services (−4.4%), and on clothing and shoes (−2.8%) compared to 2023.

Price-adjusted government spending increased by 2.6% in 2024. This was due in particular to the significant increase in social benefits in kind. Among other things, spending for hospital treatment, medication and care rose. Consumer spending by local authorities increased, mainly due to changes in social legislation in the area of youth and integration assistance.

Exports of goods and services in 2024 were 0.8% lower than in 2023 on a price-adjusted basis. At the same time, price-adjusted imports rose by 0.2% year-on-year, primarily due to higher imports of services. This also meant a lack of impetus from foreign trade.

According to Destatis, the negative effects from global and domestic economic developments led to an increase in foreign trade by 16.8% in 2024 compared to 2023. In its 2024 Finance Insolvency Report, consulting firm Falkensteg registered a total of 202 insolvencies of companies with an annual revenue of more than €20 million each. This represents an increase of 24% compared to the previous year.

Inflation in Germany continued to fall in 2024 and returned to the ECB target corridor of 2%. According to Destatis, consumer prices rose by an annual average of 2.2% in 2024 compared to 2023. In 2023, inflation in Germany was 5.9% on average, after 6.9% in 2022. Core inflation, excluding food and energy, averaged 3.0% in 2024, compared to 5.1% in the previous year. Average food prices rose by 1.4% on average for 2024, while energy prices fell by −3.2%. Above all, prices for services rose by an above-average rate of 3.8% compared to 2023.

Destatis registered a 2.1% increase in net basic rents on average in 2024. Inflation therefore was just below headline inflation. Prices for telecommunications remained flat on average for the year (0.0%). Prices for combined train and bus tickets fell 7.4% in 2024 compared to 2023, mainly due to the introduction of the nationwide public transport tariff (known as Deutschlandticket) from May 2023.

According to Destatis, Germany's government debt amounted to a total of €2,509 billion at the end of 2024. Of that amount, €1,706 billion was attributable to the German federal government, €607 billion to the federal states, €196.4 billion to local authorities, and €40 million to social security. As a result, public debt at the end of the fourth quarter of 2024 was 2.6% or €63.9 billion higher than at the end of 2023.

By the end of 2024, the federal government's debt had increased by 2.1% or €36.5 billion compared to the end of 2023. During this period, the debt balance of the Economic Stabilization Fund – an off-budget fund to mitigate the impact of the coronavirus pandemic – fell by €14.9 billion to €22.1 billion, while the off-budget fund for the German armed forces increased by €17.2 billion to €23 billion in the same period.

Destatis reported an average of 46.1 million (2023: 45.9 million) people in employment in Germany in 2024. This was a year-on-year increase of 72,000 people, or 0.2%, on average for the year. Never before have so many people been employed in Germany. Immigration of foreign workers and the increasing labor force participation of the domestic population outweighed the effects of the aging population. Only the service sector contributed to additional employment in 2024. 75.5% of all employees work in the service sector. In the manufacturing sector, the number of people in employment fell by 50,000 to 8.1 million in 2024. The number of people in employment in the construction industry declined by around 28,000 in 2024, meaning that the number of people employed in this sector fell to 2.6 million. A total of 569,000 people were employed in fishing, agriculture and forestry in 2024, 3,000 fewer than in 2023. Due to the ongoing recession, the average number of unemployed in 2024 increased by 178,000 compared to 2023 to 2.787 million and the unemployment rate rose by 0.3 percentage points to 6.0%.

In GATEWAY's focus cities (A cities plus Augsburg, Chemnitz, Dresden and Mannheim), unemployment rates according to the German Federal Employment Agency ranged from 4.8% (previous year: 4.5%) in Munich to 9.7% (previous year: 9.1%) in Berlin on average for 2024. Stuttgart also remained below the national average with an unemployment rate of 5.7% (previous year: 5.1%). This was followed by Augsburg (6.0%, previous year: 5.5%), Frankfurt am Main (6.5%, previous year: 5.9%), and Dresden (6.5%, previous year: 6.1%). The unemployment rates in Mannheim (7.6%, previous year: 7.2%), Duesseldorf (7.7%, previous year: 7.0%) and Hamburg (8.0%, previous year: 7.4%) were well above the national average. In addition to the German capital, Chemnitz (8.9%, previous year: 8.4%) and Cologne (8.9%, previous year: 8.7%) were among the cities with the highest proportion of unemployed people in the working population at the end of 2024.

2.2.4 DEVELOPMENT OF REAL ESTATE MARKETS

The recovery of the commercial property market markets continued in the period under review, as expected. According to JLL, the investment volume in 2024 was €35.3 billion, up 14% on the previous year. Around 30%, or €10.5 billion, of the investment sum was invested in residential properties, which includes residential, student and retirement properties.

In the commercial properties sector, the increased transaction volume corresponds to a 16% rise in the number of registered purchases. BNP Paribas Real Estate recorded more than 1,100 transactions in the year under review, which indicates that buyer interest is growing again.

While the office property segment has historically dominated the commercial transaction market, the picture will be different in 2024, according to BNP Paribas Real Estate. Logistics properties achieved an investment volume of over €6.87 billion and a 27% share in take-up. Investors are increasingly looking for large-volume properties and bundled transactions. Retail properties are in second place with a volume of just above €6.3 billion and a share of around 25%. This asset class recorded the highest growth of all categories in 2024 with an increase of 28%. By contrast, office properties contributed only around 20%, or €5.21 billion, to total investment turnover. This asset class continues to be faced with major challenges in the macroeconomic environment.

The slight reduction in key interest rates has not yet had a direct impact on purchase price levels. However, prices largely stabilized in the fourth quarter. According to BNP Paribas Real Estate, the average net prime yields for A locations remain at 4.36% for office properties, 4.25% for logistics properties, and 3.76% for inner-city commercial properties.

Investors are particularly active in the major German cities, where pricing processes are beginning to normalize again. According to BNP Paribas Real Estate, the investment volume in the A cities rose to €12.87 billion, around half of the previous year's figure.

The German capital Berlin is particularly popular, with €3.55 billion and growth of 41%, putting it well ahead of the other cities. The sale of the flagship department store KaDeWe made a significant contribution to this. Munich ranks second with just over €2.68 billion and recorded by far the largest increase (+101%). This was followed by Hamburg with €2.28 billion (+79%), Frankfurt am Main (€1.62 billion), Cologne (€1.17 billion), Duesseldorf (€1.02 billion), and Stuttgart (€555 million).

Office market

In 2024, the office market and the commercial property market as a whole were characterized by restrained new construction activity. According to Destatis, the constructed area, a key indicator for measuring construction activity in non-residential buildings, fell by 2.9% to 193.0 million cubic meters. This was the lowest figure since 2014 (186.8 million cubic meters). The figure for office and administrative buildings was 13.5% lower than in the previous year. This continued a trend that began in 2021. In the course of the coronavirus pandemic, the proportion of people working from home has increased, resulting in less demand for new office space. While building permits for office and administrative buildings rose from 10.8 million cubic meters to 27.3 million cubic meters of constructed area between 2010 and 2021, the volume fell by 43.0% between the beginning of 2021 and the end of 2024.

According to JLL, take-up in the seven major German office cities of Berlin, Duesseldorf, Frankfurt am Main, Hamburg, Cologne, Munich and Stuttgart rose by 6% year-on-year to around 2.7 million sqm in the year under review. However, take-up developed very differently in the individual cities. In Munich and Stuttgart, 29% and 26% more space found a new occupier than in 2023. By contrast, take-up fell by 6% in Hamburg, 8% in Frankfurt am Main and 16% in Duesseldorf. The office market in 2024 was mainly supported by large-scale lettings by public authorities.

According to JLL, the office space vacancy rate in the seven cities amounted to 6.7 million sqm in 2024. This is around 1.1 million sqm more than at the end of 2023. As a result, the average vacancy rate increased from 5.8% to 6.8%. Cologne has the lowest proportion of space available at short notice (4.3%). At 10.6%, the proportion is highest in Duesseldorf. As in the previous year, sublet space accounted for 13% of the total vacancy rate at the end of 2024.

Despite a decline in take-up and increasing vacancies, JLL registered a 6% increase in prime rents on average in 2024. In Munich, the highest rents are paid in the top segment at €54.50 per square meter per month. Frankfurt follows at €50.00 per square meter per month.

The completion of around 1.6 million sqm of new office space in 2024 increased the total stock in the seven cities calculated by JLL to just over 99 million sqm. Around 3.6 million sqm of new office space is currently being built, of which around 41% was still available at the end of 2024. Around 1.25 million square meters are expected to be completed in 2025.

Residential real estate market

The German residential market was also characterized by low construction activity in 2024. While 294,400 apartments were completed in Germany in 2023 according to Destatis data, this figure fell to 251,900 units in 2024. This decline was already evident in the decline in building permits that has been going on for three years.

According to Destatis, 215,900 apartments received building permit in Germany in 2024, which is the lowest level since 2010 and 43,700 units or 16.8% below the level of the previous year. In 2023, the number of building permits slumped by 26.6% compared to the previous year. In the first half of 2024, building permits issued for apartments amounted to 106,700, 21.1% fewer than in the first half of the previous year. In the second half of 2024, the figure declined by 12.5% to 109,300 apartments.

According to figures published by Destatis, the major builders in 2024 were private companies and private individuals. Of all residential building permits in the reporting year, 92,300 were issued to companies (–21.6%), 68,400 to private individuals (–15.6%), and 8,800 to the public sector (–19.8%). Companies and private individuals also account for 93% of building permits for new residential construction. A total of 172,100 applications were approved for new-build apartments, down 19.4% on the previous year.

Of the new apartments approved in 2024, 29.4% or 50,600 were one- and two-family homes, 11,200 below the level of the previous year. 66.4% or 114,200 of the approved new apartments are in multi-family homes. Compared to 2023, this is a decrease of 28,000 units or 19.7%.

The German housing market continues to be characterized by an imbalance between supply and demand, particularly in the major metropolitan areas. This resulted in rising rents, which in turn led to a positive development in earnings, very good occupancy rates and a low probability of rent losses. BNP Paribas Real Estate expects the above-average growth in rents in Germany to continue.

At an average of €15.10 per sqm, the median asking rents for existing properties are highest in the A cities, compared with €11.80 per sqm in the so-called student cities. Rental price growth in Berlin is above average at 10% compared to the previous year. In 2024, average asking rent for existing apartments in independent cities amounted to €9.95 per sqm. The median asking rent for new build units was €13.70 per sqm. This corresponds to price increases of 46% for existing apartments and 50% for new-build apartments within ten years.

High demand and low levels of new construction mean that the German housing market only has a vacancy rate of around 2.5%. In six of Germany's largest cities, less than one percent of apartments are vacant. Munich and Frankfurt am Main have the lowest vacancy rates (0.1% each).

According to BNP Paribas Real Estate, a total of €9.3 billion was invested in residential portfolios with at least 30 residential units in 2024, a rise by 78% year on year. The seven largest cities in Germany were particularly popular with investors. The focus was on Berlin in particular, where a high volume of €3.4 billion or an above-average 37% of the total residential investment volume was recorded at the end of 2024. Looking only at the A cities, the German capital had a market share of 67% of the residential investment volume. Seven major transactions of more than €100 million each and large-volume shares in the three-digit million range from two nationwide portfolios each also contributed to this.

According to BNP Paribas Real Estate, portfolio transactions of more than €100 million each totaled €5.8 billion in 2024. This corresponds to a 62% share of the total German residential investment market and is above the ten-year average of 57%. Overall, the average number of residential units per transaction rose from 191 in 2023 to 352 in the reporting year.

According to BNP Paribas Real Estate, forward deals dominated the German residential investment market. The volume of forward deals amounted to just under €3.7 billion, which are equivalent to 40% of the German residential investment market in 2024. The ten-year average is only 23%.

By far the strongest buyer group on the residential investment market in 2024 was the public sector. With sales of around €2.3 billion, the public sector's market share was 25%, compared to a ten-year average of just 8%. Foreign investors, who accounted for 32% of all residential investments in 2023, had a market share of 21% in 2024.

2.2.5 COMPETITIVE SITUATION AND MARKET POSITION OF THE GROUP

In fiscal year 2024, GATEWAY competed with local, medium-sized real estate companies, municipal and community-owned companies, and listed real estate groups due to the Company's business activities in the individual markets and asset classes. Due to the lack of available projects, companies in the latter group in particular are increasingly pursuing a develop-to-hold strategy, i.e. project development for their own portfolio. In addition, the consolidation of the market is progressing, such as the merger of the second-largest housing group Deutsche Wohnen with market leader Vonovia in 2021.

However, in the past, GATEWAY did not primarily compare itself with large listed portfolio holders, such as Deutsche Wohnen or LEG Immobilien SE, which are building up their own development segments alongside their standing assets business. Instead, GATEWAY considered primarily listed German-speaking companies with a development focus as its competitors in the narrow sense. The group of competitors above all includes the SDAX-listed Instone Real Estate Group SE. In March 2025, the company reported that it had achieved all of its targets in 2024, which remained a challenging year. The share price rose 15.9% during the year, and the market capitalization amounted to €397.5 million as of year-end 2024.

With a market capitalization of around €84 million as of December 30, 2024, GATEWAY is one of the mid-tier listed developers. This is one of the reasons why, as before, it is rather the large listed residential property companies, with their own project development activities, that can be regarded as being GATEWAY's competitors in the future.

2.3 BUSINESS DEVELOPMENT

Although the existing project developments and the restructuring of expiring financing arrangements were driven forward, the 2024 fiscal year developed unfavorably. The Company achieved a negative EBIT adjusted of €–72.9 million and a negative EBT of €–137.2 million. The main reason for this development was additional loss allowances in connection with the valuation of projects held as inventories and loan receivables.

On the sales side, several transactions were completed successfully in the reporting year:

— By way of purchase agreements dated May 22, 2024, two building plots (Baufeld 1, €36.7 million and Baufeld 10, €81.1 million) of the SoHo Mannheim project development were sold. The construction project for Baufeld 1 was completed on December 8, 2024; the transfer of possession, benefits and obligations took place on this date. Interim invoices totaling €46.5 million had been issued for Baufeld 10 by the reporting date on December 31, 2024.

— The sale of the Hamburg Seevestraße project site was completed at a purchase price of €35.0 million. The funds raised in connection with the project were repaid in full.

— A purchase agreement was signed for the Duisburg standing asset for a price of €6.8 million; the sale of the investment property was subsequently completed later in 2024.

In terms of financing, Gateway Real Estate AG was subject to challenges with regard to the extension of key financing arrangements as a result of the negative influences mentioned above. The Management Board is currently in close consultation with all financing partners to counteract these challenges. However, the financing for the Berlin Heinersdorf project development and for the Augsburg standing asset was extended until December 20, 2026. In this context, we refer to the matters described in section 3.2.2 under the heading "Financing risks."

2.4 FINANCIAL PERFORMANCE, FINANCIAL POSITION AND CASH FLOWS

2.4.1 FINANCIAL PERFORMANCE

As a result of the persistently challenging economic conditions for project developments, the development in the 2024 fiscal year was below the expectations of the qualified forecast published on September 17, 2024.

In addition to unexpected write-downs due to lower net realizable values of projects and the recognition of provisions for legal disputes, further allowances on outstanding receivables in connection with the preparation of the 2024 consolidated financial statements led to a result that was significantly below expectations. The non-receipt of payments for which the loss allowances on loan receivables were recorded also have a significant impact on the Group's financial position.

Following a correction in accordance with IAS 8, the prior-year figures for the gain arising from the fair value adjustment of investment properties and non-current assets held for sale, as well as for income tax, have been restated.

The SoHo Mannheim project, which is part of the Residential Properties Development division, successfully sold Baufeld 1 and continued construction activities on Baufeld 10 in the 2024 fiscal year. In addition, the Hamburg Seevestraße project development was sold to the City of Hamburg by exercising the pre-emptive right.

The Group increased its revenue in the Residential Properties Development segment by €81.7 million as a result of the two transactions. Revenue from rental services fell slightly from €18.5 million to €16.6 million. Overall, total revenue increased from €18.8 million to €100.5 million.

Gross profit amounted to €150.2 million (previous year: €171.4 million), which, in addition to the revenue mentioned above, comprises changes in inventories of finished goods and work in progress of €27.2 million (previous year: €142.4 million) – consisting of capitalized construction costs and construction period interest in the amount of €115.0 million (previous year: €142.4 million), and the disposal of sold projects in the amount of €–87.8 million (previous year: €0.0 million) – and other operating income in a total amount of €22.5 million (previous year: €10.3 million).

Compared to the previous year, changes in inventories decreased significantly due to the disposal of properties in the SoHo Mannheim project development in the amount of €52.8 million and Hamburg Seevestraße in the amount of €35.0 million. This decline was not compensated for by the ongoing construction activities at the SoHo Mannheim project development and the three Berlin project developments in the Commercial Properties Development division.

The significant increase in other operating income of €12.2 million compared to the prior-year period is primarily due to reversals of previously recognized allowances on loan receivables in the amount of €10.1 million.

In the reporting period, the costs for raw materials and consumables used decreased by €6.3 million over the prior-year period to €119.7 million and mainly consist of the construction costs of the inventory properties (€63.1 million; previous year: €76.2 million), acquisition costs for land (€0.0 million; previous year: €13.1 million), management costs for the rented properties (€5.9 million; previous year: €7.0 million) and loss allowances (€50.7 million; previous year: €29.7 million). Employee benefits expense amounted to €4.7 million, which is slightly below the previous year's level of €5.2 million.

The fair value changes in investment properties and valuation of properties held as inventory and in non-current assets held for sale amounted to €–20.2 million (previous year: €–5.8 million) due to measurement effects confirmed by way of an appraisal. In the previous year, the impairment test carried out on goodwill resulted in impairment losses of €9.7 million recorded for goodwill and other non-current assets in the Residential Properties Development division. Other operating expenses amounted to €78.4 million (previous year: €120.6 million). The decline is the result of comparatively lower loss allowances on other financial assets amounting to €32.2 million (previous year: €105.0 million). This was offset by additions to provisions for legal disputes in the amount of €12.5 million. In the fiscal year 2024, GATEWAY achieved an overall operating loss of €–72.9 million (previous year: €–96.2 million).

Net finance costs in the fiscal year 2024 amounted to €–64.3 million (previous year: €–38.6 million) and include finance costs of €76.7 million (previous year: €82.9 million). Finance costs are offset by finance income in the amount of €12.4 million (previous year: €44.3 million). The net finance costs include a net modification loss of €–1.8 million. In the previous year, this included interest waived by the lender in relation to interest expenses from financial liabilities recognized in previous years; this resulted in a net modification result of €31.9 million. This was attributable to the restructuring of the terms and conditions of the loans.

Earnings before tax (EBT) amounted to €–137.2 million (previous year: €–134.7 million). After consideration of income taxes of €1.2 million (previous year: positive income taxes of €3.9 million), which are attributable to deferred taxes in the amount of €–1.3 million (previous year: €5.8 million), the consolidated loss for fiscal year 2024 amounted to €–138.4 million (previous year: €–130.8 million). This corresponds to basic earnings per share of €–0.74 (previous year: €–0.70) and diluted earnings per share of €–0.74 (previous year: €–0.70). The EBIT adjusted amounted to €–72.9 million (previous year: €–96.2 million).

2.4.2 FINANCIAL POSITION

The GATEWAY Group's total assets decreased from €1,384.8 million as of December 31, 2023 by 8.1% or €112.5 million to a total of €1,272.3 million as of December 31, 2024.

In terms of assets, non-current assets decreased by €103.6 million and amounted to €210.4 million as of the reporting date. Of that amount, €113.3 million (previous year: €238.5 million) was attributable to investment properties as of the reporting date. It should be noted that investment properties with a carrying amount of €106.6 million were reclassified to the current item "Non-current assets held for sale" due to specific intentions to sell them. In addition, investment properties decreased due to the sale of the SoHo Mannheim BF1 standing asset in the amount of €39.6 million, after €21.0 million in acquisition and production costs had been incurred.

In terms of non-current assets, there were also reclassifications of other financial assets in the amount of €26.1 million due to changes in maturities. In addition, loss allowances of €6.7 million were recorded.

Current assets declined by €8.9 million to €1,061.9 million in the year under review. This was primarily due to the reduction in inventories, which fell by €25.2 million to €894.7 million. The main drivers were, above all, the disposals of the SoHo Mannheim and Hamburg Seevestraße projects, which accounted for a reduction by €87.8 million. In addition, write-downs of €50.7 million were recognized due to lower net realizable values. These effects were partially offset by additions from progress made in construction activities and capitalized construction period interest, which totaled €115.0 million in the reporting period.

Other current financial assets declined by €60.4 million to €13.7 million in the year under review. The decrease is mainly due to the above-mentioned reclassification of receivables from related parties in the amount of €26.1 million, which were transferred to non-current financial assets due to changed maturities. Moreover, loss allowances in the amount of €25.5 million were recognized as of the reporting date. In addition, there were reciprocal offsetting positions as regards the offsetting with other financial liabilities in the amount of €23.5 million and further offsetting with financial liabilities in the amount of €5.4 million.

Cash and cash equivalents were above the previous year's level, up €2.1 million to €10.2 million.

In terms of liabilities, the Group's non-current liabilities amounted to €180.8 million as of the reporting date (previous year: €155.5 million); the major portion of that amount is attributable to non-current financial liabilities in the amount of €143.7 million (previous year: €119.1 million). The increase of €25.3 million compared to the previous year is primarily due to the reclassification from current to non-current liabilities in the reporting year due to the change in maturities following the extension of the financing arrangements. In addition, deferred tax liabilities decreased by €0.8 million to €36.7 million.

Current liabilities totaled €1,021.2 million as of December 31, 2024 (previous year: €1,015.5 million). The largest portion of that amount (€883.2 million) refers to current financial liabilities (previous year: €863.1 million). Moreover, the new financial liabilities in the amount of €113.4 million exceeded repayments of €97.6 million.

The decrease in trade payables by €20.2 million to €88.0 million is due to payments made on outstanding invoices in connection with ongoing construction projects.

In the year under review, provisions for risks resulting from litigation costs amounting to €16.2 million were recognized. In total, provisions amounted to €20.0 million as of the reporting date.

The GATEWAY Group's equity as of December 31, 2024 amounted to €70.2 million (previous year: €213.9 million). The reduction is largely due to the negative consolidated profit. Overall, the Group's equity ratio fell from 15.4% at the end of the prior year to now 5.5%, driven by lower Group earnings.

2.4.3 CASH FLOW

The cash inflows and outflows in the fiscal year 2024 overall led to a slight increase in cash and cash equivalents as of December 31, 2024. The negative cash flows from operating activities were offset by the positive cash flow from investing activities as a result of proceeds from the disposal of investment properties and by the positive cash flows from financing activities due to new borrowings that exceeded repayments of financial liabilities.

In the 2024 fiscal year, originally planned sales transactions that did not materialize eventually and a lack of cash inflows from loan receivables also led to an ongoing strained liquidity situation. Therefore, GATEWAY approached creditors in an effort to defer the maturity dates of select payments and was able to negotiate installment agreements, enabling the Company to meet its payment obligations.

Negotiations are currently being held with financing partners as regards the repayment and extension of the Group's material financing agreements. In this context, we refer to the matters described in section 3.2.2 under the heading "Financing risks."

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CONDENSED CASH FLOW STATEMENT

in € thousand	12/31/2024	12/31/2023
Cash flows from operating activities	–23,380	–131,983
Cash flows from investing activities	12,168	19,219
Cash flows from financing activities	13,270	112,548
Net decrease/increase in cash and cash equivalents	**2,058**	**–216**
Change in cash and cash equivalents due to consolidation group	0	–614
Cash and cash equivalents as of 01/01	8,121	8,951
Cash and cash equivalents as of the end of the period	10,179	8,121

The cash flows from operating activities amounted to €–23.4 million in the 2024 fiscal year (previous year: €–132.0 million), a decrease of €108.6 million. The improvement was mainly attributable to lower cash outflows from the increase in inventories as a result of construction activities, which amounted to €25.6 million in the reporting year (previous year: €170.1 million). In addition, the sale of the Hamburg Seevestraße project development led to cash inflows of €35.1 million.

This was offset by cash changes in trade payables. While repayments of project-related items in the amount of €15.7 million were made in the reporting year, there were cash inflows from an increase in these liabilities of €10.4 million in connection with construction activities in the prior-year period.

The cash inflows from investing activities of €12.2 million (previous year: cash outflows of €19.2 million) mainly comprised proceeds from the disposal of investment properties of €34.8 million and properties held for sale of €6.8 million. This was offset by cash outflows for investments in properties of €28.9 million. There were no disposals in the previous year, only cash outflows for investments in investment properties of €10.9 million.

The cash flows from financing activities amounted to €13.3 million in fiscal year 2024 (previous year: €112.5 million). These inflows mainly resulted from proceeds from new borrowings in the amount of €111.1 million and repayments of borrowings in the amount of €97.6 million. In addition, a payment of €5.3 million was made to a minority shareholder of the SoHo Mannheim project development.

The borrowed funds were primarily used to finance the ongoing construction activities for the SoHo Mannheim project development and for the Berlin projects in the Commercial Properties Development segment. In the previous year, the funds were mainly used for construction activities and the acquisition of a plot of land for the SoHo Mannheim project development. This was offset by the repayment of borrowings in the amount of €67.5 million.

The loans are subject to both fixed and variable interest. The fixed-rate loans have an interest rate between 2.40% and 20.0% (previous year: between 1.50% and 20.0%). There were no financial liabilities denominated in foreign currencies as of the reporting date, and neither were there any interest rate swaps or other stand-alone derivative financial instruments as of the reporting date.

Overall, the net decrease resulting from the cash flows in the reporting year described above totaled €2.1 million, resulting in an increase of cash and cash equivalents to €10.2 million. As of the previous reporting date (December 31, 2023), cash and cash equivalents had amounted to €8.1 million. Apart from free liquidity, there are unutilized credit facilities from project financings in the amount of €66.2 million as of the reporting date (December 31, 2023: €173.1 million).

Compared to the previous year, additional commitments and contingencies were entered into in the form of sureties and guarantees in the year under review. Guarantees in a total amount of €3.6 million were utilized in the reporting year. However, utilization of the remaining guarantees and sureties is considered generally unlikely on the basis of the economic condition of the beneficiaries. See Note 7.2.

3. REPORT ON RISKS AND OPPORTUNITIES

3.1 RISK MANAGEMENT SYSTEM

GATEWAY pursues the goal of creating climate-friendly and affordable living space through sustainable construction methods and the use of renewable energies. The strategy comprises the consistent use of resource-saving timber construction methods, compliance with recognized sustainability standards and efficient construction processes with shorter construction times and a high degree of planning reliability.

In connection with its business activities, Gateway Real Estate AG is exposed to a number of general and specific risks that could jeopardize the implementation of its strategy and the achievement of corporate goals.

These risks arise from potential changes in the social, political, legal, economic, and technical framework. However, within the context of its management of risks and opportunities, GATEWAY recognizes that changes may also present the possibility to identify new business opportunities and to generate additional economic success.

In order to identify, monitor and evaluate risks early, Gateway Real Estate AG has established an internal risk management system that accounts for the Group structure and the business model and complies with the applicable legal requirements set out in the German Stock Corporation Act (Aktiengesetz; AktG). The risk management system also complies with the recommendations of the German Corporate Governance Code, with the exception of the matters mentioned in the declaration of compliance:

https://www.gateway-re.de/en/investor-relations/corporate-governance/declarations-of-compliance

Risk management in relation to the Company is understood to be a systematic, value-oriented or performance-oriented approach to the analysis and handling of risks and opportunities. Gateway Real Estate AG's company-wide risk management is based on the COSO framework (Enterprise Risk Management – Integrating with Strategy and Performance). The reference model is divided into the following five components:

- Governance and culture,
- Strategy and objectives,
- Implementation,
- Review and audit,
- Information, communication and reporting.

The risk management system provides for a continuous assessment and analysis of all risks and opportunities relevant for GATEWAY to be able to respond to any potentially harmful risks in a timely and appropriate manner and make the best possible use of any opportunities arising.

As part of its risk management, GATEWAY records all significant, manageable risks. Risks that cannot be managed, such as macroeconomic developments or extraordinary events (e.g. natural disasters), are not actively managed but are continuously monitored and included in corporate planning.

GATEWAY distinguishes the following categories in the context of risk classification:

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Assessment of probability of occurrence	Classification of probability of occurrence	Probability of occurrence (as a percentage, within one planning year)
1	unlikely	0–30 %
2	possible	31–50 %
3	likely	51–70 %
4	almost certain	71–90 %
5	certain	91–100 %

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Evaluation of impact	Classification of impact	Share in adjusted EBIT	Impact in € thousand, rounded (based on adj. EBIT of €150 million)
1	not significant	0.0–0.1%	0–150
2	low	0.1–0.5%	150–750
3	medium	0.5–1%	750–1,500
4	high	1–3%	1,500–4,500
5	very high	3%–	4,500–

For more detailed information, please refer to the section “Internal control system and risk management system relating to the Group accounting process”.

3.2 RISK REPORT AND INDIVIDUAL RISKS

The risks that Gateway Real Estate AG is exposed to in its business activities can be allocated on the one hand to the area of general economic and cyclical developments and on the other hand to industry-specific trends within the real estate sector. Such risks cannot be influenced by the Company itself, but are rather attributable to political and economic developments on a global and national scale. The development of inflation and interest rates, and of income and purchasing power of the population as well as changes in the legal and tax framework and in the balance between supply and demand on the real estate markets that are relevant for GATEWAY may have an impact on GATEWAY’s business performance. Likewise, unexpected events can also have an impact on GATEWAY’s business performance.

In the following, we present individual risks that may have an impact on the financial position and performance of the GATEWAY Group, with a distinction being made between property-specific and company-specific risks. The assessments of the probabilities of occurrence as well as the financial impact are made on the basis of the classifications in the matrix presented (“risk classification”). GATEWAY’s assessment of the financial risk and the underlying potential loss amounts is, unless otherwise noted, always based on a potential net loss amount, where countermeasures defined by GATEWAY and their effects are already taken into account in the calculation.

3.2.1 PROPERTY-SPECIFIC RISKS

Identification of risks upon acquisition

As a developer of residential properties operating across Germany in selected high-growth regions, the acquisition of new plots of land and development projects as well as the partial sale of completed projects are integral parts of GATEWAY’s business activities. In the future, the Company will also build residential real estate for its own portfolio (build-to-hold). The Company generates the major portion of its total operating revenue from the sale of development projects. If planned sales transactions do not materialize, the Company might incur unplanned follow-up costs on the one hand and there might be a loss of budgeted income on the other hand. If planned purchases of land plots or development projects do not materialize, the Company’s earnings potential could also be reduced.

Risks might arise in connection with purchase contracts if contractual obligations are not complied with or if bad debts arise, which in turn may result in costs for the rescission of the relevant contracts as well as interest charges due to the later inflow of liquidity. Moreover, risks may arise in connection with the purchase of land plots and development projects if hidden defects related to the acquired properties are not identified prior to purchase, resulting in additional expenses, or when the purchase does not materialize and the Company has to bear the costs already arisen during the acquisition process.

Against the background of the continued challenging market conditions for real estate project development, it is possible that planned transactions may be delayed or may not be completed in the manner intended. As a result, projected income may not be generated or may only be realized later than expected. In order to avoid or minimize transaction risks, GATEWAY has determined internal rules for the conduct of due diligence reviews in the course of property acquisitions as well as detailed purchase criteria and is managed by an experienced management team that maintains close contact with other market participants such as appraisers and brokers. In terms of transaction risks, the Management Board generally assumes a possible probability of occurrence at the moment, while the development due to the war in Ukraine and its effects cannot yet be finally assessed to its full extent. If the corresponding risks were to manifest themselves, this would result in a low financial impact for the Group.

Default risks
The risk of loss of rental income is the risk that the actual rental income is lower than the contractually agreed rents. GATEWAY seeks to minimize the risk of loss of rental income through a prudent selection of contracting parties. In addition, the usual hedging instruments are used, such as rent deposits or guarantees. Potential bad debts are addressed through a structured receivables management process. With regard to the risk of loss of rental income, the Management Board assumes a possible probability of occurrence and, if it does occur, expects a low financial impact.

Adherence to planning assumptions
The letting risk is the risk that space cannot be rented out initially or subsequently or not at an appropriate price. Rental prices are subject to economic volatility and market cycles that, on the one hand, have an impact on the demand for rentable space and on the other hand on the market rent levels. This may result in a lower letting rate and thus to a reduction of rental revenues. GATEWAY's Management Board considers the probability of occurrence with regard to the letting risk for the Group's current rental portfolio to be possible and the potential amount of damage as low.

Each standing asset is assessed once per year by an external valuer. However, there is the risk that the fair value thus determined is higher than a potential sales price and that a sale eventually leads to a loss. There is also the risk that no investors can be found for the assets intended for sale. In order to avoid any deviations from planning assumptions, the business plan is regularly reviewed and adjusted accordingly if major changes occur. Currently, the probability of occurrence is considered possible, and the potential amount of damage, after countermeasures are taken into account, is considered low.

Environmental risk and risk from contaminated sites
Within the context of the acquisition of properties, the Group is exposed to the risks that, based on applicable regulations, expenses may arise to prevent any threats to public safety and order when contaminated sites were not or not sufficiently known upon the acquisition of properties or when unforeseen adverse effects on the environment or potential threats to public safety and order arise in connection with project developments. If environmental risks or risks from contaminated sites should materialize, this could have material effects on GATEWAY's financial position and performance. The intensive tests for contamination and other hazards carried out by external experts at GATEWAY's development projects and acquired properties currently indicate an unlikely occurrence of any environmental or contaminated site risks, which the Management Board considers to be subject to a low financial risk.

Development risks
Specific risks arise in connection with the project developments implemented by GATEWAY, affecting both operational and valuation-related aspects.

Operational risks mainly refer to the situation that the Group depends on external suppliers, service providers, and other contracting parties in the implementation of its projects. As a result of a high capacity utilization in the construction industry, the bottlenecks may arise with the consequence that planning and construction services cannot be provided as scheduled. Furthermore, delays, additional requirements or refusals may occur in the course of approval procedures, which may lead to projects running behind schedule, additional costs or, in individual cases, to a project being called into question. Increases in construction costs or delays in the start and completion of construction projects can also affect the profitability of individual projects if they cannot be compensated for by suitable adjustments.

Project developments are also subject to risks from changes in value. Changes in market conditions and the general framework, particularly with regard to sales prices, demand, interest rate levels or regulatory requirements, may result in the calculated project values or expected margins not being realized. Such changes in value can have an impact on the financial position and financial performance of the GATEWAY Group, both during the development phase and at the time of sale. Against this background, GATEWAY regularly carries out sensitivity analyses as part of cost estimation for projects and ongoing controlling, in particular for construction costs, revenue and assumptions underlying the time schedule. Upon purchase, all development projects are evaluated and analyzed on an individual basis. The Management Board is closely involved in the development of costs, time schedule and value of each individual project development over the entire project period and continuously reviews the underlying assumptions. On the basis of this close controlling mechanism, the Management Board only sees a possible project development risk in GATEWAY's current project portfolio. Should this risk materialize, the Management Board believes that only a minor financial impact will arise following the implementation of suitable countermeasures.

3.2.2 COMPANY-SPECIFIC RISKS

Financing risk

In order to finance the acquisition of new plots of land and the realization of project developments, GATEWAY uses debt funding in a way that is usual in the industry and in a significant volume. The availability of borrowings and the terms at which such borrowings can be taken out depends to a large degree on the development of the capital market environment, in particular on the development of interest rate levels, but also on the situation in the banking sector and its regulatory requirements. In addition, risks might arise in connection with debt financing when arrangements agreed upon in financing contracts cannot be complied with.

The persistently difficult market conditions for the project development sector – primarily due to a general rise in interest rate levels, higher construction costs and the associated decline in transaction volumes – have generally led to a cautious lending policy on the part of financing partners and thus to higher financing costs for borrowers. This could lead to a delay in the purchase of land or the completion of projects for which the relevant borrowed funds are to be used.

Financing risks may have a very large impact on GATEWAY Group's financial position and performance and, in an extreme scenario, could have a very high financial impact. GATEWAY addresses these risks by continuing to diversify its instruments and sources of financing. The Management Board currently considers the probability of financing risks to occur to be almost certain.

Financing risks can also arise from the need to enter into refinancing arrangements if a company is no longer in a position to raise the funds required to meet its financial obligations.

Going concern risk:

As of the reporting date, the Group had current financial liabilities of €883,206 thousand, which mainly relate to project financing for individual development projects and a promissory note loan taken out by Gateway Real Estate AG for general financing purposes. Of these financial liabilities, an amount of €102,300 thousand are currently not fully covered by agreed refinancing or specifically contracted sales proceeds.

As part of negotiations with the respective lenders, the Management Board has been able to agree extensions to the terms of a significant portion of the financial liabilities amounting to €850,392 thousand (thereof current financial liabilities in the amount of €780,906 thousand). For the financing that has not yet been extended, the lenders have collateral in the form of land charges which, in the view of the Management Board, generally indicate that an extension can also be agreed for this financing. In exceptional cases, the Group would also accept the realization of the collateral provided.

Overall, the ability of the Group to continue as a going concern is dependent on sufficient liquidity being generated through the scheduled realization of project sales and on unplanned outflows of liquidity being avoided as part of loan extensions.

If, contrary to the expectations of the Management Board, the Group is unable to extend a significant portion of the financing that has not yet been extended and, at the same time, is unable to realize the sale of significant projects as planned – in particular not at the planned dates and sales prices – this would jeopardize the continued existence of the subsidiaries involved in these projects.

If there were to be any deviations from the measures set forth in the extension agreements, this could also jeopardize the continued existence of the subsidiaries involved in these projects.

Due to guarantees and sureties in the amount of €85.5 million that had been issued as of the preparation date of this report, such a development could also have an impact on the parent company and thus on the entire Group. Based on the projects' progress, the Board currently does not anticipate that the guarantees and sureties will be utilized.

According to the Management Board, the situation of the individual financing arrangements and projects and the subsidiaries involved in the respective projects is as follows:

Redemption of financial liabilities of Gateway Real Estate AG:

As part of a partial sale, the Cologne Deutz project development was sold via a share deal on December 23, 2025. The provisional result from deconsolidation amounts to €7,518 thousand. In return, in 2025, the purchaser assigned claims against GATEWAY in the form of promissory note loans (€36,222 thousand) and corporate bonds (€31,932 thousand), and transferred cash in the amount of €15,500 thousand. The assignment of the claims resulted in a corresponding reduction in these liabilities through offsetting on the part of GATEWAY. A further amount of €3,000 thousand will be recognized in the fiscal year 2026.

Following the redemption of the corporate bond as part of the partial sale, the corporate bond issued by Gateway Real Estate AG in a total nominal amount of €40,000 thousand was extended until June 30, 2027. At the same time, a waiver of the repayment amount of €13,000 thousand was agreed with the creditors of the corporate bond.

Promissory note loan of Gateway Real Estate AG:
In addition, Gateway Real Estate AG concluded a promissory note loan, which had a value of €9,581 thousand as of December 31, 2024. The promissory note loan expired on March 2, 2025. On May 14, 2025, the promissory note loan was extended until December 31, 2026, taking into account an installment payment plan. The installment plan has been complied with so far.

Financing of Borussia Köln project development:
In the reporting period, both junior and senior financing agreements for the Cologne project development with a carrying amount of €282,886 thousand were extended, initially for a short term.

This agreement also included a deferral of obligations to make equity contributions totaling €15,000 thousand.

Following successful negotiations, the Group agreed – in notarized form – a comprehensive restructuring of the Cologne project development with all financing partners and the creditor of the outstanding land purchase price installments in the course of the fiscal year 2025. In this context, the urban development contract regarding the local zoning regulation was also signed. The major objective of the reorganization is to secure the orderly repayment of the existing junior and senior financing and to settle the outstanding installments of the land purchase price, and at the same time to secure the return of the equity funds invested in the project through the future development and sale of individual building plots.

The restructuring agreement provides for an extension of the senior financing until December 31, 2027 and the granting of an additional credit line of €23,000 thousand, which is intended to be utilized for payment of the interest payable upon final maturity.

The liabilities consist of junior financing in the amount of €173,466 thousand and senior financing in the amount of €109,420 thousand. An irrevocable debt waiver in the amount of €109,466 thousand was granted in connection with the junior financing that was outstanding as of the reporting date. The waiver of claims was granted subject to the condition precedent of GATEWAY's insolvency. The remaining €64,000 thousand of the junior financing and the senior financing were extended until December 31, 2028.

As part of the restructuring, several milestones were defined with all financing partners, which in particular provide for the gradual development of the project and the sale of individual properties on the basis of an orderly time schedule.

Additional collateral was provided more recently, apart from the collateral provided for the senior financing – consisting of pledges of shares, real estate assets secured by land charges with a carrying amount of €409,187 thousand and a letter of comfort of GATEWAY towards the lender of a maximum amount of €8,000 thousand.

From September 30, 2025, a guarantee from GATEWAY in favor of the junior financing in the amount of €25,000 thousand became effective. However, utilization of this guarantee is only permitted once the senior financing has been repaid in full.

The agreed milestones have been complied with so far. On December 23, 2025, a sale of shares in seven companies with a significant volume of space was implemented at the agreed target price. See also the previous section on Gateway Real Estate AG.

For GATEWAY, there is a risk that if the milestones defined in the restructuring agreement and the urban development contract are not met (including development planning, capital flows, obtaining planning permission, minimum resales), all lenders, the seller of the land and the public authorities may call in their claims immediately. In this case, the Management Board believes that there might be direct access to the collateral provided, which – depending on the development of the project – could lead to a substantial outflow of liquidity or even jeopardize the Group's continued existence. The partial sale of the Cologne Deutz project development carried out on December 23, 2025 means that a significant proportion of the defined milestones has already been met. The Management Board believes that it is more likely than not that the milestones will continue to be met.

SoHo Mannheim project development:
The bond for financing the acquisition of the SoHo Mannheim project development has a value of €53,881 thousand as of the reporting date.

In March 2026, the SoHo Mannheim project development agreed a modified repayment agreement for the bond. The adjustment provides for a reduction of the originally agreed outstanding bond liabilities from €53,881 thousand to €40,000 thousand. This involves a debt waiver in the amount of €13,881 thousand. The reduced amount is to be repaid primarily from the proceeds from the development and marketing of the southern construction site not later than December 30, 2027. The existing guarantee from Gateway Real Estate AG in the amount of €15,000 thousand will in future only serve to cover any shortfall at the end of the term and no longer primarily to secure the total amount. The Management Board believes that it is more likely than not that the redemption agreement will be complied with.

Dresden Blüherpark project development:
The acquisition financing for the project development and the existing commercial property at the Dresden Blüherpark site had a nominal loan amount of €87,000 thousand, plus interest of €10,835 thousand payable upon final maturity. Real estate assets with a carrying amount of €153,260 thousand secured by land charges and pledges of shares in the project-related companies are used as collateral. After the original term expired, standstill agreements were concluded with the lenders, which expired by the time the consolidated financial statements were prepared. Negotiations are currently underway with the lenders and other potential investors regarding the extension or assumption of the loans. At the time the financial statements were prepared, binding agreements had yet to be reached. Following the sale of the existing property, it is planned to extend the remaining financing for the rest of the project. Corresponding negotiations to extend financing arrangements are not to be initiated until after the sale has been completed. As a result, there were no legally binding extension agreements as of the reporting date or the date of preparation of the financial statements.

In connection with the acquisition financing, Gateway Real Estate AG assumed an irrevocable and unconditional guarantee for unpaid interest and for any cost overrun of up to €3,500 thousand. In the opinion of the Management Board, it is currently unlikely that this guarantee will be utilized.

If, contrary to the Management Board's expectations, neither the standing asset is sold nor the remaining financing is subsequently extended, the lenders could access the collateral provided, which would jeopardize the continued existence of the subsidiaries involved in the project. From a Group perspective, however, the Management Board believes that such a development would not directly jeopardize the Group's continued existence as a whole due to the project-related structure of the financing. In addition, the Management Board assumes that the current market value of the projects exceeds the total amount of collateral.

Standing asset in Augsburg:
The investment property in Augsburg is financed by a loan with a nominal value of €39,620 thousand and a term until December 20, 2026, which was taken out by the Group parent company. The financing arrangement is collateralized by real estate assets secured by land charges with a carrying amount of €99,100 thousand.

The Augsburg project is currently in the development phase in terms of regulatory planning. The framework plan was unanimously approved by the City of Augsburg's building committee in July 2025 and is currently being incorporated into the development plan. Construction is currently expected to start at the beginning of 2027. At the same time, further cost and revenue updates as well as detailed environmental investigations are being carried out.

To reduce the short-term refinancing risk, a supplementary agreement was concluded with the financing partner, which provides for an extension of the financing until December 20, 2026. Project development activities will continue to proceed as planned, regardless of the financing structure.

In connection with the financing, 89.9% of the shares in each of the companies holding the property were transferred to the lender. The transfer was made subject to the condition that the shares will revert to the Group if the loan is repaid when due. Regardless of the transfer of majority interests to the financing partner, the companies still have to be included in the consolidated financial statements by way of consolidation in accordance with IFRS 10.

If, contrary to planning, the financing is not repaid when due, the financing partner would be entitled to access the collateral provided. This could lead to a loss of the property companies. Due to the recoverable collateral and the continuation of the project development activities, the Management Board currently considers the remaining risk to be limited. The Management Board does not expect this to have a direct impact that might jeopardize the Group's continued existence as a whole.

Berlin Heinersdorf project development:
The Berlin Heinersdorf project development has senior financing available with a nominal loan amount of €30,000 thousand, which is due to expire on December 20, 2026.

The project development is currently in the early development phase in terms of regulatory planning. The planning is based on the urban development utilization concept adopted by the Berlin Senate in April 2025. Currently, an urban development qualification competition is being held, the conclusion of which is a prerequisite for the subsequent decision to draw up a development plan.

The financing risk from this commitment is restricted to the level of the respective project company, as there is neither a guarantee nor any other liability on the part of the Group parent company for this financing.

Real estate assets with a carrying amount of €36,600 thousand as well as 89.9% of the shares in the company holding the property were transferred to the lender as collateral for the financing. The beneficial ownership of the shares remains with the parent company Gateway Residential GmbH.

Nevertheless, if the financing is not repaid when due, the financing partner would be entitled to access the collateral provided. This could lead to a loss of the property company. However, due to the lack of liability of the Group parent company and the project-related structure of the financing, such access would not have a direct effect on the Group's continued existence as a whole.

Berlin project developments:
As of the reporting date, the financing for the Berlin project developments amounted to €58.4 million for Storkower Straße 140 PE GmbH, €103.9 million for Storkower Straße 142–146 PE GmbH, and €123.1 million for Revaler Straße 32 GmbH. The real estate assets secured by land charges, with a carrying amount of €71.3 million for Storkower Straße 140 PE GmbH, €125.4 million for Storkower Straße 142–146 PE GmbH, and €123.7 million for Revaler Straße 32 GmbH, are used as collateral.

The financing of the project companies Storkower Straße 140 PE GmbH and Storkower Straße 142–146 PE GmbH was extended until December 30, 2026 by way of supplements dated February 18, 2026. As of the reporting date, the parties had agreed on the substance of draft agreements regarding the financing of the project company Revaler Straße 32 PE GmbH, which provide for an extension of the financing until December 30, 2026. However, as of the reporting date, no legally binding extension agreement had yet been entered into.

The projects at Storkower Straße 140, Storkower Straße 142–146 and Revaler Straße 32 currently are in the letting stage. Construction work is largely completed at the moment. The first tenants moved into the Storkower Straße 142–146 project already in 2023, into the Storkower Straße 140 project in 2024, and into the Revaler Straße 32 project in 2025.

Extension of loan agreements with Helvetic Capital AG and SN Beteiligungen Holding AG
On December 30, 2025, the financing arrangements with the related companies Helvetic Capital AG and SN Beteiligungen Holding AG, with a value in the amount of €101.1 million and €8.8 million, were extended until June 30, 2027.

Summary:
Against the background of the continued challenging market environment in real estate project development, the continuation of the Group's business operations depends on the successful implementation of planned project disposals and on the ability to extend existing financing arrangements to the envisaged extent.

At the same time, during the fiscal year and up to the date of preparation of the financial statements, the Group achieved material progress in stabilizing its financing structure. For the majority of financial liabilities falling due in the short term, maturity extensions, restructurings, or repayments have already been agreed, thereby reducing short-term liquidity pressure and safeguarding the continuation of material projects. The agreed measures have so far been implemented as planned.

For certain financing arrangements, no legally binding extension agreements have yet been concluded as of the date of preparation of the financial statements. Deviations from the underlying assumptions, in particular with regard to the timing or value realization of project sales, could lead to additional liquidity requirements and may affect individual project companies.

Overall, there is a risk that could endanger the Group's ability to continue as a going concern, arising from the possibility that the measures underlying the financing and restructuring agreements already concluded may not be implemented as planned in the future and that financing partners may subsequently terminate contractual arrangements or enforce collateral. Due to guarantees and sureties granted in an amount of €85.5 million, such developments could also indirectly affect the parent company.

The Management Board addresses this situation through close liquidity management, ongoing coordination with financing partners, and the consistent monitoring and implementation of the agreed measures. On this basis, the Management Board assumes that the existing financing and restructuring agreements can be complied with as planned and that the continuation of the Group's business operations is predominantly likely, while pointing out the uncertainties associated therewith.

Liquidity risk
If the Company cannot meet its payment obligations when due owing to a lack of liquidity, this could have a very high negative impact on the business activities and the economic situation of the Company.

In this context, we also refer to the risks mentioned in the section on financing risks, which may arise from the extension of financing arrangements that are still required and from the late repayment of financing due to non-receipt or late receipt of payments.

Moreover, the Group is exposed to a tight liquidity situation due to the overall economic conditions. Monitoring liquidity development and liquidity management is therefore a major focus of the overall corporate management. Accordingly, the Management Board has drawn up a detailed finance plan until the beginning of 2027 and listed all significant incoming and outgoing payments for the Group. Liquidity bottlenecks might occur if there are deviations due to the failure to realize planned project sales or if the sales are not made on time or in the amount planned. If any additional negative deviations from the plan arise in the forecast period or the extensions of the financing arrangements explained in the "Financing risks" section are not implemented to a significant extent, there will be a risk to the Group as a going concern, and the continuation of the Group's business operations will be dependent on further external liquidity support.

Despite a continuous monitoring and controlling of the liquidity situation, the Management Board currently considers the occurrence of liquidity risks to be possible to likely, even taking into account mitigating measures (early communication with banks, creditors and companies, and the sale of existing assets) and classifies the financial impact as very significant.

Tax compliance
Tax risks may result from tax-relevant matters that are not taken into consideration or from the filing of incorrect tax documents, but they may also be the result of changes in tax legislation. This can lead to higher tax burdens for the Company and hence additional outflows of liquidity. In addition, changes in the tax framework for the Company or its potential customers may exacerbate the Company's operating activities or make them less viable in economic terms. In order to manage the corresponding risks, management regularly analyzes the current tax situation and possible scenarios for the short to medium-term development in coordination with the Group's tax advisors. The Management Board currently assesses the probability of tax risks to occur as possible; if they did occur, such risks could have a low financial impact on the Group.

Risks from publication requirements and the ban on insider trading
Due to the fact that GATEWAY is listed on the stock exchange, the Company is subject to increased disclosure requirements and the rules on the prohibition of insider trading. The violation of publication requirements and bans on insider trading may result in major sanctions imposed by regulatory authorities. In order to counteract the risk arising from breaches of publication requirements and ban on insider trading, deadline calendars and insider lists are maintained and non-disclosure agreements are concluded. Should risks actually materialize, specialized law firms are engaged to avoid any threatened fines. The Management Board currently assesses the probability of such risks to occur as possible; if they did occur, such risks could have, after countermeasures are taken into account, a low financial impact on the Group.

Regulatory risks
GATEWAY's business activities are influenced by changes in the legal framework and applicable laws and regulations. This concerns, in particular, building law and building planning law, but also legal regulations for other more or less closely related areas such as fire protection or environmental protection. Changes in the legal framework in these areas may result in higher expenses or lower income for the GATEWAY Group. In order to counteract the risk exposure arising from regulatory risks, the relevant specialist corporate departments are informed at an early stage about upcoming changes in legislation and receive ongoing training. In this context, GATEWAY also uses client circulars and news services from law firms. In this case, the Management Board expects a low impact on the financial situation of the Group, but the probability of occurrence is currently assessed as possible.

Some of the projects developed by GATEWAY also comprise the redevelopment of listed buildings. The high restructuring costs associated with a listed building (as compared to the costs for an unlisted building) are offset by tax benefits. In this context, the Management Board currently sees possible risks, however with only a low impact on the financial situation of the Group.

Human resources risk
The economic success of GATEWAY largely depends on the availability of a sufficient number of appropriately qualified specialists and executives. To that extent, there is the risk that corporate goals cannot be achieved when employees are off sick for a longer time or leave the Company or that young professionals cannot be acquired to a sufficient extent so that existing vacancies cannot be filled.

In order to counteract the loss of employees, regular feedback meetings are held. This enables us to identify possible reasons for the loss of employees at an early stage and to take any appropriate countermeasures. Furthermore, professional human resources consultants are appointed to find new talent for vacancies or new positions.

Against this background, the Management Board assumes a possible probability of occurrence, but a low financial impact of potential human resources risks for the Group.

One member of the Management Board (CFO) left the Company at the end of the fiscal year. The vacancy was filled again at the beginning of 2025, ensuring continuity in the finance organization and eliminating any significant personnel risks.

Other litigation
There is the general risk that GATEWAY becomes involved in legal disputes within the scope of its business activities. In this context, the Company may incur additional expenses for legal advice, court costs, fines, or settlements.

As of the end of the reporting year, GATEWAY was a party to several legal disputes pending before the courts. The underlying disputes arise from GATEWAY's business activities and relate to disputes in connection with the execution of a land purchase agreement, and with guarantee and financing matters. In the meantime, a judgment was issued, against which an appeal has already been lodged. A decision has yet to be made as regards the appeal; the ruling is therefore not legally binding. Provisions have already been recognized. To settle the legal dispute arising from the utilization of the letter of comfort, the Company concluded an out-of-court settlement agreement with the plaintiff in January 2026. See Chapter 8.8 Significant events after the reporting date.

In order to counteract the risk of currently pending and any future legal disputes, specialized law firms have been and will be engaged for the respective cases. The probability of occurrence of risks from other litigation is currently assessed as almost certain; the potential financial impact is assessed as medium overall.

Reputational risk
GATEWAY is faced with expectations and requirements of various stakeholder groups within the context of its business activities. In this context, the Group may be presented in a negative way in the media or the public which may do harm to its reputation and may have a negative influence on its business

activities. In order to minimize this risk, employees are trained and guidelines are issued to prevent intolerable behavior. The probability of occurrence of reputational risk is currently assessed as possible; the potential financial impact is assessed as insignificant overall.

IT risk

As part of its business activities and the corporate management of GATEWAY, the use of IT systems and the processing of data play a central role. There is the risk that data may be corrupted or are lost due to application errors or external interventions and that IT systems cannot be used as intended. The potential damage of the risk before measures are taken is considered very high, but the occurrence of this risk is considered unlikely.

By means of an annual IT audit, comparisons of planned and actual outcome are carried out and specific measures are derived, so that after measures have been taken it is expected that the amount of damage would not be significant.

3.2.3 OVERALL ASSESSMENT OF THE RISK SITUATION

The Management Board of GATEWAY currently sees influences in the areas of financing and liquidity that may be a threat to the Company's continued existence or its business activities and considers the risk situation to be significant. Overall, the continuation of the Group's business operations depends on whether it is able to realize project sales to generate sufficient liquidity for the Group's financing activities and whether any unplanned outflow of cash funds as part of the extension of loans can be prevented. If, contrary to the expectation, a material portion of the financing arrangements not extended up to the date of preparation is not extended and the sale of overall material projects cannot be realized as planned, i.e. at the planned selling price and date, the continued existence of the subsidiaries involved in these projects and of the parent company as part of the Group's central liquidity management and hence all other companies included in the group of consolidated entities would be at risk. The continuation of the Group's business operations will be dependent on further external liquidity support.

The fundamental assessment of the developments in GATEWAY's focus cities regarding population trend and excess demand has not changed, however, the extent and the effects of the challenging market situation on business development cannot be conclusively assessed.

The significant rise in inflation in recent years and the pattern of interest rate hikes introduced by the central banks, which has now come to an end, have led to considerable market turbulence, particularly in the area of project development. In this context, there was an increase in the number of insolvencies and restructurings among project developers across the sector.

The monetary policy measures taken by central banks to combat inflation have significantly increased the pressure on loan-financed real estate investments. The rise in interest rates has led to higher financing costs and has made it more difficult to take out new loans and extend existing financing agreements. These effects have a particular impact on the real estate industry, as investments in real estate regularly involve a high proportion of borrowed capital.

Against this backdrop, Gateway Real Estate AG continues to observe a subdued development of the transaction market. This is due on the one hand to more restrictive lending by financing institutions and on the other hand to the increased return expectations of investors. The rise in key interest rates resulted in an increase in the risk-free interest rate, which in turn led to an increase in the overall return expectations of potential real estate buyers.

3.2.4 REPORT ON OPPORTUNITIES

In future, GATEWAY will focus on the project development of residential real estate in selected metropolitan regions and other defined target markets in Germany. The regional diversification of the project portfolio enables the Group to take advantage of different local market conditions and react to changes in demand and price trends on a project-by-project basis.

In selected focus markets such as Augsburg, Dresden, Mannheim, Ludwigshafen, Soest and Chemnitz, there are opportunities for the development and marketing of residential properties due to the ongoing tight housing markets and limited new construction activity. Positive developments in asking rents and vacancy rates in these markets can have a positive impact on the profitability of future projects.

When acquiring new properties, GATEWAY can benefit from its established market access and the many years of experience of its management and operating units. In light of the ongoing challenges in the market, this creates selective opportunities to identify and secure suitable development sites once economic conditions improve.

In addition, the ongoing political and social focus on the creation of affordable and subsidized housing offers opportunities for individual project developments by the Group. Funding programs at overall federal and individual state level as well as corresponding local requirements can – depending on the project structure and location – help to support the economic feasibility of residential construction projects. This applies in particular in connection with measures as regards planning law, for example to make better use of land or to realize subsidized housing.

4. REPORT ON EXPECTED DEVELOPMENTS

4.1 TARGET ACHIEVEMENT 2024

In the 2023 Group management report and by way of an ad hoc release dated September 17, 2024, GATEWAY issued a qualified forecast for the fiscal year 2024. Accordingly, for the year 2024 as a whole, the Company expected an EBIT adjusted of €20–30 million and Group earnings before taxes (EBT) of €2.5–7.5 million based on the results already achieved and the positive progress of recent negotiations. As a result of the projected sales, the Management Board expected GDV to decline slightly.

With an EBIT adjusted of €–70.4 million and consolidated earnings before taxes (EBT) of €–134.7 million, GATEWAY did not meet its specified guidance. This was mainly due to a partial write-down on real estate projects held as inventories in the amount of €52.1 million. In the case of investment properties, fair value adjustments led to negative effects of €20.2 million. In addition, impairments of financial receivables amounting to €23.4 million were recognized, which the Management Board decided to recognize to account for potential risks.

However, the slight decline in GDV growth was confirmed in the year under review. GDV amounts to €3.7 billion as of December 31, 2024.

4.2 ECONOMIC ENVIRONMENT 2024

4.2.1 MARKET ENVIRONMENT/ MACROECONOMIC SITUATION

After the United States introduced new tariff policies at the beginning of April 2025, the International Monetary Fund (IMF) revised its outlook for the global economy (World Economic Outlook) downwards. The IMF now expects that the rapid escalation of trade tensions and the extremely high level of political uncertainty will have a significant impact on global economic activity. According to IMF estimates, global economy is forecast to grow by 3.0% in 2025 and by 3.1% in 2026. In January 2025, the IMF had expected growth to come in at 3.3%. This means that the global economic outlook remains below the historical average of the years before the coronavirus pandemic. Between 2000 and 2019, global economic output increased by an average of 3.7% per year. The reasons for the subdued growth expectations include rising tariffs and uncertainties regarding further tariff increases. On the other hand, higher budget deficits and the resulting potential increase in volatility on the financial markets are weighing on sentiment. At the same time, however, there are also supporting developments. For example, financing conditions have improved as a result of a weaker U.S. dollar, among other things, and accommodative fiscal policies have been initiated in some major jurisdictions.

The IMF expects global overall inflation to fall further to 4.2% in 2025 and 3.6% in 2026. In the process, the major central banks are likely to cut their key interest rates further. The gradual cooling of the labor markets should limit inflationary pressure. In conjunction with the expected fall in energy prices, overall inflation is likely to fall further towards the central bank's targets. Nevertheless, inflation in the United States is likely to be close to but still above the 2% target in 2025, while inflation momentum in the eurozone is likely to be more subdued. Inflation is expected to remain on a low level in China. As a result, the gap between the expected key interest rates in the United States and other countries is likely to widen.

For the United States, the IMF expects demand to remain robust due to strong wealth effects, a less restrictive monetary policy and favorable financial conditions. In January 2025, the IMF had assumed that the U.S. economy was set to grow by 2.7% in 2025, but adjusted the growth rate to 1.9% in July due to the new tariff policy. The growth rate expected for 2026 is 2.0%.

In the July edition of its World Economic Outlook, the IMF forecasts growth of 1.0% for the eurozone in 2025 and 1.2% in the following year. After two years of recession, a slight economic recovery of 0.3% in 2025 and of 1.1% in 2026 was expected for Germany, according to estimates published in January 2025. In its July 2025 forecast, the IMF revised its growth expectations for Germany to 0.1% for 2025 and 0.9% for the following year.

In July 2025, the IMF also lowered its growth forecast for China, which is the major target of the new U.S. tariff policy, to 4.8% for 2025 and 4.2% for 2026. According to IMF estimates, the Indian economy is likely to grow by 6.4% in both 2025 and 2026. This would mean that the Indian economy would grow at a slightly lower rate than in 2024 (6.5%).

The IMF believes that the tax cuts announced in the United States could boost economic activity in the short term and have a small positive impact on global growth. In the longer term, according to the IMF, there is a growing risk that the role of U.S. government bonds as a safe harbor worldwide will be weakened. If interest rates rise as a result of higher borrowing, this could have a negative impact on economic activity in other countries, particularly in developing and emerging economies.

According to the IMF, the deregulation planned for companies in the U.S. also boosts investment and short-term growth, but could contribute to the appreciation of the dollar. This would increase the risk of capital outflows from emerging and developing countries and would also lead to higher risk premiums. Excessive removal of regulations that limit risk-taking and debt accumulation could trigger a boom-bust dynamic in the U.S. that could spill over to the rest of the world.

In its 2025 spring forecast, the European Commission expects the EU economy to grow by 1.1% in 2025 and by 1.5% in the year after. Economic growth in the eurozone is forecast to be lower at 0.9% in 2025 and 1.4% in the following year.

Overall inflation in the eurozone is expected to gradually slow to 2.1% in 2025 and to 1.7% in 2026. For the EU, the Commission expects inflation to fall to around 2.0% in 2025 and to nearly 2.0% in 2026. This would cause inflation to decline to the European Central Bank's target of 2% and would pave the way for further monetary easing.

According to the European Commission, the labor market will remain robust overall. Around 2.0 million new jobs are expected to be created in 2025. The unemployment rate in the EU is expected to fall to 5.7% in 2025 and 2026.

On March 18, 2025, the 20th German Bundestag adopted extensive exceptions to the limit on new public debt as set out in the German Basic Law (draft bill No. 20/15096 to amend the Basic Law). This means that expenditure on defense and security policy will no longer be fully offset against the debt limit rule of the Basic Law in future. In addition, the Basic Law allows for the creation of an off-budget fund (Sondervermögen) of €500 billion for additional investments in infrastructure and for additional investments to achieve climate neutrality by 2045," which is also exempt from the debt limit. In addition, the scope for debt allowed for the German federal states was expanded.

According to calculations by DIW Berlin, German economic output could be around one percentage point higher in 2026 as a result of the investments from the off-budget fund and could even increase by an average of more than two percent per year from 2027. According to calculation made by the German Economic Institute in Cologne, additional investments of €50 billion per year over ten years will result in an increase in total real investment by almost seven percent by 2034. In this case, German gross domestic product would be one percentage point higher.

In 2025, Germany has a debt ratio of 62.7%. This would increase by ten percentage points as a result of the additional borrowing for the off-budget fund for infrastructure investments and by an additional 2.5 percentage points for the planned annual defense spending of 3.5% of GDP, according to ImmobilienResearch Vornholz.

Due to its international interdependencies, both in terms of supply chains and sales markets, the German economy is under pressure as a result of reduced competitiveness and is additionally burdened by the new U.S. trade policy. In its spring forecast, the German government expects price-adjusted gross domestic product in Germany to remain flat this year. The growth rate expected for the next year is 1.0%. In its autumn forecast, the Kiel Institute for the World Economy predicts that German gross domestic product will only grow by 0.1% in 2025, by 1.3% in 2026, and by 1.2% in 2027. In view of the challenging environment, the German government expects employment to fall and unemployment to rise in 2025. Employment is not expected to increase again and the number of unemployed people to fall until the economic recovery in 2026. The German government forecasts that the inflation rate will fall to 2.0% in 2025 and to 1.9% in 2026.

4.2.2 SOCIODEMOGRAPHIC DEVELOPMENT

In its current 15th coordinated population projection for Germany, the Federal Statistical Office assumes that the population will grow to 85 million by 2031 and then decline to 83 million by 2070, assuming a moderate development in birth rates and life expectancy and moderate net immigration of 290,000 people per year on average. If net immigration amounts to only 180,000 people per year, 75 million people would still be living in Germany in 2070. By contrast, if net migration remains at the high level of 400,000 people per year on average, Germany would have about 90 million inhabitants in 2070.

According to the calculations of the Federal Statistical Office, at least 20 million people in Germany will be older than 67 by the mid-2030s. Currently, 16.4 million people have reached retirement age. In the mid-2030s, 5.8 and 6.7 million people are expected to be older than 80 years. However, the number of very old people, which will have remained relatively stable until then, is set to increase massively from the mid-2030s. By contrast, the number of people of working age between 20 and 66 living in Germany is falling. Currently, this group comprises 51.4 million people; under the assumption of low net immigration, their number would fall by 4.8 million by the mid-2030s. Even in case of high net immigration, this number of people in this group would decrease by 1.6 million in the mid-2030s.

According to the Federal Statistical Office, population development will vary from region to region. In the city-states, the population is expected to grow, also with an increasing number of people of 67 years of age or older. Population is expected to remain flat for the western federal states, while the number of people older than 67 will increase at the same time. In the eastern German states, the shrinking potential labor force will be the greatest challenge.

That said, the number of households in Germany has been growing noticeably faster than the population. While the population increased by just under 4% between 1991 and 2018, the number of private households rose by 6.1 million, or 17%, to 41.4 million. According to the Federal Statistical Office, this trend will continue, but at a slower pace. According to the projections, there will be 42.6 million households in Germany in 2040. The trend of smaller households is continuing, but is weakening.

The reasons for this increase include the decline in marriages and births, increasing partnerships with separate dwellings, the continued aging of the population combined with improving physical conditions of older people who are able to live in their own household for a longer time, and increasing requirements with respect to occupational mobility, which is driving the trend of smaller households. Between 1991 and 2018, the share of one- and two-person households in the total number of private households increased from 64% to 76%. According to the trend variant of the 2020 projection for the number of households, the number of single-person households is expected to increase from 17.3 million to 19.3 million between 2018 and 2040, and the number of households with two persons is expected to increase from 14.0 million to 14.1 million. In contrast, the number of households with three or more members will fall from 10.1 million to 9.2 million.

4.2.3 DEVELOPMENT OF REAL ESTATE MARKETS

For the German construction industry, the additional public sector debt and the investments to be made as a result will have both positive and negative effects. Construction is likely to become more expensive. Additional borrowing by the state generally leads to an increase in interest rates for government bonds. As a consequence, interest rates for construction projects are also likely to rise, as they are based on government bond rates. ImmobilienResearch Vornholz expects that mortgage interest rates could rise from 3.0% to just over 4.0% by the end of 2025.

Rising government demand for infrastructure spending should increase competition for capacity, which can squeeze out private demand and lead to price increases for construction services and materials. According to ImmobilienResearch Vornholz, however, capacity utilization in both civil engineering and building construction was low at the time of the German parliament's decision in March 2025. Therefore, shortages or significant price increases are not expected as a result of additional government demand.

Early in 2025, CBRE saw the German real estate market at the beginning of a new market cycle. This expectation was partially revised in its Mid-Year Real Estate Market Outlook. Germany's new ruling coalition consisting of the Christian Democratic Union and the Social Democratic Party and the additional funds earmarked for infrastructure and defense spending as well as the improved depreciation options for companies have provided strong fiscal impetus. This should also be reflected in greater momentum on the investment and rental markets. In addition, several cuts of the key interest rate by the ECB and a downward trend in inflation rates are supporting the new market cycle. In contrast, geopolitical conflicts and additional trade barriers are weighing on the national business, export, consumer and investment climate. According to CBRE estimates, real estate investments could reach a total volume of up to €40 billion in 2025.

In the first half of 2025, the transaction volume decreased by 2.0% to €14.2 billion compared to the first half of 2024. Investors favored the residential, logistics and retail segments. The focus increasingly shifted also towards hotels and the healthcare sector. In contrast, the office segment remains characterized by merely selective investments. Transactions amounting to €6.7 billion are attributable to international investors.

Office market
According to CBRE, take-up in the first half of 2025 remained largely on par with the same period of the previous year at around 1.3 million sqm (–2.7%) compared to the first half of 2024. According to CBRE, the recovery of the rental markets is set to continue. Demand for office properties continues to be determined by social trends and technological developments. Office properties in very good, central locations with good accessibility and a high-quality working environment will remain in high demand. It is becoming apparent that some office work will be done from home on a permanent basis. As a result, companies are consolidating their use of space under the motto of "quality before quantity." JLL expects that take-up in the seven most important German office markets could amount to around 2.9 million sqm in 2025, thus reaching the previous year's level. At the same time, the average vacancy rate is expected to increase to 8.0% by the end of the year. Prime rents in the top segment are likely to rise further.

Residential real estate market
The tense situation on the housing market is likely to continue from the perspective of tenants and buyers. According to CBRE, rents rose again by 5% year-on-year in the first half of 2025. Officials are trying to counteract this – on the one hand with the continuation of the rent freeze, but also with policies to accelerate construction activities, which are intended to give local authorities the opportunity to build more flexibly in their communities. However, high construction costs and rising land prices are having a dampening effect.

There is a shortage of (affordable) living space, particularly in metropolitan areas, meaning that rents will continue to rise in sought-after markets. Completion rates show no signs of easing in the short term, despite initiatives implemented by policy makers.

Therefore, the residential asset class becomes less attractive for domestic and foreign investors. In the first half of 2025, residential properties with 50 or more residential units worth €4 billion were bought or sold. This represents an increase of 17% over the prior-year period. In terms of transaction volume, the residential sector thus has a share of 27%, making it the asset class with the highest take-up. CBRE expects a transaction volume of between €8 billion and €10 billion in the German residential market in 2025. The focus is likely to be on the core-plus segment. It is likely that prime yields will fall only slightly.

4.3 OUTLOOK FOR THE GATEWAY GROUP

The following statements are based on the information available at the time this Group Management Report was prepared, including the draft consolidated financial statements for the 2025 fiscal year, which has already ended. A forecast for the 2025 fiscal year is therefore no longer included in the Group Management Report. The Management Board assumes the going concern of the company and refers to the notes regarding threats to the company's continued existence.

Based on preliminary and as yet unaudited figures, the Company expects the 2025 fiscal year to close with earnings before taxes (EBT) of €110–120 million and adjusted EBIT of €20–30 million.

Due to the divestitures carried out, the Management Board anticipates a decline in GDV in 2025.

5. INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT SYSTEM RELATING TO THE GROUP ACCOUNTING PROCESS

The Group's risk management is managed by a central Finance Department on the basis of guidelines approved by the management. This Finance Department identifies, assesses and manages financial risks in close cooperation with the Group's operating units or departments, respectively.

The risk management system provides for a continuous assessment and analysis of all risks relevant for GATEWAY to be able to respond to any potentially harmful risks in a timely and appropriate manner – this also includes the observation and evaluation of defined opportunities. As part of the Group risk management system, GATEWAY has set up an internal control system (ICS) with regard to proper and legally compliant accounting, in which the accounting process is accompanied by defined control measures. The member of GATEWAY's Management Board with responsibility for the ICS is responsible for the deployment and ongoing evaluation and development of the ICS. The Management Board thus bears overall responsibility for the design and implementation of the ICS, but at the same time has defined persons responsible for the process and control of its implementation in the Group, and clear roles have been assigned to all GATEWAY employees involved in the accounting process.

The accounting-related internal control system (ICS) was established with the aim of ensuring proper, full and legally compliant financial reporting in accordance with the financial reporting and compliance regulations applicable to the GATEWAY Group. The financial reporting process is organized centrally by the Group parent company Gateway Real Estate AG, which is responsible for all Group divisions and consolidated companies. The subsidiaries are directly integrated into the consolidation system as part of Group accounting and report on the basis of uniform guidelines. Individual accounting systems are reviewed by various employees and included in the Group's financial reporting. The principle of separation of functions and the principle of dual control apply to all process steps. Plausibility checks and analytical controls are also carried out to ensure effectiveness. The appropriateness and efficiency of the system are regularly reviewed and further developed if necessary.

After the financial statements have been prepared, the annual and consolidated financial statements together with the respective management report are submitted to the Supervisory Board. The Supervisory Board is also continuously involved in the further development of the accounting-related ICS and the risk management system.

6. RISK REPORTING RELATING TO THE USE OF FINANCIAL INSTRUMENTS

PRINCIPLES OF FINANCIAL RISK MANAGEMENT

The Group's risk management is managed by a central Finance Department on the basis of guidelines approved by the management. This Finance Department identifies, assesses and manages financial risks in close cooperation with the Group's operating units or departments, respectively. The management issues written guidelines for overall risk management and for certain areas such as interest rate risks, default risks and liquidity management.

Financial risk management involves the management and limitation of financial risks arising from operating activities. It involves continuous, rolling liquidity controlling that is particularly focused on the avoidance of significant receivables defaults and assuring the financing needs of ongoing operations.

To limit the receivables default risk, ownership of sold properties is generally transferred to the buyer only after payment of the purchase price. Interest rate risks, liquidity risks and financing risks are considered to be high in light of the current challenging market situation. Appropriate measures were taken by the Management Board.

CAPITAL MANAGEMENT

The Group regularly reviews its capital structure in connection with ensuring its debt servicing capability, operating liquidity as well as the compliance of regulatory requirements within the context of the preparation of annual and interim financial statements. Adjustments to the capital structure may be implemented through capital increases or changes to the financing. In this context, the Company seeks to achieve a capital structure that reflects business risk. In doing so, the Group seeks to ensure the adequacy of the adjustments against the background of the specific business risk. Likewise, short- and medium-term capital requirements are managed through liquidity planning, at least monthly and on a rolling basis.

INTEREST RATE RISK

Risks arising from interest rate changes fundamentally exist for the Group in connection with taking out loans to finance the purchase of properties as well as in relation to project financings. Interest hedges to reduce the risk of interest rate changes have not yet been concluded to date.

DEFAULT RISK MANAGEMENT

Default risk is the risk of a loss for the Group if a contracting party does not fulfill its contractual obligations. The Group only enters into business relationships with creditworthy contracting parties and obtains collateral when appropriate to mitigate the risks of a loss from the non-fulfillment of obligations. The Group uses available financial information and its own commercial records to assess its customers. The Group's risk exposure is continuously monitored. Particular default risks that normally arise in significant receivables from sales of real estate and equity investments and in brokerage commissions owed by institutional investors are treated separately.

Trade receivables are owed by a large number of customers in different German federal states. They are usually individuals or business people who have rented or purchased the Group's real estate.

After an appropriate determination is made, trade receivables are derecognized when they are no longer recoverable. This is the case, for example, where the debtor fails to commit to a repayment plan with the Group.

OTHER FINANCIAL ASSETS

Other financial assets primarily consist of the disposals of shares in the previous year and the associated receivables under vendor notes.

The persistently high inflation and the path of interest rate hikes initiated by the central banks have also led to continued market turmoil, particularly among project developers, which has also resulted in further insolvencies of project developers. The Management Board believes that there are objective indicators that individual and material other financial assets are impaired. In order to take account of possible default risks of receivables in an appropriate way, the Management Board therefore recognized specific loss allowances for other financial receivables to cover such risks.

Other financial assets arisen in preceding years were written down in the previous fiscal year as a result of expected permanent impairment. We refer to Note 3.6.

Changes in the credit risk of loan receivables from third parties outside the Group are generally monitored and managed individually.

CASH AND CASH EQUIVALENTS

The cash and cash equivalents are deposited in banks and financial institutions. The Group assumes that its cash and cash equivalents have a low risk of default due to the external ratings of the banks and financial institutions. Impairment losses in the category of cash and cash equivalents are insignificant for the Group.

LIQUIDITY RISK

The responsibility for liquidity risk management lies with the Management Board, which has developed an appropriate concept for meeting short-term, medium-term and long-term financing and liquidity requirements. GATEWAY relies on the granting of bank loans, bonds, or loans from affiliated companies to finance acquisitions of companies and properties as well as its ongoing operations.

The Group manages liquidity risks by maintaining appropriate reserves and by continuously monitoring projected and actual cash flows and harmonizing the maturity profiles of financial assets and liabilities.

FINANCING RISK

GATEWAY relies on the granting of bank loans, bonds, or loans from affiliated companies to finance acquisitions of companies and properties as well as its ongoing operations.

Particularly within the scope of real estate financing, it is also necessary to renew or refinance expiring loans, some of which are granted only on a short-term basis and must be regularly renewed. In all cases, there is a risk that a renewal is not possible or not at the same or at different terms. The probabilities of refinancing risks and market risks to occur are deemed possible to likely. Please also refer to the statements in the report on risks and opportunities in the Group management report in section 3.2.2. under the heading "Financing risks."

7. DISCLOSURES AND EXPLANATIONS RELEVANT TO TAKEOVERS

The following disclosures pursuant to Sections 289a and 315a of the German Commercial Code (Handelsgesetzbuch; HGB) reflect the situation as it existed on the reporting date. The following explanation of these disclosures also complies with the requirements of an explanatory report pursuant to Section 176 (1) sent. 1 AktG.

COMPOSITION OF SUBSCRIBED CAPITAL

The subscribed capital (share capital) of Gateway Real Estate AG amounted to €186,764,040.00 as of December 31, 2024. It is divided into 186,764,040 no-par value bearer shares. The share capital has been fully paid up. The same rights and obligations are attached to all shares of the Company. Each share confers one vote and the same share in the profit. The rights and obligations arising from the shares are based on the applicable statutory provisions. As of December 31, 2024, the Company held no treasury shares.

DIRECT AND INDIRECT SHAREHOLDINGS IN THE CAPITAL EXCEEDING 10% OF THE VOTING RIGHTS

According to the most recent voting rights notifications, Norbert Ketterer, Switzerland, holds 66.24%, Sandra Ketterer, Switzerland, 15.00% and Yannick Patrick Heller, Switzerland, 13.61% of the voting rights of the Company.

It should be noted that the last reported number of voting rights may have changed in the meantime within the respective thresholds without any obligation to notify the Company.

SHARES GRANTING SPECIAL RIGHTS THAT CONFER CONTROLLING POWERS

There are no shares granting special rights that confer controlling powers.

NATURE OF CONTROL OF VOTING RIGHTS WHERE EMPLOYEES HOLD AN INTEREST IN THE CAPITAL AND DO NOT DIRECTLY EXERCISE THEIR CONTROL RIGHTS

There are no employee shareholdings in the Company's capital where the employees do not directly exercise their control rights themselves.

STATUTORY PROVISIONS AND PROVISIONS OF THE ARTICLES OF ASSOCIATION ON THE APPOINTMENT AND DISMISSAL OF MEMBERS OF THE MANAGEMENT BOARD AND AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The appointment and dismissal of members of the Management Board are governed by Sections 84 and 85 AktG and Section 7 of the Articles of Association. Pursuant to Section 7 (1) of the Articles of Association, the Management Board consists of at least one member. The Articles of Association do not contain any special provisions for the appointment and dismissal of individual or all members of the Management Board. The appointment and dismissal are the responsibility of the Supervisory Board. The latter appoints members of the Management Board for a maximum term of five years. Reappointments or a prolongation of the term of office are permissible, in each case, for a maximum of five years, subject to the provision in Section 84 (1) sent. 3 AktG.

Amendments to the Articles of Association are made in accordance with Sections 119 (1) no. 6, 179, 133 AktG and Sections 12 (2) and 16 (4) of the Articles of Association. The Articles of Association do not stipulate any further requirements for amendments to the Articles of Association. Unless stipulated otherwise by mandatory law, the resolutions of the General Meeting are adopted by simple majority of the votes cast and, if in addition to a majority of votes a majority of capital is required by statutory law, by a simple majority of the share capital represented for the adoption of the resolution. The Supervisory Board is authorized to make amendments to the Articles of Association which only concern their wording.

POWERS OF THE MANAGEMENT BOARD TO ISSUE SHARES

The powers of the Company's Management Board to issue shares are all based on corresponding authorization resolutions of the General Meeting, the material content of which is described below:

Authorized capital

The Management Board is authorized, with the approval of the Supervisory Board, to increase the share capital of the Company until August 29, 2028, once or several times, by up to a maximum total amount of €67,914,196.00 through the issue of up to 67,914,196 new no-par value bearer shares of the Company against contributions in cash and/or in kind (Authorized Capital 2023/I). The new shares must generally be offered to the shareholders for subscription; they may also be subscribed by one or more credit institution(s) or one or more equivalent institutions with the obligation to offer them to the shareholders for subscription (indirect subscription right). However, the Management Board is authorized, with the consent of the Supervisory Board, to exclude the shareholders' statutory subscription right in the following cases:

(aa) to the extent this is necessary to compensate for fractional amounts;

(bb) if the capital increase is made against cash contributions and the total pro-rata amount of the share capital represented by the new shares for which subscription rights are excluded does not exceed 10% of the share capital existing at the time this authorization becomes effective or is exercised and the issue price is not significantly lower, within the meaning of Sections 203 (1) and (2), 186 (3) sent. 4 AktG, than the stock market price of the shares of the same class and features already listed at the time the issue price is finally determined. This limit of 10% of the share capital is to be reduced by such portion of the share capital attributable to shares which during the term of this authorization are issued or disposed of subject to an exclusion of subscription rights in application, directly, accordingly or mutatis mutandis, of Section 186 (3) sent. 4 AktG. The limit of 10% of the share capital is also to be reduced by the pro-rata amount of the share capital attributable to shares issued to satisfy bonds with conversion or option rights or to fulfill conversion or option obligations arising from convertible and/or bonds with warrants issued during the term of this authorization subject to an exclusion of the shareholders' subscription rights in accordance with Sections 221 (4) sent. 2, 186 (3) sent. 4 AktG;

(cc) in the case of capital increases against contributions in kind, to grant shares for the purpose of acquiring real estate, real estate portfolios, companies, parts of companies or equity interests in companies, as well as to acquire other assets, including receivables.

The Management Board is authorized, with the approval of the Supervisory Board, to determine the content of the respective rights conferred by the shares, the other conditions of the share issue and the further details of the implementation of capital increases from the Authorized Capital 2023/I.

Conditional capital

The share capital is conditionally increased by up to €93,382,020.00 by the issue of up to 93,382,020 new no-par value bearer shares with a proportionate amount of the share capital of €1.00 each (Conditional Capital 2019/i). The conditional capital increase serves to grant no-par value bearer shares to the holders or creditors of convertible bonds, bonds with warrants and/or participating bonds and/or profit participation rights (or combinations of these instruments) issued by the Company or its direct or indirect German or foreign majority holdings on the basis of the authorization resolved by the General Meeting on August 21, 2019 under Item 8 of the agenda and granting conversion or option rights for the subscription of no-par value bearer shares of the Company or stipulating a conversion obligation. The new no-par value bearer shares from Contingent Capital 2019/i may only be issued at a conversion or option price which complies with the requirements of the authorization resolved by the General Meeting on August 21, 2019 under Item 8 of the agenda. The conditional capital increase is to be implemented only to the extent that option or conversion rights are exercised, that bond holders or creditors obliged to conversion fulfill their conversion obligation and that offers of shares are made due to replacement rights of the Company, and only to the extent treasury shares or new shares from the use of an authorized capital are not used to satisfy such claims. The new no-par value bearer shares are entitled to profit participation starting from the beginning of the fiscal year in which they come into existence by virtue of the exercising of option or conversion rights or the fulfillment of conversion obligations or the exercising of sell-out rights. The Management Board is authorized, with the approval of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase.

AUTHORIZATION TO ACQUIRE TREASURY SHARES

The Management Board is currently not authorized to acquire the Company's treasury shares on its behalf.

CHANGE-OF-CONTROL CLAUSES AND COMPENSATION AGREEMENTS IN CASE OF A TAKEOVER BID

GATEWAY's material financing agreements include the customary provisions applicable in the case of change of control regarding the borrower and/or the property to be financed.

GATEWAY has business relationships with various municipalities in Germany via land purchase agreements and urban development contracts. As part of these agreements, the respective municipalities have regularly agreed to penalties and rights of withdrawal in the event that a change of control occurs at GATEWAY without the affected municipality approving such change.

Other than this, there are no material agreements with third parties or Group companies as of the reporting date that take effect, change or end in the event of a takeover bid.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR 2024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF GATEWAY REAL ESTATE AG

AS OF DECEMBER 31, 2024

ASSETS

in € thousand	Note	12/31/2024	12/31/2023*	01/01/2023*
Non-current assets				
Intangible assets and goodwill	7.1	0	0	9,789
Property, plant and equipment	7.2	0	0	4
Investment properties	7.3	113,300	238,527	224,462
Investments accounted for using the equity method	7.4	0	0	0
Non-current trade receivables	7.6	0	0	142
Other non-current financial assets	7.6	85,027	64,057	5,946
Other non-current non-financial assets		0	1,431	2,234
Deferred tax assets	7.13	12,057	9,940	10,270
		210,384	**313,955**	**252,847**
Current assets				
Inventories	7.5	894,739	919,906	881,989
Trade receivables	7.6	2,677	989	1,916
Income tax receivables		135	229	2,140
Other financial assets	7.6	13,691	74,119	165,042
Other non-financial assets	7.6	60,913	67,478	71,957
Cash and cash equivalents	7.7	10,179	8,121	8,951
Non-current assets held for sale	7.8	79,580	0	0
		1,061,914	**1,070,842**	**1,131,995**
		1,272,298	**1,384,797**	**1,384,842**

* Previous year's figures partially restated (see section 5. Restatements in accordance with IAS 8)

EQUITY AND LIABILITIES

in € thousand	Note	12/31/2024	12/31/2023*	01/01/2023*
Equity				
Subscribed capital	7.9	186,764	186,764	186,764
Reserves	7.9	–389,131	–389,131	–389,131
Retained earnings	7.9	285,973	408,361	533,940
Non-controlling interests	7.9	–13,396	7,901	8,159
		70,210	**213,895**	**339,732**
Non-current liabilities				
Non-current financial liabilities	7.11	143,667	119,135	383,841
Other non-current financial liabilities	7.12	431	433	1,144
Non-current trade receivables	7.12	0	0	0
Deferred tax liabilities	7.13	36,741	35,884	38,979
		180,839	**155,452**	**423,964**
Current liabilities				
Other current provisions	7.10	20,035	3,881	0
Current financial liabilities	7.11	883,206	863,055	432,020
Income tax liabilities		6,581	6,557	5,824
Trade payables	7.12	88,039	108,205	154,466
Other financial liabilities	7.12	7,159	32,038	27,237
Other non-financial liabilities	7.12	5,629	1,714	1,599
Non-current liabilities held for sale	7.8	10,600	0	0
		1,021,249	**1,015,450**	**621,146**
		1,272,298	**1,384,797**	**1,384,842**

* Previous year's figures partially restated (see section 5. Restatements in accordance with IAS 8)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF GATEWAY REAL ESTATE AG

FROM JANUARY 1 TO DECEMBER 31, 2024

		2024	2023*
in € thousand	Note	**Total**	**Total**
Revenue	7.14	100,475	18,765
Changes in inventories of finished goods and work in progress	7.15	27,230	142,363
Other operating income	7.18	22,509	10,295
Gross profit		**150,214**	**171,423**
Raw materials and consumables used	7.16	–119,694	–125,990
Employee benefits expense	7.17	–4,732	–5,217
Fair value changes in investment properties and valuation of properties held as inventory and in non-current assets held for sale	7.3/7.8	–20,204	–5,825
Amortization, depreciation and impairment on intangible assets and property, plant and equipment	7.1/7.2	–42	–9,912
Other operating expenses	7.18	–78,410	–120,647
Operating profit		**–72,868**	**–96,168**
Finance income	7.19	12,354	44,321
Finance costs	7.19	–76,713	–82,888
Other finance income/costs, net		10	–13
Net finance costs		**–64,349**	**–38,580**
Profit/loss before tax		**–137,217**	**–134,748**
Income tax expense	7.20	– 1,141	3,908
Profit/loss for the period		**–138,358**	**–130,840**
Other comprehensive income/loss		0	0
Total comprehensive income/loss for the period		**–138,358**	**–130,840**
Attributable to equity holders of the parent company	8.1	–122,388	–126,570
Attributable to non-controlling interests		–15,970	–5,270
Earnings per share (basic)	8.1	–0.74	–0.70
Earnings per share (diluted)		–0.74	–0.70

* Previous year's figures partially restated (see section 5. Restatements in accordance with IAS 8)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF GATEWAY REAL ESTATE AG

FROM JANUARY 1 TO DECEMBER 31, 2024

in € thousand	Note	Equity attributable to equity holders of the parent company: Subscribed capital	Reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance as of 01/01/2023		**186,764**	**–389,131**	**573,257**	**370,890**	**8,160**	**379,049**
Restatements in accordance with IAS 8*	5.	0	0	–39,317	–39,317	0	–39,317
Balance as of 01/01/2023 after restatements*		**186,764**	**–389,131**	**533,940**	**331,573**	**8,160**	**339,733**
Profit/loss*	8.1	0	0	–125,570	–127,570	–5,270	–130,840
Change in the scope of consolidation/disposal of shares	7.9	0	0	–9	–9	5,011	5,002
Balance as of 01/01/2024 after restatements		**186,764**	**–389,131**	**408,361**	**205,994**	**7,901**	**213,895**
Profit/loss	8.1	0	0	–122,388	–122,388	–15,970	–138,358
Change in the scope of consolidation/disposal of shares	7.9	0	0	0	0	–5,327	–5,327
Balance as of 12/31/2024		**186,764**	**–389,131**	**285,973**	**83,606**	**–13,396**	**70,210**

* Previous year's figures partially restated (see section 5. Restatements in accordance with IAS 8)

CONSOLIDATED STATEMENT OF CASH FLOWS OF GATEWAY REAL ESTATE AG

FROM JANUARY 1 TO DECEMBER 31, 2024

in € thousand	Note	12/31/2024	12/31/2023	Restatements in accordance with IAS 8	Balance as of 12/31/2023 before restatements
Cash flows from operating activities					
Total comprehensive income/loss for the period		–138,358	–130,840	40,369	–171,209
Adjustments for:					
Changes in fair value of investment properties and valuation of properties held as inventory	7.3	20,204	5,825	–46,708	52,533
Impairment on trade receivables	3.6	90	0	0	0
Proceeds from government grants		0	0	–30,241	30,241
Other non-cash expenses/income		10	–6,566	0	–6,566
Reversal of impairment losses on other financial assets		–10,148	0	0	0
Impairment losses		89,187	139,872	0	139,872
Tax expenses		1,141	–3,908	6,339	–10,247
Profit or loss from the sale of property, plant and equipment		3,516	0	0	0
Profit or loss from the sale of fully-consolidated subsidiaries		0	1,280	0	1,280
Net finance costs		64,359	38,580	0	38,580
Changes in:					
Inventories		–25,558	–170,091	0	–170,091
Trade receivables and other receivables		–1,778	1,068	0	1,068
Other financial assets		949	1,978	0	1,978
Other non-financial assets		1,694	11,192	0	11,192
Trade payables and other payables		–15,748	10,428	0	10,428
Other non-financial liabilities		3,915	121	0	121
Other provisions as well as assets and provisions for employee benefits		16,151	3,881	0	3,881
Other financial liabilities		–2,346	–1,373	0	–1,373
Interest paid		–28,374	–34,204	0	–34,204
Income taxes received		131	2,038	0	2,038
Income taxes paid		–2,417	–1,264	0	–1,264
Cash flows from operating activities		**–23,380**	**–131,983**	**–30,241**	**–101,742**
Cash flows from investing activities					
Cash inflows from the sale of investment properties		41,599	0	0	0
Payments for investments in investment properties		–28,871	–10,936	0	–10,936
Proceeds from government grants		4,784	30,241	–30,241	0
Purchase of intangible assets		–5	–65	0	–65
Purchase of property, plant and equipment		–13	–21	0	–21
Payment for the redemption of non-controlling interests		–5,326	0	0	0
Cash flows from investing activities		**12,168**	**19,219**	**–30,241**	**–11,022**
Cash flows from financing activities					
Cash inflows from new (financial) loans		111,054	175,218	0	175,218
Payments for lease liabilities		–160	–156	0	–156
Repayments of loans		–97,624	–67,514	0	–67,514
Cash inflows from equity contributions from non-controlling interests		0	5,000	0	5,000
Cash flows from financing activities		**13,270**	**112,548**	**0**	**112,548**
Net change in cash and cash equivalents		2,058	–216	0	–216
Change in cash and cash equivalents due to consolidation group		0	–614	0	–614
Cash and cash equivalents as of 01/01		**8,121**	**8,951**	**0**	**8,951**
Cash and cash equivalents as of the end of the period		**10,179**	**8,121**	**0**	**8,121**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

OF GATEWAY REAL ESTATE AG

1. REPORTING ENTITY

Gateway Real Estate AG (in the following also referred to as "GATEWAY," "Company" or "Group," in each case referring to the GATEWAY Group as a whole) is a listed developer of residential real estate and urban quarters in Germany, using resource-saving wood construction methods, with a market capitalization of around €84 million (as of December 30, 2024). Established in 2006, GATEWAY and its subsidiaries can look back on extensive expertise in the German real estate market. Including the secured pipeline, the gross development volume (GDV) currently (as of December 31, 2024) amounts to €3.7 billion.

GATEWAY, which is registered in the commercial register of the Frankfurt am Main local court under HRB 93304, has its registered office in Frankfurt am Main, Germany. The address of the principal place of business has been Hardenbergstraße 28a, 10623 Berlin, Germany, since 2021.

GATEWAY's shares have been listed on the Prime Standard of the Frankfurt Stock Exchange since they were admitted to trading on April 12, 2019. Therefore, GATEWAY is a publicly-traded company within the meaning of stock corporation and commercial law.

The consolidated financial statements were prepared by the Management Board as of March 31, 2026 and, subject to the Supervisory Board's approval, released for publication on March 31, 2026.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in preparing the present financial statements are described in the following.

2.1 GENERAL INFORMATION

The Company's consolidated financial statements as of December 31, 2024, were prepared in accordance with the International Financial Reporting Standards (IFRS, including the interpretations of the IFRS Interpretations Committee) applicable as of December 31, 2024, as they have been endorsed by the European Union. In addition, the requirements set out in Section 315e (1) of the German Commercial Code (Handelsgesetzbuch; HGB) were also complied with.

The requirements of IFRS were completely fulfilled and lead to the presentation of a true and fair view of the Group's financial position, cash flows and financial performance. The statement of comprehensive income is structured on the basis of the cost of sales method. In accordance with the accrual principle, expenses and income are attributed to the respective periods regardless of when they were paid or received.

The financial statements were prepared on the basis of historical cost, except for investment properties and equity investments which are measured at fair value.

The estimates and assumptions applied in the preparation of the financial statements according to IFRS influence the measurement of assets and liabilities and the disclosure of contingent assets and liabilities as of the respective reporting dates, as well as the amount of income and expenses in the reporting period. Although these assumptions and estimates were based on the best knowledge of the Company's management, based on current events and measures, actual results could ultimately differ from these estimates.

Measurement continues to be based on the going concern assumption.

As of the reporting date, the Group had current financial liabilities of €883,206 thousand, which mainly relate to project financing for individual development projects and a promissory note loan taken out by Gateway Real Estate AG for general financing purposes. Of these financial liabilities, an amount of €102,300 thousand is currently not fully covered by agreed refinancing or specifically contracted sales proceeds.

As part of negotiations with the respective lenders, the Management Board has been able to agree extensions to the terms of a significant portion of the financial liabilities amounting to €850,392 thousand (thereof current financial liabilities in the amount of €780,906 thousand). For the financing that has not yet been extended, the lenders have collateral in the form of land charges which, in the view of the Management Board, generally indicate that an extension can also be agreed for this financing. In exceptional cases, the Group would also accept the realization of the collateral provided.

Overall, the ability of the Group to continue as a going concern is dependent on sufficient liquidity being generated through the scheduled realization of project sales and on unplanned outflows of liquidity being avoided as part of loan extensions.

If, contrary to the expectations of the Management Board, the Group is unable to extend a significant portion of the financing that has not yet been extended and, at the same time, is unable to realize the sale of significant projects as planned – in particular not at the planned dates and sales prices – this would jeopardize the continued existence of the subsidiaries involved in these projects.

If there were to be any deviations from the measures set forth in the extension agreements, this would also jeopardize the continued existence of the subsidiaries involved in these projects.

Due to guarantees and sureties in the amount of €85.5 million that had been issued as of the preparation date of this report, such a development could also have an impact on the parent company and thus on the entire Group. Based on the projects' progress, the Board currently does not anticipate that the guarantees and sureties will be utilized.

More details on the respective financing arrangements are provided in sections 3.7 and 8.8.

Unless otherwise indicated, amounts are always stated in thousands of euros (€ thousand). The presentation in thousands of euros may result in rounding differences, both in the tables presented in the notes to the financial statements and in the comparison of values in the notes to the financial statements with other elements of the financial statements.

2.2 FINANCIAL REPORTING STANDARDS

A. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS REQUIRED TO BE APPLIED FOR THE FIRST TIME IN THE REPORTING YEAR

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Standard	Content
Amendments to IAS 1	Presentation of Financial Statements: Classification of Liabilities as Current or Non-current
Amendments to IAS 7/IFRS 7	Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7). Qualitative and quantitative information on supplier finance arrangements
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback

The application of these newly applied financial reporting standards will have no material effects on the consolidated financial statements.

B. STANDARDS AND INTERPRETATION NOT APPLIED (ISSUED, BUT NOT YET REQUIRED TO BE APPLIED OR PARTLY NOT TO BE APPLIED IN THE EU)

The International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRS IC) have issued further standards and interpretations that are not yet required to be applied for the fiscal year 2024 or that have yet to be endorsed by the EU.

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Standard amendment	Content	Mandatory first-time application for fiscal years beginning on or after
Standards already endorsed by the EU, but not yet required to be applied		
Amendments to IFRS 9 and IFRS 7	Amendments to the classification and measurement of financial instruments to address issues identified as part of the post-implementation review of the classification and measurement requirements of IFRS 9 Financial Instruments.	01/01/2026
IFRS 18	New standard. Presentation and Disclosure in Financial Statements. IFRS 18 contains requirements for the presentation and disclosure of information in financial statements for all companies that apply IFRS. IFRS 18 replaces IAS 1 Presentation of Financial Statements.	01/01/2027
IFRS 19	New standard. Subsidiaries without Public Accountability: Disclosures IFRS 19 introduces reduced disclosure requirements that a qualifying entity may apply instead of the disclosure requirements in other IFRS accounting standards.	01/01/2027
Amendments to IAS 21	The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	01/01/2025
Standards not yet endorsed by the EU and not yet required to be applied		
none		

It is intended to apply these standards when they are required to be applied for the first time. The effects of the standards already adopted by the EU, but not yet required to be applied, and of the amendments not yet adopted by the EU are currently being reviewed. To date, the Company does not expect IFRS 9 and IFRS 7, IFRS 19 or IAS 21 to have any material impact on the consolidated financial statements. The amendment to IFRS 18 leads to a fundamental restructuring of the income statement, including a categorization of expenses and income into operat-ing, investing and financing activities, as well as to new mandatory disclosures on management performance measures. The Company does not expect any effects on profit or loss for the period, but does expect significant changes to the presentation and reporting logic. A quantitative impact cannot be reliably estimated at this time. The implementation requires adjustments to the reporting systems and processes.

2.3 BASIS OF CONSOLIDATION

A. CONSOLIDATION PRINCIPLES

i. Acquisitions

Purchased subsidiaries are accounted for using the acquisition method in accordance with IFRS 3. The acquisition costs are equal to the fair value of the assets acquired, the equity instruments issued and the liabilities created or assumed at the acquisition date. Assets, liabilities and contingent liabilities identifiable in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of acquisition costs over the Group's share of the net assets measured at fair value is recognized as goodwill. Any goodwill arising is tested for impairment either annually or if there are any indications of potential impairment (see Note 2.7) If the acquisition costs are lower than the fair value of the (proportional) net assets of the acquired subsidiary, the negative difference is recognized directly in the statement of comprehensive income. Transaction costs are expensed as incurred.

ii. Subsidiaries

All subsidiaries of GATEWAY are included in the consolidated financial statements to the extent they are not immaterial for the presentation of the Group's financial position, cash flows and financial performance. Subsidiaries are companies whose financing and operating policies can be controlled by the Group, directly or indirectly. Control is assumed when one company has the power to direct the key activities of the other company, rights to variable returns from the other company and has the ability to affect those returns through its power over the other company.

Subsidiaries are included in the consolidated financial statements by way of full consolidation from the date when the possibility of control has been transferred to the Group. They are deconsolidated from the date when the possibility of control no longer exists.

The accounting policies of subsidiaries were changed where necessary in order to ensure uniform accounting methods throughout the Group or to switch from national GAAP to IFRS. This applies in particular to the application of principles for a recognition of revenues and gains over time where there is a sales contract for properties under development.

iii. Non-controlling interests

Non-controlling interests are initially measured at the acquisition date based on their corresponding share in the identifiable net assets of the acquired company.

The acquisition and sale of further interests in subsidiaries are recognized in equity as equity transactions in the form of payments to outside shareholders if they do not change the status of the subsidiary (so-called "acquisition without status change"). The resulting differences are offset against the as yet unutilized results.

iv. Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary as well as any related non-controlling interests and other components of equity. Any resulting gain or loss is recognized in the statement of comprehensive income. Any retained share in the former subsidiary has to be measured at fair value at the time control is lost.

v. Investments accounted for using the equity method

Associates are those companies on which the Group can exercise significant influence, but is not able to control or jointly direct the Company's financial and business policies. Significant influence is presumed when GATEWAY is entitled to a share of voting rights of at least 20% or more directly or indirectly. Associates are generally accounted for by applying the equity method and recognized at their cost of purchase upon acquisition. Following initial recognition, the consolidated financial statements include the Group's share in the total comprehensive income of the investments accounted for using the equity method until the date on which the significant influence or joint control ceases to exist.

The Group's share of the profits or losses of associates is recognized in the income statement from the date of acquisition. The cumulative changes after acquisition are offset against the net carrying amount. If the Group's share of losses in a company consolidated on the basis of the equity method corresponds to or exceeds the Group's share in this company, including other unsecured receivables, the Group does not recognize any further losses unless it has entered into obligations for that company or has made payments for that company.

The accounting policies of companies that were consolidated on the basis of the equity method were modified when necessary to ensure uniform accounting methods throughout the Group or to switch from national GAAP to IFRS. This applies in particular to the application of principles for a recognition of revenues and gains over time where there is a sales contract for properties under development. Where a company consolidated using the equity method has sub-interests, inclusion takes place based on a preliminary consolidation to the extent possible based on available information. In addition, an impairment test is conducted on an annual basis. Please refer to Note 2.7 for more information on impairment tests.

vi. Transactions eliminated during consolidation
Intragroup receivables and payables and income and expenses are offset. Intragroup transactions, balances and profits on transactions between Group companies are eliminated. Unrealized profits on transactions between Group companies and companies consolidated on the basis of the equity method are eliminated in the amount of the proportional share of equity held in the associates. Unrealized losses are likewise eliminated, unless the transaction is indicative of an impairment of the transferred asset.

B. SCOPE OF CONSOLIDATION
GATEWAY's scope of consolidation in the reporting period 2024 includes Gateway Real Estate AG as well as 76 (previous year: 76) subsidiaries. A total of 72 (previous year: 72) companies have their registered office in Germany and 4 (previous year: 4) in other countries.

As of December 31, 2024, one (previous year: one) associate was included in the consolidated financial statements using the equity method.

Please refer to Note 7.4 for more details.

The reporting date for the subsidiaries included in the consolidated financial statements is the same as the reporting date of the parent company. In accordance with Section 264b HGB, the commercial partnerships included in the consolidated financial statements are exempt from the obligations for corporations to prepare, to have audited and to publish separate financial statements and a separate management report.

As in the previous year, one company (GTY Betriebsvorrichtung GmbH, Eschborn) of subordinate importance for the Group's financial position, cash flows and financial performance was not included in the consolidated financial statements for materiality reasons.

A detailed list of the Group's shareholdings is included in Note 7.7.

C. CHANGES IN THE SCOPE OF CONSOLIDATION
There were no changes to the scope of consolidation during the fiscal year.

2.4 FUNCTIONAL CURRENCY

GATEWAY prepares its consolidated financial statements in euro (€). Since the euro is the currency of the primary economic environment in which GATEWAY and its subsidiaries operate, the euro is their functional currency.

2.5 INTANGIBLE ASSETS

A. GOODWILL
Goodwill is calculated as the excess of acquisition costs of a company over the Group's share of the fair value of the net assets of the acquired company at the acquisition date, and is presented as an intangible asset. Goodwill represents the expected synergy effects of the business combination for the group of cash-generating units (CGU) to which the goodwill is attributed.

Goodwill is not amortized but is subjected to an annual impairment test in accordance with IAS 36. An impairment test is also conducted when events or circumstances occur that indicate that an impairment has occurred. Please refer to Note 2.7 "Impairment of non-financial assets" for more details on conducting impairment tests.

B. OTHER INTANGIBLE ASSETS
This category mainly comprises purchased and internally generated software. It is capitalized at acquisition costs and amortized on a straight-line basis over its useful life. The useful life of purchased and internally generated software is usually one to five years.

2.6 PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Depreciation is charged on a straight-line basis with due regard to the residual value and based on the following main useful lives:

- IT hardware: 3 to 5 years
- Leasehold improvements and office equipment: 5 to 23 years

The residual values and remaining economic useful lives are reviewed and when necessary adjusted at every reporting date. Subsequent acquisition or production costs are only capitalized if it is probable that future economic benefits will flow to the Company. All other repairs and maintenance are recognized as expenses in the statement of comprehensive income in the fiscal year in which they are incurred. If the carrying amount of an asset is higher than its estimated recoverable amount, the carrying amount is written down to the recoverable amount. Gains and losses on the disposal of property, plant and equipment are calculated by comparing the sale proceeds with the carrying amount plus directly allocable selling expenses, and are recognized within operating profit.

2.7 IMPAIRMENT OF NON-FINANCIAL ASSETS

Intangible assets with indefinite useful lives (e.g. goodwill) as well as assets that cannot be put into operation are tested for impairment whenever there is an indication of impairment, but at least once a year. Property plant and equipment and intangible assets that are subject to depreciation or amortization are tested for impairment as soon as events or indications suggest that their carrying amounts are possibly not recoverable.

To determine the potential need for an impairment, assets are aggregated to form cash-generating units (CGUs) at the lowest level for which cash flows that are largely independent of the cash flows from the Company's other activities can be identified. Goodwill acquired in a business combination is allocated to the CGUs or the groups of CGUs that are expected to derive a benefit from the synergies of the combination.

The recoverable amount of an asset or a CGU is the higher of the fair value of the asset less costs to sell and the discounted net cash flows from the continuing use of the asset (value in use). Initially, the Group generally determines the respective recoverable amount as value in use and then compares such value in use with the corresponding carrying amounts (including goodwill). The CGUs generally correspond to the individual projects or properties, respectively.

An impairment loss is recognized in profit or loss in the amount by which the carrying amount of an asset exceeds its recoverable amount.

The goodwill is tested by the Group for impairment once a year as of September 30 and whenever there is an indication of a potential impairment; the impairment test is conducted at the level of the groups of CGUs to which the goodwill was allocated.

In the previous year, the entire goodwill was fully impaired. As there were no additions to goodwill in the current fiscal year, no further impairment test was carried out as of September 30. For an explanation of the impairment test methodology applied in previous years, please refer to the corresponding comments in the notes to the consolidated financial statements for the previous year.

If the carrying amount of a group of CGUs, including its allocated goodwill, exceeds its recoverable amount, the difference has to be deducted as an impairment loss from the goodwill allocated to the group of CGUs. If the impairment of the group of CGUs exceeds the carrying amount of the allocated goodwill, this additional impairment has to be deducted on pro-rata basis from the carrying amounts of the other assets allocated to the respective group of CGUs. However, the carrying amount of an asset may not fall below its value in use, its fair value less costs to sell or zero.

The value in use as of September 30 used for the goodwill impairment test is determined by discounting the expected future cash flows from continuing use of the CGUs on the basis of a risk-adjusted interest rate. The future cash flows are determined based on the medium-term 5-year planning approved by the management as applicable as of the date when the impairment test is conducted. This planning is generally based on the expectations as regards future market shares, the general development of the relevant markets as well as the profitability of the projects and the project term. In the previous year, the rounded risk-adjusted interest rates, which were determined specifically for the respective group of CGUs and which are used for discounting the cash flows, were based on the weighted average cost of capital and amounted to 8.36% after taxes for the group of CGUs "Standing Assets" and to 9.97% after taxes for the group of CGUs "Residential Properties Development" in the previous year.

The determination is based on the capital asset pricing model, taking into account current market expectations. To determine risk-adjusted interest rates for impairment test purposes, specific peer group information regarding beta factors, capital structure data as well as the borrowing rate are used. In accordance with IFRS 13, the determination of the recoverable amount is allocated to hierarchy level 3 (see Note 3.3 Classes of financial instruments in accordance with IFRS 7) of the measurement categories used for fair value measurement. In addition, various sensitivity analyses are performed. These show that there is no requirement to record impairment losses even in case of unfavorable assumptions as regards key influencing factors with respect to the original planning.

If the value in use is lower than the carrying amount, the fair value less costs to sell is additionally ascertained in order to determine the recoverable amount. Impairment losses are reported in the consolidated statement of comprehensive income under the item “Amortization, depreciation and impairment on intangible assets and property, plant and equipment”.

Non-financial assets, excluding goodwill, that were affected by an impairment are tested for reversals of impairment losses as of each year-end. Any reversals of impairment losses may not exceed amortized cost. No reversals of impairment losses may be recorded for goodwill.

2.8 INVESTMENT PROPERTIES

Upon initial recognition, GATEWAY classifies real estate according to its intended use either as investment properties (either completed or under development), inventory properties or owner-occupied properties in the category of property, plant and equipment.

Investment properties are those properties of the Group that are neither owner-occupied nor intended for sale.

In the case of mixed-use property – used partially by third parties under leases and partially by GATEWAY – the owner-occupied portion is reported separately in the statement of financial position if such separation is legally valid and the portion is not of an insignificant extent.

Reclassifications to (or from) investment property are only made if there is a change in use. In case of a reclassification of a property from investment property to owner-occupied property, such property is measured subsequently at fair value on the date of change in use. We refer to Note 6.3 for details on the procedure followed regarding the measurement of properties reclassified from inventories.

Properties that are meant to be held on a long-term basis, but do not meet the criteria for investment properties according to IAS 40 are presented within property, plant and equipment.

Properties developed by the Group itself and intended to be sold after completion are presented as inventory properties.

There are no sales activities related to investment properties. They are meant to be held and leased over the medium to long term or held for appreciation purposes.

If the investment properties are sold after the holding period, they are reported under “Assets held for sale” if a sale in their current condition is highly probable under normal circumstances. The investment properties are then recognized at the contractually agreed sales price or, if such price is not yet available, at fair value less costs to sell.

Upon initial recognition, investment properties are measured at cost, including incidental expenses. In subsequent periods, they are measured at fair values which reflect the market conditions at the reporting date. Any profit or loss from a change in fair value is recognized through profit or loss. Subsequent costs for expanding and rebuilding the property are added to the carrying amount if they contribute to an increase in the fair value of the property.

As an additional assumption applied in measuring the value of investment properties, the best possible use of a property must be considered. Planned use changes are taken into account in the measurement of properties if such changes are technically feasible, legally permissible and financially practicable.

Real estate holdings are measured annually at December 31. The fair values of investment properties are measured on the basis of appraisals conducted by an independent, external expert applying recognized valuation methods. The independent experts engaged for this purpose possess the requisite professional qualifications and experience to conduct the appraisals. The appraisals are based on information provided by the company, including (for example) current rents, maintenance and administrative expenses, and the current vacancy rate, as well as assumptions of the expert appraiser, which are based on market data and evaluated on the basis of his professional qualifications. Such assumptions relate to (for example) future market rents, standardized maintenance and administrative expenses, structural vacancy rates and capitalization interest rates.

The information provided to the appraiser and the assumptions made, as well as the results of the real estate appraisal, are analyzed by the Company.

2.9 FINANCIAL ASSETS

In accordance with IAS 32 Financial Instruments: Presentation, a financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Upon initial recognition, financial assets are assigned to one of the following measurement categories:

— Financial assets measured at amortized cost (AmC);

— Financial assets measured at fair value through other comprehensive income (FVtOCI);

— Financial assets measured at fair value through profit or loss (FVtPL).

The classification depends on the Company's business model for managing financial assets and the contractual cash flows.

The Group measures its financial assets at amortized cost when both the following conditions are met, provided they are not designated as at fair value through profit or loss:

— The objective of the business model under which the financial asset is held is to collect contractual cash flows; and

— The contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets that belong within this valuation category consist of trade receivables, other financial assets, and cash and cash equivalents.

Assets that do not meet the criteria of the "amortized cost" category or the "FVtOCI" category are assigned to the "fair value through profit or loss" (FVtPL) category.

In both the reporting period and the comparative period, the Group's equity investments are assigned to the category of "fair value through profit or loss" (FVtPL). The Group does not make use of the option to designate financial instruments as at fair value through profit or loss that would otherwise be measured at amortized cost or at fair value through other comprehensive income.

Financial assets are not reclassified after initial recognition unless the Group changes the business model for managing the financial assets. In this case, all affected financial assets are reclassified on the first day of the reporting period following the change of business model. In both the reporting period and the comparative period, the Group did not reclassify any financial assets.

Upon initial recognition, the Group measures a financial asset at fair value. In the case of a financial asset subsequently not measured at fair value through other comprehensive income, transaction costs that are directly allocable to the acquisition of the asset are added to the fair value. Transaction costs allocable to financial assets measured at fair value through profit or loss are recognized as expenses in the income statement. Trade receivables without a significant financing component are measured at the transaction price upon initial recognition.

Trade receivables and issued bonds are recognized from the time at which they are issued. All other financial assets and liabilities are recognized for the first time on the trade date if the Company is a party to the contract according to the contractual provisions of the instrument.

Financial assets carried at amortized cost are subsequently measured using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, exchange rate gains and losses, and impairments are recognized in profit or loss. Interest income is presented within net finance costs. Any profit or loss arising on derecognition is recognized in operating profit. Equity investments initially measured at FVtPL are measured at fair value in subsequent periods. Dividends are recognized as income in profit or loss.

The Group derecognizes a financial asset when the contractual rights to cash flows from the financial asset expire or it transfers the rights to receive cash flows in a transaction in which substantially all the risks and rewards incidental to ownership of the financial asset are transferred. A financial asset is also derecognized when the Group neither transfers nor retains substantially all the risks and rewards incidental to ownership and does not retain control over the transferred asset.

Financial assets and liabilities are netted and presented as a net amount in the statement of financial position when the Group has a current, enforceable legal right to offset the recognized amounts and intends to either settle them on a net basis or to realize the asset and settle the corresponding liability simultaneously.

No financial assets and financial liabilities were netted on this basis in the reporting period and the comparative period. In addition, there are no global netting agreements or similar netting agreements within the Group.

2.10 IMPAIRMENT OF NON-DERIVATIVE FINANCIAL ASSETS

The Group assesses the recoverability of its financial assets measured at amortized cost as well as its contract assets on the basis of the expected credit loss model. The impairment method generally depends on whether a significant increase in the credit risk has occurred.

The loss allowances are measured by the Group in the amount of the lifetime expected credit losses, except for loss allowances for bank balances and other financial assets where the credit risk has not increased significantly since initial recognition or which are subject to low credit risk. The credit risk is considered low when the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and there are no indications that changes in economic and business conditions in the longer term and on a sustainable basis may reduce this ability. Accordingly, the loss allowances are measured in the amount of the 12-month credit loss.

The Group applies the simplified approach within the meaning of IFRS 9 for trade receivables. Accordingly, lifetime expected credit losses have to be recorded starting with the initial recognition of the receivables.

In determining whether the default risk of an asset has increased significantly in the time since initial recognition, and in estimating expected credit losses, the Group considers appropriate and reliable information that is relevant and available without an unreasonable expenditure of time and costs. This includes both quantitative and qualitative information and analyses that are based on the Group's past experience and well-founded estimates, including forward-looking information.

In principle, the Group assumes that the default risk of a financial asset has increased significantly if it is past due for more than 30 days. If payment plans are negotiated with debtors and, in particular, payments are received, no loss allowances will be recognized even for amounts past due, as the Group generally assumes that the agreements and incoming payments indicate that the outstanding receivables are recoverable. This assessment is subject to constant monitoring.

The Group considers a financial asset as defaulted when it is unlikely that the debtor can fully meet its loan obligations towards the Group without the debtor having to rely on measures such as the realization of collateral (if any).

The Group estimates as of each reporting date whether the financial asset measured at amortized cost is credit-impaired. This is the case when one or more events with adverse effects on the expected future cash flows of the financial asset have occurred. Indicators that a financial asset is credit-impaired comprise, for example, the following observable data:

- breach of contract – i.e. more than 90 days past due or in default;
- severe financial difficulties of the debtor; or
- (impending) insolvency of the debtor.

Impairments of financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the group cannot reasonably expect that the financial asset can be recovered in full or in part. This is usually the case, amongst other things, when the debtor fails to commit to a repayment plan with the Group. The Group does not expect any significant recoveries of the written-off amount. However, written-off financial assets may be subject to enforcement measures to collect past-due receivables in order to act in accordance with the Group Guideline.

2.11 INVENTORIES

The Group's inventories still consist of the properties developed by the Group itself and are meant to be sold after completion. The development of residential properties, including for the Company's own portfolio, is essentially a focus of GATEWAY's business activities. In the Residential Properties Development segment, the Group's development activities are focused on selected metropolitan regions in Germany.

In development projects, the development process usually begins with the purchase of the property. In many cases, properties are also acquired without existing building rights or with building rights that deviate from the intended development objective. In such cases, it is necessary for public planning law, in particular the development plan, to be adapted first before building use is possible. This is usually followed by a lease termination phase in which existing tenancies are terminated before the construction and development phase finally begins.

In the Residential Properties Development segment, the Group develops residential buildings and urban quarters in selected metropolitan regions (such as Berlin, Dresden, Cologne, etc.).

In accordance with IAS 2, inventory properties are measured at the lower of amortized cost and the net realizable value in the statement of financial position. The net realizable value is determined using a retail method by deducting the expected construction costs up to the time of sale and the selling expenses from the expected selling price. In addition to the expected project-related construction and financing costs, standard market sales prices based on expert appraisals are used.

The production costs of property developments include the costs allocable to the development process and borrowing costs if they are incurred during the period of construction. All costs are capitalized in the item “Changes in inventories of finished goods and work in progress”.

The acquisition costs for properties intended for sale include the purchase price of the properties and the directly allocable incidental expenses.

For inventory properties whose net realizable value is below amortized cost, impairment losses to net realizable value were recognized.

The majority of current inventory properties will not be realized within the next 12 months, given the fact that property developments usually take several years to complete.

As a general rule, the sale of inventory properties is presented on a gross basis in the statement of comprehensive income. The disposal of the inventory property is recognized in the item “Changes in inventories of finished goods and work in progress” and the corresponding sale proceeds represent revenues.

If the intended use for a property changes, the property is reclassified. Please also refer to Note 6.3.

2.12 CASH AND CASH EQUIVALENTS

The Group’s cash and cash equivalents are measured at amortized cost and comprise cash funds and demand deposits with banks.

2.13 OTHER PROVISIONS

Other provisions are recognized when the Company incurs a present obligation, legal or constructive, as a result of a past event and it is probable that the settlement of the obligation will require an outflow of economic resources, and the amount of the obligation can be estimated reliably.

Expected future outflows are discounted to present value by application of a current maturity-matched interest rate before taxes that reflects the current market expectations for the interest effect and for the risks specific to the liability, if the effect is material.

If the Company expects reimbursement of an amount set aside in a provision (e.g. under an insurance policy), it treats the reimbursement claim as a separate asset as long as it is virtually certain that reimbursement will be received if the Company settles the obligation.

The Company recognizes a provision for onerous contracts if the expected benefit from the contractual claim is less than the unavoidable costs of settling the contractual obligation.

2.14 FINANCIAL LIABILITIES

The Group’s financial liabilities are generally measured at amortized cost. They only include liabilities from taking out loans and bonds, trade payables, and other financial liabilities. Upon initial recognition, these financial liabilities are measured at fair value, taking into account transaction costs. In subsequent periods, they are measured at amortized cost; any difference between the amount received (taking into account transaction costs) and the amount to be repaid is recognized in the statement of comprehensive income over the term of the liability by application of the effective interest method.

Only the liabilities of non-controlling shareholders are to be measured at fair value through profit or loss. Consequently, valuation adjustments of the limited partner’s share of non-controlling shareholders or the financial liability recognized in that respect have to be recognized in profit or loss.

When financial liabilities are acquired, they are checked for embedded derivatives that need to be separated. In the context of GATEWAY, these are particularly termination options embedded in bonds or loan agreements in connection with minimum interest. If there is an embedded derivative that is required to be separated, the embedded termination rights are separated at initial recognition from the basic debt component and recognized in equity and a derivative asset or derivative liability is recognized at the same time. The derivative financial instruments separated from the host contract have to be allocated to the FVtPL category and have to be measured subsequently at fair value through profit or loss. Embedded derivatives are measured using option pricing models that are accepted as financial calculation methods. There are no such embedded derivatives as of the reporting date.

Financial liabilities are derecognized as soon as the contractual obligation is discharged, canceled, or expired. Moreover, the Group derecognizes a financial liability when the contractual terms are modified and the cash flows of the modified liability are significantly different. In this case, a new financial liability is recognized at fair value based on the modified terms. The difference between the carrying amount of the derecognized financial liability and the consideration paid, including transferred non-cash assets or liabilities, is recognized in the statement of profit or loss as other interest income or interest expenses.

Financial liabilities are classified as current if the Group does not have an unconditional right to defer settlement of the liability to a date at least 12 months after the reporting date.

2.15 BORROWING COSTS

As a general rule, borrowing costs that can be attributed directly to the acquisition, construction, or production of a qualifying asset are part of the acquisition or production costs of a qualifying asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. A period of time longer than 12 months is deemed to be a substantial period of time. If it is probable that the qualifying asset will generate future economic benefits and the costs can be reliably measured, borrowing costs are capitalized as part of acquisition and production costs. Investment income from the temporary interim investment of borrowed funds that were specifically borrowed for the acquisition or production of a qualifying asset is deducted from the potentially capitalizable borrowing costs for this qualifying asset. In the case of property inventories under development, interest incurred during construction is capitalized on the basis of the actual interest incurred. The capitalization is recorded as a change in inventories and thus has a positive effect on EBT and EBIT adjusted.

Borrowing costs of €48,883 thousand (previous year: €53,636 thousand) were capitalized as changes in inventory in the reporting period. As in the previous year, borrowing costs incurred in the year under review were directly attributable to production and could be capitalized accordingly. The agreed interest rates in 2024 were between 0.0% and 20.0% and the effective interest rates were between 2.5% and 16.8% for loans to third parties.

2.16 DEFERRED AND CURRENT INCOME TAXES

CURRENT TAXES

Current income tax assets and liabilities are measured at the expected amount of a refund from or a payment to the tax authorities. The amount is calculated on the basis of the tax rates and laws applicable at the reporting date.

DEFERRED TAXES

Deferred tax receivables and liabilities are recognized to account for the future tax effects resulting from temporary differences between the IFRS carrying amounts of assets and liabilities and the corresponding tax bases, or resulting from yet unused tax loss carry-forwards and tax credits. Deferred tax assets and liabilities are generally recognized in profit or loss. However, to the extent that they relate to transactions that are recognized directly in equity, the corresponding deferred taxes are also recognized directly in equity.

They are measured at the tax rates that are expected to apply in the reporting period in which the corresponding asset will be recovered or the corresponding liability settled. The effect of tax rate changes on deferred taxes is recognized in net income tax in the period in which the change was enacted by the legislator.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the tax loss carryforwards, tax credits, or tax-deductible temporary differences can be utilized. Deferred income tax assets are therefore recognized in the consolidated financial statements only in the event of a history of losses to the extent that deferred tax liabilities exist for the company in question or to the extent that there is objective evidence as of the reporting date that the respective company will generate taxable income in the future, e.g. in the form of the sale of a property.

2.17 REVENUE RECOGNITION

IFRS 15 (Revenue from Contracts with Customers) establishes a comprehensive framework for determining whether, in what amount, and at what time revenues are to be recognized.

In accordance with IFRS 15, revenue is measured on the basis of the consideration specified in a contract with a customer. The amount of revenue to be recognized and at what time or over what time period is determined on the basis of a 5-step model. The basic principle of the five-step model is to recognize revenues in a form that reflects the transfer of goods or services to a customer. The amount of revenue to be recognized corresponds to the consideration to which the Group is contractually entitled in exchange for these goods or services.

IFRS 15 defines a contract as an agreement between two or more parties that creates enforceable rights and obligations. Contracts may be concluded in writing, orally, or implicitly on the basis of a company's customary business practices. Contracts must be combined under certain circumstances. In the second step, the Group identifies the individual performance obligations. Generally speaking, a commitment is always deemed to be a performance obligation when the good or service is distinct. In the third step, the transaction price is determined, which represents the consideration for the transfer of goods or services. The transaction price of the contracts analyzed may include variable components. On the one hand, this relates to contractually agreed purchase price adjustments for construction projects, primarily as a result of deviations from assumed floor space realizations and achievable rental income. On the other hand, incidental cost statements are variable in nature and were determined on the basis of the expected value method. The expected value is continuously reviewed and corrected. The time period between the transfer of the good or asset to the customer and the payment by the customer is usually not more than one year. Therefore, the promised consideration is not adjusted to match the time value of money. In step four, the consideration is allocated to the identified performance obligations, generally on the basis of stand-alone selling prices. A suitable evidence of the stand-alone selling price is the price at which the Group has actually sold the good or service individually to comparable customers under similar circumstances.

Revenues are recognized at a point in time or over time according to when the existing performance obligations are satisfied. The Group recognizes revenues over time provided the requirements for a transfer of control over time in accordance with IFRS 15.35 (a)–(c) are met. If the performance obligation is not satisfied over time, then the Group satisfies its performance obligation on a particular date. A performance obligation is satisfied by transferring control over the good or service. In this context, control is understood to mean the ability to direct the use of the good or service and obtain substantially all the benefits from it.

Revenues from sales of project or investment properties are recognized through profit or loss at the date when control is transferred to the buyer. This normally occurs upon the transfer of possession, benefits, obligations and risks of the properties. Income from sales of inventory properties (project developments or properties intended for immediate resale) is presented as revenues. By contrast, gains or losses (net balance of sale proceeds minus the carrying amount derecognized) from sales of investment properties are presented as other operating income or expenses. Recognized revenues are equal to the contractually agreed transaction price. The consideration is usually payable after the transfer of the investment property.

When employing subcontractors, GATEWAY reviews the subcontractor services to be provided and has responsibility towards the end customer. Gateway acts as principal in this regard and reports gross revenue (i.e. without deducting purchased subcontractor services).

If a binding purchase agreement regarding a property is already concluded prior to the completion of the development phase (forward sale), revenue is recognized depending on when the performance obligations are satisfied. In connection with the plot of land to be transferred, revenue is recognized at a point in time, i.e. when control is transferred to the acquirer, in case separate performance obligations have been identified. In connection with project development/the construction project, revenue is recognized over time based on the determined percentage of completion. This is ascertained based on the basis of the ratio of construction costs incurred to the estimated total costs (cost-to-cost method). The supervision of construction projects established and performed within the Group allows for the actual costs incurred as well as the estimated total costs of the project to be estimated and allocated as precisely as possible. The transaction price underlying the contractual relationship – after taking into account variable components, if applicable – is allocated to the identified performance obligations based on the relation of the relative stand-alone selling prices to the estimated total costs.

Revenues from rental contracts are recognized on an accrual basis in accordance with the provisions of the underlying contracts. The transaction price is defined in the underlying rental contracts and does not include any variable consideration or financing components. Rents are to be paid on a monthly basis. Rental income is presented within revenues. In contrast to revenue from the net basic rent, which as a lease does not fall within the scope of IFRS 15, the revenue from operating costs represents a non-lease component and is recognized in accordance with IFRS 15. Revenue from operating costs is recognized over time in accordance with IFRS 15.35(a), as the tenant receives the benefit of the underlying services at the same time as they are provided by the landlord. The billing status of operating costs has no influence on revenue recognition, however – depending on the time of billing – results in the recognition of contract assets or contract liabilities. Incidental cost settlements are reported gross in accordance with IFRS 15, as GATEWAY bears primary responsibility for fulfilling the performance obligation and acts as principal.

GATEWAY also provides services in the form of management services agreements. The service essentially comprises the commercial execution and commercial management of construction projects, particularly including the planning, development and rental of project properties. The management services agreements specify various milestones by which the degree of completion is measured. Upon reaching a contractually agreed milestone, the Group transfers control over the construction section and acquires an unconditional claim to payment of consideration. The transaction price does not include any variable price components and the period of time between the provision of the service and the payment of the consideration is less than one year. Revenues from service agreements are recognized over time because the customer obtains the benefits of the service while it is being provided. This assessment is based on the fact that another company would essentially not need to provide this previous service again if this other company were to satisfy the remaining performance obligations to the customer. The percentage of completion is measured using the output method and is based on milestones and the corresponding fees, so that it presents a true and fair view of the transfer of control.

The Company recognizes interest income pro rata temporis with due regard to the remaining principal and the effective interest rate over the remaining term to maturity.

The guarantees and warranties contained in the contractual relationships do not constitute a separate performance obligation since they simply assure the customer that the supplied good or service corresponds to the contractually agreed specifications (assurance-type warranty). There are no return, reimbursement or other obligations.

In accordance with IFRS 15, GATEWAY recognizes a contractual asset to the extent that it has provided project development services that have not yet been invoiced to the customer. A contract liability has to be recognized if the customer has already made payments or otherwise fulfilled its contractual obligation before the Group has transferred control of the agreed goods or services.

In accordance with IFRS 15.117, the Group believes that the timing of the fulfillment of the performance obligations regularly deviates from the time schedule of the payments. In principle, payment plans are agreed for project developments, according to which sales are paid by the customer in stages. However, the actual invoicing only takes place when the building is accepted and the power of disposal is transferred to the buyer. Up to this point in time, either contract assets or contract liabilities may arise, depending on the relationship between the payments already received from the customer and the scope of the services rendered.

To the extent that the Group has provided invoiced the service, the GATEWAY's unconditional right to the consideration payable is reported as a receivable.

2.18 EMPLOYEE BENEFITS

SHORT-TERM EMPLOYEE BENEFITS

Obligations under short-term employee benefits are recognized as expenses as soon as the corresponding employee service is rendered. A liability is recognized for an amount that is expected to be paid when the Group currently has a legal or constructive obligation to pay this amount in respect of service rendered by the employee and when the obligation can be estimated reliably. Liabilities for wages and salaries, including non-monetary benefits for annual vacation that are expected to be paid in full within 12 months of the end of the fiscal year in which the employee provided the services, are recognized at the end of the reporting period and measured at the amounts that are expected to be necessary to settle the obligation.

TERMINATION BENEFITS

Termination benefits are recognized as expenses at the earlier of the following two dates: When the Group can no longer withdraw the offer of such benefits, or when the Group recognizes expenses for a restructuring. If it cannot be expected that the benefits will be completely paid within 12 months of the reporting period, they are discounted to present value.

2.19 LEASES

At contract inception, GATEWAY assesses whether the contract is or contains a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control an identified asset, GATEWAY uses the definition of a lease in accordance with IFRS 16.

a) As lessee
On the commencement date or in case of a modification of a contract that contains a lease, GATEWAY allocates the contractually agreed consideration based on the relative stand-alone selling prices.

As lessee, GATEWAY recognizes an asset for the granted right of use as well as a lease liability on the commencement date. The right-of-use asset is measured upon initial recognition at cost which corresponds to the initial measurement of the lease liability, adjusted by payments made at or before the commencement date, plus any initial direct costs as well as the estimated costs to be incurred in dismantling and removing the underlying asset or to restore the site on which it is located, less any lease incentives received.

Subsequently, the right-of-use asset is depreciated on a straight-line basis from the commencement date until the end of the lease term. There are exemptions for rental contracts if the ownership in the underlying asset is transferred to the Group at the end of the lease term or if it is probable that a purchase option is exercised. In this case, the right-of-use asset is depreciated over the useful life of the underlying asset, with the useful life being determined on the basis of the provisions for property, plant and equipment. In addition, the right-of-use asset is constantly reduced, if necessary, by any potential impairment losses and adjusted by certain remeasurements of the lease liability.

The lease liability is recognized using the present value of the lease payments not yet made as of the commencement date, discounted by the interest rate implicit in the lease or, when such rate cannot be readily determined, by the Group incremental borrowing rate. As a rule, GATEWAY uses its incremental borrowing rate as the discount rate. This incremental borrowing rate is derived as a risk-adjusted interest rate that is specific for the respective maturity and currency.

The lease liability is measured based on the amortized carrying amount using the effective interest method. It is remeasured when there is a change in future lease payments resulting from a change in an index or a rate, when GATEWAY adjusts its estimate of the expected payments within the context of a residual value guarantee, when the Group changes its assessment of the exercise of any purchase, extension or termination options, or when there is a change in an in-substance fixed payment.

In case of such a remeasurement of the lease liability, a corresponding adjustment of the carrying amount of the right-of-use asset is made or is recognized through profit or loss when the carrying amount of the right-of-use asset is reduced to zero.

GATEWAY reports the right-of-use assets that do not meet the definition of an investment property in the statement of financial position under property, plant and equipment, and the lease liabilities are reported under other financial liabilities.

In addition, GATEWAY decided not to recognize right-of-use assets and lease liabilities for leases for assets with a value of less than €4,500 as well as for short-term leases. The Group recognizes the lease payments in connection with these leases as an expense on a straight-line basis over the lease term.

b) As lessor
If GATEWAY acts as the lessor, it classifies each lease upon contract inception either as a finance lease or as an operating lease. For the purposes of classifying each lease, GATEWAY has made an overall assessment whether the lease transfers substantially all of the risks and rewards incidental to ownership of an underlying asset. If this is the case, the lease is classified as a finance lease; if not, it is classified as an operating lease. In making this assessment, the Group takes into account certain indicators such as whether the lease comprises the major part of the economic useful life of the asset.

GATEWAY acts as the lessor within the context of properties held as inventory properties and investment properties. In case of the inventory properties, this refers to the lease termination phase. The lease agreements represent operating leases and the underlying lease agreements are recognized by the Group over the lease term as income in revenue.

2.20 RESIDUAL CLAIMS AND DIVIDEND PAYMENTS

In the previous year, the Group held shares in companies in which non-controlling shareholders also hold a stake (Gateway Vierte GmbH, Revaler Straße 32 PE GmbH, Storkower Straße 140 PE GmbH and Storkower Straße 142–146 PE GmbH). For these company forms, the non-controlling interests must be recognized as a liability based on the existing termination rights.

These non-controlling interests were measured at fair value through profit or loss. Consequently, valuation adjustments of the share of non-controlling interests or the financial liability recognized in that respect are to be recognized in profit or loss.

2.21 CASH FLOW STATEMENT

The cash flow statement shows the origin and use of cash flows. A distinction is made between operating, investment and financing activities. The cash and cash equivalents recognized as of the reporting date consist of cash in hand and at bank.

The **cash flows from operating activities** are derived indirectly, starting from total comprehensive income for the period.

Other non-cash expenses and income, as reported in the reconciliation of total comprehensive income for the period to the cash flows from operating activities, largely resulted from non-cash changes of other financial assets.

A non-cash amount of €23,508 thousand was offset between the line items "Other financial assets" and "Other financial liabilities". In addition, a total of €5,383 thousand was offset between the item "Other financial assets" and "Financial liabilities" with no effect on cash.

The proceeds from the sale of investment properties reported under cash flows from investing activities in the amount of €41,599 thousand result from the standing asset of the Group company Duisburg EKZ 20 Objekt GmbH sold in May 2024 in the amount of €6,800 thousand and of S8 Chelsea Quartier GmbH & Co. KG of the SoHo Mannheim project development in the amount of €34,799 thousand.

The line item "Payments for lease liabilities" includes interest paid amounting to €3 thousand.

The **cash flows from investing and financing activities** are calculated on the basis of actual payments.

Changes in financial liabilities are reconciled with the cash flows from financing activities as follows:

—

FINANCIAL LIABILITIES

in € thousand	2024	2023*
Balance as of January 1	**982,190**	**815,861**
Cash inflows from raising of financial liabilities	100,545	175,218
Repayments of financial liabilities	–103,007	–67,514
Total change in cash flows from financing activities	**–2,553**	**107,704**
Changes from the acquisition or loss of subsidiaries, other businesses or net assets that do not represent a business	0	5,704
Finance costs	73,829	79,774
Interest paid	–28,377	–34,204
Net modification result	1,784	–31,913
Restatement due to correction of errors	0	52,908
Miscellaneous changes	0	–13,644
Total other changes	**47,236**	**58,625**
Balance as of December 31	**1,026,873**	**982,190**

* Previous year's figures partially restated (see Section 5. Restatements in accordance with IAS 8)

The net modification result is due to the contractual adjustments to the purchase financing for the Heinersdorf project and the standing asset in Augsburg in the amount of €1,784 thousand. In the previous year, other changes mainly included the disposal of financial liabilities in the amount of €–8,569 thousand resulting from the deconsolidation of Baufeld 23 Entwicklungs GmbH.

2.22 NON-CURRENT ASSETS HELD FOR SALE

Non-current assets or disposal groups comprising assets and liabilities are classified as held for sale or held for distribution when it is highly probable that they will be recovered mainly through sale or distribution and not through continued use.

In general, these assets or the disposal group is measured at the lower of their carrying amount or fair value less costs to sell. Any impairment of a disposal group is initially attributed to goodwill and then to the remaining assets and liabilities on a pro-rata basis – with the exception that no loss is attributed to inventories, financial assets, deferred tax assets, assets related to employee benefits, or investment properties that are still measured in accordance with the Group's other financial reporting methods. Impairment losses recognized upon the initial classification as held for sale or held for distribution and subsequent gains and losses upon revaluation are recognized in profit or loss.

Once classified as held for sale or held for distribution, intangible assets and property, plant and equipment are no longer subjected to amortization and depreciation, and every investee accounted for by the equity method is no longer accounted for by the equity method.

The special measurement rules pursuant to IFRS 5 for the date of reclassification and subsequent measurement do not apply to properties that had previously been presented within the item of "Investment properties". In these cases, the measurement rules of IAS 40 continue to apply. To this extent, only the rules applicable to the reclassification to the item "Non-current assets held for sale" apply. As a general rule, such properties are reclassified when there is a sale contract for the property or the corresponding company at the reporting date or the sale of the property within the next 12 months is highly probable (economically reasonable and objectively practicable). Please refer to Note 2.8 for more information on measurement rules.

2.23 GOVERNMENT GRANTS

Government grants are recognized at their fair value once there is reasonable assurance that the conditions attaching to such grants are complied with and the grants will be received.

More specifically, government grants, whose most important conditions are the purchase, construction or other acquisition of non-current assets, are recognized as a deduction from the cost of the asset.

The grants reported in the year under review in the amount of €4.8 million consist of building cost subsidies in the context of promoting the development of social housing of the German federal state of Baden-Wuerttemberg totaling €35.0 million, fully disbursed as of the reporting date. An amount of €30.2 million was already disbursed in the previous year. The building cost subsidies are recognized as a reduction of cost. The main prerequisites for the funding commitment are specified rent and occupancy commitments, the breach of which would result in the termination of the funding commitment with corresponding repayment obligations. A sale of the property during the period in which the rental and occupancy commitments apply might also result in the withdrawal of the funding commitment.

3. ADDITIONAL DISCLOSURES CONCERNING FINANCIAL INSTRUMENTS

3.1 PRINCIPLES OF FINANCIAL RISK MANAGEMENT

The Group's risk management is managed by a central Finance Department on the basis of guidelines approved by the management. This Finance Department identifies, assesses and manages financial risks in close cooperation with the Group's operating units or departments, respectively. The management issues written guidelines for overall risk management and for certain areas such as interest rate risks, default risks and liquidity management.

Financial risk management involves the management and limitation of financial risks arising from operating activities. It involves continuous, rolling liquidity controlling that is particularly focused on the avoidance of significant receivables defaults and assuring the financing needs of ongoing operations.

To limit the receivables default risk, ownership of sold properties is generally transferred to the buyer only after payment of the purchase price. Interest rate risks result from variable-interest loans and generally in case of loan extensions. Quantitative information related to receivables default risk is provided in the later sub-section "Default risk management".

Quantitative information related to financing and liquidity risk is provided primarily in the later sub-section "Liquidity risk".

3.2 CAPITAL MANAGEMENT

The Group regularly reviews its capital structure as part of the preparation of its annual and interim financial statements in order to ensure its debt servicing capability, operating liquidity and compliance with regulatory requirements.

One of the major objectives of capital management is to ensure an equity ratio of at least 25% and to maintain a gearing ratio (net financial liabilities in relation to equity) of no more than 300%. In addition, the aim is to maintain a liquidity reserve that is sufficient to cover current payment obligations at all times.

As of the reporting date, these targets were not met due to the sharp fall in equity. The Group plans to offset this deviation in the medium term through ongoing restructuring measures to reduce net debt and through the sale of project development sites.

Adjustments to the capital structure are made – depending on the respective business conditions – in particular through capital increases, distribution policies or changes to the financing structure as well as by additions and disposals within the consolidation group.

The equity ratio at the end of the year is presented in the table below:

—

EQUITY RATIO

in € thousand	2024	2023*
Equity	70,210	213,895
Total assets	1,272,298	1,384,797
Equity ratio (in %)	**5.5**	**15.4**

* Previous year's figures partially restated (see Section 5. Restatements in accordance with IAS 8)

3.3 CLASSES OF FINANCIAL INSTRUMENTS IN ACCORDANCE WITH IFRS 7

In the following tables, the carrying amounts of the financial instruments are reconciled to the IFRS 9 measurement categories and the fair values of the financial instruments are disclosed.

The fair value of financial instruments already due was determined using credit risk-adjusted valuation models on the basis of standard market default and recovery rates.

A non-cash amount of €23,508 thousand was offset between the line items “Other financial assets” and “Other financial liabilities”. In addition, a total of €5,383 thousand was offset between the item “Other financial assets” and “Financial liabilities” with no effect on cash.

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FINANCIAL ASSETS

	Carrying amount in € thousand		Fair Value in € thousand	Level of fair value hierarchy
				12/31/2024
	Mandatorily at FVtPL	Financial assets – AmC		
Financial assets measured at fair value				
Equity investments	38	0	38	3
Total	**38**	**0**	**38**	
Assets measured at amortized cost				
Trade receivables	0	2,651	2,651	
Other receivables		4,410	4,410	
Contract assets	0	324	324	
Loans	0	93,725	93,725	
Security deposits for leased office space	0	221	221	
Cash and cash equivalents		10,179	10,179	
Total	**0**	**111,510**	**111,510**	
Total financial assets	**38**	**111,510**	**111,548**	

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FINANCIAL LIABILITIES

	Carrying amount in € thousand		Fair value in € thousand	Level of fair value hierarchy
				12/31/2024
	Mandatorily at FVtPL	Financial liabilities – AmC		
Financial liabilities measured at fair value				
Liabilities, non-controlling interests	255	0	255	3
Total	**255**	**0**	**255**	
Financial liabilities measured at amortized cost				
Liabilities to banks	0	417,694	386,943	2
Liabilities to related companies	0	112,561	112,561	2
Liabilities to third parties from exchange-listed corporate bonds	0	72,900	68,943	1
Liabilities to third parties from corporate bonds	0	226,662	179,570	2
Loan liabilities to third parties	0	199,724	192,345	2
Trade payables	0	88,039	88,039	
Other financial liabilities	0	2,791	2,791	
Lease liabilities	0	36	n/a	
Contract liabilities	0	1,841	1,841	
Non-current liabilities held for sale	0	10,600	10,600	
Total	**0**	**1,132,848**	**1,043,633**	
Total financial liabilities	**255**	**1,132,848***	**1,043,288**	

* With the exception of lease liabilities that are separate from the classification in accordance with IFRS 9, the total of the category 'other financial liabilities – AmC' amounts to €1,132,811 thousand.

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FINANCIAL ASSETS

	Carrying amount in € thousand		Fair value in € thousand	Level of fair value hierarchy
	Mandatorily at FVtPL	Financial assets – AmC		12/31/2023
Financial assets measured at fair value				
Equity investments	2,617	0	2,617	3
Total	**2,617**	**0**	**2,617**	
Financial assets measured at amortized cost				
Trade receivables	0	989	989	
Other receivables	0	9,538	9,538	
Contract assets	0	914	914	
Loans	0	124,886	124,886	
Security deposits for leased office space	0	221	221	
Cash and cash equivalents	0	8,121	8,121	
Total	**0**	**144,669**	**144,669**	
Total financial assets	**2,617**	**144,669**	**147,286**	

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FINANCIAL LIABILITIES

	Carrying amount in € thousand		Fair value in € thousand	Level of fair value hierarchy
	Mandatorily at FVtPL	Financial liabilities – AmC		12/31/2023
Financial liabilities measured at fair value				
Liabilities, non-controlling interests	236	0	236	3
Total	**236**	**0**	**236**	
Financial liabilities measured at amortized cost				
Liabilities to banks	0	381,436	379,064	2
Liabilities to related companies	0	121,697	121,697	2
Liabilities under corporate bonds to related parties	0	72,811	66,235	2
Liabilities to third parties from exchange-listed corporate bonds	0	202,495	204,975	1
Loan liabilities to third parties	0	219,261	220,190	2
Trade payables	0	108,205	108,205	
Other financial liabilities	0	15,983	15,983	
Lease liabilities	0	170	n/a	
Contract liabilities	0	573	573	
Total	**0**	**1,122,630**	**1,116,922**	
Total financial liabilities	**236**	**1,122,630***	**1,117,158**	

* With the exception of lease liabilities that are separate from the classification in accordance with IFRS 9, the total of the category 'other financial liabilities – AmC' amounts to €1,122,460 thousand.

Financial instruments measured at fair value are assigned to (measurement) levels depending on the importance of the factors and information considered for measuring them.

The assignment of a financial instrument to a level depends on the importance of the input factors considered for its overall measurement; the highest level for which the measurement as a whole is significant or determining is chosen. The measurement levels are sub-divided to the following hierarchy levels according to their input factors:

Level 1: Quoted prices in active markets for identical assets or liabilities (unadjusted)

Level 2: Inputs other than the quoted prices applied in Level 1, which are, however, observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: Factors considered for measuring the asset or liability that are not based on observable market data (unobservable inputs)

Financial liabilities are measured on the basis of the discounted cash flow method (Level 2). For this purpose, the future cash flows are discounted using risk-adjusted interest rates with matching maturities.

The fair value of cash and cash equivalents as well as financial assets (such as loans) is a reasonable approximation of their carrying amounts due to their short-term maturity. The fair value of trade receivables/payables as well as other receivables/liabilities is a reasonable approximation of their carrying amounts.

For the liabilities of non-controlling interests and for unlisted equity investments held in the Group, measurement methods are used that reflect the respective available data, such as current transaction prices, financing rounds or standard market multiples. As no sufficiently up-to-date market data was available to date for the investments held by the Group, amortized cost was used as the best estimate of fair value in all cases.

The aforementioned financial instruments are classified as Level 3 measurements in the fair value hierarchy in accordance with IFRS 13, as they are based on unobservable parameters due to the lack of active markets and observable input factors.

The Group recognizes transfers between various levels of the fair value hierarchy as of the end of the reporting period in which the change has occurred. There were no transfers between the levels in the reporting period and the comparative period.

The reconciliation of the opening balances to the closing balances of Level 3 fair values is presented in the table below.

—

in € thousand	**Liabilities of non-controlling interests**	**Equity investments FVtPL**
Balance as of 01/01/2023	**–754**	**2,582**
Gains (losses) recognized in finance costs	0	0
Additions	0	35
Disposal due to increase of shareholdings	518	0
Balance as of 12/31/2023	**–236**	**2,617**
Gains (losses) recognized in finance costs	0	0
Additions	–19	0
Loss allowance	0	–2,579
Balance as of 12/31/2024	**–255**	**38**

Sensitivities were not disclosed for reasons of materiality.

3.4 NET GAINS OR LOSSES FROM FINANCIAL INSTRUMENTS

The net gains or losses from financial instruments broken down by measurement category in accordance with IAS 9 are as follows:

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NET GAIN OR LOSS

in € thousand	Mandatorily at FVtPL	Financial assets – AmC	Other financial liabilities – AmC	Total
				2024
Finance income	0	14,138	0	**14,138**
Net modification result	0	0	–1,784	**–1,784**
Finance costs and other finance costs, net	0	0	–76,703	**–76,703**
Impairment and derecognition (in other operating expenses)	–2,579	–32,211	0	**–34,790**
Net gain or loss	**–2,579**	**–18,073**	**–78,487**	**–99,139**

—

in € thousand	Mandatorily at FVtPL	Financial assets – AmC	Other financial liabilities – AmC	Total
				2023
Finance income	0	12,408	0	**12,408**
Net modification result	0	0	31,913	**31,913**
Finance costs and other finance costs, net	0	0	–82,901	**–82,901**
Impairment (in other operating expenses)	0	–105,090	0	**–105,090**
Net gain or loss	**0**	**–92,682**	**–50,988**	**–143,670**

3.5 INTEREST RATE RISK

Risks arising from interest rate changes fundamentally exist for the Group in connection with taking out or extend loans to finance the purchase of properties or to finance construction activities. In this context, changes in interest rates can have an impact on the Group's financial performance or on the value of the financial instruments held by the Group.

Both fixed and variable interest rates were agreed for future loan obligations.

The market risk from loan receivables results from interest rate risks in relation to the variable-interest loans and generally in case of loan extensions. Unutilized credit facilities from project financings in the amount of €66,224 thousand were available as of the reporting date (previous year: €173,145 thousand).

To manage this risk, the Group aims to have a balance of fixed and variable-interest financing. While fixed-rate loans offer planning security with regard to future interest expenses, variable-rate loans allow flexible adjustment to the market environment. The composition of the loan portfolio is regularly reviewed and adjusted as required.

Interest hedges to reduce the risk of interest rate changes have not yet been concluded to date.

Based on a risk exposure of €741,087 thousand (previous year: €393,221 thousand) and given a hypothetical increase or decrease in the market interest rate level by 50 basis points, the following effects would have been incurred on earnings before taxes (EBT), which influence the net finance costs presented in profit or loss:

—

RESULT

in € thousand	Basis points	2024	2023
Shift in market interest level	+50 –50	2,552 2,320	2,124 –1,931

3.6 DEFAULT RISK MANAGEMENT

Default risk is the risk of a loss for the Group if a contracting party does not fulfill its contractual obligations. The Group only enters into business relationships with creditworthy contracting parties and obtains collateral when appropriate to mitigate the risks of a loss from the non-fulfillment of obligations. The creditworthiness of our customers is always checked before contracts are concluded. The Group uses available financial information and its own commercial records to assess its customers. The Group's risk exposure is continuously monitored. Particular default risks that normally arise in significant receivables from sales of real estate and equity investments and in brokerage commissions owed by institutional investors are treated separately. Deposits, guarantees or retention of title are usually agreed for private customers. In the case of institutional investors (particularly in connection with real estate and investment sales), the financial background is examined in detail, and closing conditions and additional collateral (e.g. sureties, bank guarantees) are stipulated in the contracts.

TRADE RECEIVABLES

Trade receivables are owed by a large number of customers in different German states. They are usually individuals or business people who have rented or purchased the Group's real estate.

The following table shows the credit risk classification of trade receivables as well as their loss allowance:

—

TRADE RECEIVABLES

in € thousand	12/31/2024	12/31/2023
Receivables not past due	1,744	228
Receivables past due by up to 30 days	393	175
Receivables past due by up to 90 days	79	173
Receivables past due by up to 180 days	0	271
Receivables past due by up to 360 days	0	103
Receivables past due by more than 360 days	551	39
Total	**2,767**	**989**
Impairment	–90	0
Net carrying amount	**2,677**	**989**

Receivables not past due at the reporting date are mainly owed by customers with good creditworthiness or concerning which the Group does not expect any notable defaults. In the past, there were also no material impairments or defaults due to creditworthiness.

The majority of past due receivables result from lease receivables. Overall, on the basis of current information, it has to be assumed that these receivables can be collected since rental guarantees and rent deposits are available to secure rent-related claims. In addition, agreements have been reached with tenants to repay the receivables, and we have already received payments in this context.

The opening balance of impairments of trade receivables as of January 1, 2024 is reconciled with the closing balance of impairments in the table below:

—

IMPAIRMENT ON TRADE RECEIVABLES*

in € thousand	2024	2023
As of 01/01	**0**	**0**
Increase in the impairment for credit losses recognized in profit or loss for the fiscal year	0	0
Amounts written off as uncollectable in the fiscal year	–90	0
Amounts derecognized in the context of deconsolidation	0	0
Amounts not utilized and reversed	0	0
As of 12/31	**–90**	**0**

* Simplified approach

After an appropriate determination is made, trade receivables are derecognized when they are no longer recoverable. This is the case, for example, if no repayment plan can be agreed with the debtor.

All impairments of receivables are generally included in the statement of profit or loss under other operating expenses.

OTHER FINANCIAL ASSETS

Other financial assets mainly consist of loan receivables and receivables from the sale of real estate in the form of share transfers. These are mainly legacy receivables from completed projects from previous fiscal years that are due from commercial debtors. These receivables consist of a few, mainly larger individual receivables. Allowances have already been recorded for the majority of these legacy receivables, which means that there are no material unsecured risks as of the reporting date.

The following table shows the credit risk classification of other financial assets as well as their loss allowance:

—

OTHER FINANCIAL ASSETS

in € thousand	12/31/2024	12/31/2023
Receivables not past due	114,132	93,097
Receivables past due by up to 30 days	365	518
Receivables past due by up to 90 days	2,086	492
Receivables past due by up to 180 days	1,533	1,537
Receivables past due by up to 360 days	3,547	5,904
Receivables past due by more than 360 days	118,226	149,126
Total	**239,889**	**250,674**
Impairment	–141,171	–112,497
Net carrying amount	**98,718**	**138,176**

As a result of the continued uncertainty observed in the area of real estate project development and due to the insolvency applications filed in the real estate sector, the Management Board has believed since the previous year that the credit risk for certain receivables from companies within the sector is not low. Loss allowances have already been recognized for these receivables based on Stage 3 of three-stage model pursuant to IFRS 9 (expected credit loss model).

As of December 31, 2024, the Management Board had objective indicators for further impairment. Therefore, another Stage 3 loss allowance was recorded.

Accordingly, loss allowances were recognized for loan receivables from third parties and related companies, contract assets and outstanding purchase price receivables, as the creditworthiness of the parties is deemed deteriorated. The carrying amount of other financial receivables amounted to €239,889 thousand as of the reporting date of December 31, 2024, of which €28,673 thousand were impaired in the reporting year. The cumulative loss allow-ance therefore amounts to €141,171 thousand as of the reporting date. The Management Board decided to recog-nize these loss allowances after it had become aware of new information on the financial situation of the debtors concerned.

Overall, additions to specific loss allowances on other financial assets in 2024 amounted to €28,673 thousand (previous year: €104,953 thousand).

The opening balance of impairments of other financial assets as of January 1, 2024 is reconciled with the closing balance of impairments in the table below:

—

IMPAIRMENT OF OTHER FINANCIAL ASSETS*

in € thousand	2024	2023
As of 01/01	**–112,498**	**–7,545**
Increase in the impairment for credit losses recognized in profit or loss for the fiscal year	–25,499	–104,803
Amounts written off as uncollectable in the fiscal year	–3,174	–150
Amounts derecognized in the context of deconsolidation	0	0
Amounts not utilized and reversed	0	0
As of 12/31	**–141,171**	**–112,498**

* Simplified approach

After an appropriate determination is made, other financial assets are derecognized when they are no longer recoverable. This is usually the case when the debtor fails to commit to a repayment plan with the Group.

All impairments of receivables are generally included in the statement of profit or loss under other operating expenses.

CASH AND CASH EQUIVALENTS

The cash and cash equivalents are deposited in banks and financial institutions. The estimated loss allowance for cash and cash equivalents was calculated on the basis of expected losses within 12 months and reflects the short terms to maturity. The Group assumes that its cash and cash equivalents have a low risk of default due to the external ratings of the banks and financial institutions.

Impairment losses in the category of cash and cash equivalents are insignificant for the Group and were not recognized in the financial statements.

3.7 LIQUIDITY RISK

Liquidity risks mainly comprise the risk that existing or future payment obligations cannot be met on time due to insufficient availability of cash funds.

GATEWAY relies on the granting of bank loans, bonds, or loans from affiliated companies to finance acquisitions of companies and properties as well as its ongoing operations.

Particularly within the scope of real estate financing, it is also necessary to renew or refinance expiring loans, some of which are granted only on a short-term basis and must be regularly renewed. In all cases, there is a risk that a renewal is not possible or not at the same or at different terms.

The responsibility for liquidity risk management lies with the Management Board, which has developed an appropriate concept for meeting short-term, medium-term and long-term financing and liquidity requirements. The Group manages liquidity risks by holding guarantees, letters of credit and proceeds from loans and by continuously monitoring projected and actual cash flows and harmonizing the maturity profiles of financial assets and liabilities. The liquidity planning regularly prepared for this purpose is intended to ensure that unforeseeable liquidity needs can be met in addition to planned financing requirements.

Liquidity planning comprises a rolling liquidity plan until the beginning of 2027 that is prepared weekly and enables close monitoring of the current and future liquidity situation. Moreover, significant matters relating to liquidity risk are reported to the Chairman of the Supervisory Board on a monthly basis.

In the event of a shortfall, the Group may apply various measures to ensure liquidity. These include, in particular, taking out additional credit lines or working capital financing, shareholder contributions in the form of capital increases or loans, the selective sale of assets and the prolongation or refinancing of existing liabilities. In addition, investment projects can be postponed or adjusted. The Management Board is of the opinion that the Group's solvency is guaranteed at all times on this basis.

The following table shows the contractual terms to maturity of the Group's liabilities that fall within the scope of IFRS 7. The table is based on undiscounted cash flows, according to the earliest date at which the Group may be required to settle the liabilities. The table includes both interest and principal payments.

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CONTRACTUAL CASH FLOWS

					2024
in € thousand	Within 12 months	From 12 to 24 months	From 24 to 60 months	After more than 60 months	Total
Financial liabilities	–1,109,714	–155,809	–719	–881	**–1,267,123**
Trade payables	–88,039	0	0	0	**–88,039**
Other financial liabilities	–10,002	–397	0	0	**–10,399**
Lease liabilities	–15	–21	0	0	**–36**
Non-current liabilities held for sale	–542	–516	–1,765	–2,902	**–5,725**
Total	**–1,208,312**	**–156,743**	**–2,484**	**–3,783**	**–1,371,322**

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					2023
in € thousand	Within 12 months	From 12 to 24 months	From 24 to 60 months	After more than 60 months	Total
Financial liabilities	–836,680	–44,692	–77,325	–4,185	**–962,882**
Trade payables	–161,113	0	0	0	**–161,113**
Other financial liabilities	–33,996	–400	–376	0	**–34,772**
Lease liabilities	–113	–57	0	0	**–170**
Total	**–1,031,902**	**–45,149**	**–77,701**	**–4,185**	**–1,158,937**

The Management Board expects that it will be able to pay its liabilities from its own operating cash flow, available financial assets and the funds made available by affiliated companies.

After the reporting date, the Group has been granted additional funds or has been provided with collateral by related parties in individual cases in order to hedge liquidity risks. These include both loans and guarantees. Please refer to the following sections for further details.

The maturity analysis is based on the contractually agreed cash flows from the existing financial liabilities. As there were no loans with variable interest rates as of the reporting date, the Group is not exposed to any interest rate risk from variable interest rates. It is not expected that an item of cash flow included in the maturity analysis occurs considerably earlier or that a significant different amount will be realized.

A possible early repayment obligation might arise from existing covenants for some financial liabilities with a total carrying amount of €325.7 million (previous year: €247.7 million). The covenants refer to LTV and LTC, respectively; compliance with the covenants is monitored on an ongoing basis. There is currently no indication that covenants have been infringed.

Going concern risk:
As of the reporting date, the Group had current financial liabilities of €883,206 thousand, which mainly relate to project financing for individual development projects and a promissory note loan taken out by Gateway Real Estate AG for general financing purposes. Of these financial liabilities, an amount of €102,300 thousand is currently not fully covered by agreed refinancing or specifically contracted sales proceeds.

As part of negotiations with the respective lenders, the Management Board has been able to agree extensions to the terms of a significant portion of the financial liabilities amounting to €850,392 thousand (thereof current financial liabilities in the amount of €780,906 thousand). For the financing that has not yet been extended, the lenders have collateral in the form of land charges which, in the view of the Management Board, generally indicate that an extension can also be agreed for this financing. In exceptional cases, the Group would also accept the realization of the collateral provided.

Overall, the ability of the Group to continue as a going concern is dependent on sufficient liquidity being generated through the scheduled realization of project sales and on unplanned outflows of liquidity being avoided as part of loan extensions.

If, contrary to the expectations of the Management Board, the Group is unable to extend a significant portion of the financing that has not yet been extended and, at the same time, is unable to realize the sale of significant projects as planned – in particular not at the planned dates and sales prices – this would jeopardize the continued existence of the subsidiaries involved in these projects.

If there were to be any deviations from the measures set forth in the extension agreements, this could also jeopardize the continued existence of the subsidiaries involved in these projects.

Due to guarantees and sureties in the amount of €85.5 million that had been issued as of the preparation date of this report, such a development could also have an impact on the parent company and thus on the entire Group. Based on the projects' progress, the Board currently does not anticipate that the guarantees and sureties will be utilized.

According to the Management Board, the situation of the individual financing arrangements and projects and the subsidiaries involved in the respective projects is as follows:

Redemption of financial liabilities of Gateway Real Estate AG:
As part of a partial sale, the Cologne Deutz project development was sold via a share deal on December 23, 2025. The provisional result from deconsolidation amounts to €7,518 thousand. In return, in 2025, the purchaser assigned claims against GATEWAY in the form of promissory note loans (€36,222 thousand) and corporate bonds (€31,932 thousand), and transferred cash in the amount of €15,500 thousand. The assignment of the claims resulted in a corresponding reduction in these liabilities through offsetting on the part of GATEWAY. A further amount of €3,000 thousand will be recognized in the fiscal year 2026.

Following the redemption of the corporate bond as part of the partial sale, the corporate bond issued by Gateway Real Estate AG in a total nominal amount of €40,000 thousand was extended until June 30, 2027. At the same time, a waiver of the repayment amount of €13,000 thousand was agreed with the creditors of the corporate bond.

Promissory note loan of Gateway Real Estate AG:
In addition, Gateway Real Estate AG concluded a promissory note loan, which had a value of €9,581 thousand as of December 31, 2024. The promissory note loan expired on March 2, 2025. On May 14, 2025, the promissory note loan was extended until December 31, 2026, taking into account an installment payment plan. The installment plan has been complied with so far.

Financing of Borussia Köln project development:
In the reporting period, both junior and senior financing agreements for the Cologne project development with a carrying amount of €282,886 thousand were extended, initially for a short term.

This agreement also included a deferral of obligations to make equity contributions totaling €15,000 thousand.

Following successful negotiations, the Group agreed – in notarized form – a comprehensive restructuring of the Cologne project development with all financing partners and the creditor of the outstanding land purchase price installments in the course of the fiscal year 2025. In this context, the urban development contract regarding the local zoning regulation was also signed. The major objective of the reorganization is to secure the orderly repayment of the existing junior and senior financing and to settle the outstanding installments of the land purchase price, and at the same time to secure the return of the equity funds invested in the project through the future development and sale of individual building plots.

The restructuring agreement provides for an extension of the senior financing until December 31, 2027 and the granting of an additional credit line of €23,000 thousand, which is intended to be utilized for payment of the interest payable upon final maturity.

The liabilities consist of junior financing in the amount of €173,466 thousand and senior financing in the amount of €109,420 thousand. An irrevocable debt waiver in the amount of €109,466 thousand was granted in connection with the junior financing that was outstanding as of the reporting date. The waiver of claims was granted subject to the condition precedent of GATEWAY's insolvency. The remaining €64,000 thousand of the junior financing and the senior financing were extended until December 31, 2028.

As part of the restructuring, several milestones were defined with all financing partners, which in particular provide for the gradual development of the project and the sale of individual properties on the basis of an orderly time schedule.

Additional collateral was provided more recently, apart from the collateral provided for the senior financing – consisting of pledges of shares, real estate assets secured by land charges with a carrying amount of €409,187 thousand and a letter of comfort of GATEWAY towards the lender of a maximum amount of €8,000 thousand.

From September 30, 2025, a guarantee from GATEWAY in favor of the junior financing in the amount of €25,000 thousand became effective. However, utilization of this guarantee is only permitted once the senior financing has been repaid in full.

The agreed milestones have been complied with so far. On December 23, 2025, a sale of shares in seven companies with a significant volume of space was implemented at the agreed target price. See also the previous section on Gateway Real Estate AG.

For GATEWAY, there is a risk that if the milestones defined in the restructuring agreement and the urban development contract are not met (including development planning, capital flows, obtaining planning permission, minimum resales), all lenders, the seller of the land and the public authorities may call in their claims immediately. In this case, the Management Board believes that there might be direct access to the collateral provided, which – depending on the development of the project – could lead to a substantial outflow of liquidity or even jeopardize the Group's continued existence. The partial sale of the Cologne Deutz project development carried out on December 23, 2025 means that a significant proportion of the defined milestones has already been met. The Management Board believes that it is more likely than not that the milestones will continue to be met.

SoHo Mannheim project development:
The bond for financing the acquisition of the SoHo Mannheim project development has a value of €53,881 thousand as of the reporting date.

In March 2026, the SoHo Mannheim project development agreed a modified repayment agreement for the bond. The adjustment provides for a reduction of the originally agreed outstanding bond liabilities from €53,881 thousand to €40,000 thousand. This involves a debt waiver in the amount of €13,881 thousand. The reduced amount is to be repaid primarily from the proceeds from the development and marketing of the southern construction site not later than December 30, 2027. The existing guarantee from Gateway Real Estate AG in the amount of €15,000 thousand will in future only serve to cover any shortfall at the end of the term and no longer primarily to secure the total amount. The Management Board believes that it is more likely than not that the redemption agreement will be complied with.

Dresden Blüherpark project development:
The acquisition financing for the project development and the existing commercial property at the Dresden Blüherpark site had a nominal loan amount of €87,000 thousand, plus interest of €10,835 thousand payable upon final maturity. Real estate assets with a carrying amount of €153,260 thousand secured by land charges and pledges of shares in the project-related companies are used as collateral. After the original term expired, standstill agreements were concluded with the lenders, which expired by the time the consolidated financial statements were prepared. Negotiations are currently underway with the lenders and other potential investors regarding the extension or assumption of the loans. At the time the financial statements were prepared, binding agreements had yet to be reached. Following the sale of the existing property, it is planned to extend the remaining financing for the rest of the project. Corresponding negotiations to extend financing arrangements are not to be initiated until after the sale has been completed. As a result, there were no legally binding extension agreements as of the reporting date or the date of preparation of the financial statements.

In connection with the acquisition financing, Gateway Real Estate AG assumed an irrevocable and unconditional guarantee for unpaid interest and for any cost overrun of up to €3,500 thousand. In the opinion of the Management Board, it is currently unlikely that this guarantee will be utilized.

If, contrary to the Management Board's expectations, neither the standing asset is sold nor the remaining financing is subsequently extended, the lenders could access the collateral provided, which would jeopardize the continued existence of the subsidiaries involved in the project. From a Group perspective, however, the Management Board believes that such a development would not directly jeopardize the Group's continued existence as a whole due to the project-related structure of the financing. In addition, the Management Board assumes that the current market value of the projects exceeds the total amount of collateral.

Standing asset in Augsburg:
The investment property in Augsburg is financed by a loan with a nominal value of €39,620 thousand and a term until December 20, 2026, which was taken out by the Group parent company. The financing arrangement is collat-eralized by real estate assets secured by land charges with a carrying amount of €99,100 thousand.

The Augsburg project is currently in the development phase in terms of regulatory planning. The framework plan was unanimously approved by the City of Augsburg's building committee in July 2025 and is currently being incor-porated into the development plan. Construction is currently expected to start at the beginning of 2027. At the same time, further cost and revenue updates as well as detailed environmental investigations are being carried out.

To reduce the short-term refinancing risk, a supplementary agreement was concluded with the financing partner, which provides for an extension of the financing until December 20, 2026. Project development activities will con-tinue to proceed as planned, regardless of the financing structure.

In connection with the financing, 89.9% of the shares in each of the companies holding the property were trans-ferred to the lender. The transfer was made subject to the condition that the shares will revert to the Group if the loan is repaid when due. Regardless of the transfer of majority interests to the financing partner, the companies still have to be included in the consolidated financial statements by way of consolidation in accordance with IFRS 10.

If, contrary to planning, the financing is not repaid when due, the financing partner would be entitled to access the collateral provided. This could lead to a loss of the property companies. Due to the recoverable collateral and the continuation of the project development activities, the Management Board currently considers the remaining risk to be limited. The Management Board does not expect this to have a direct impact that might jeopardize the Group's continued existence as a whole.

Berlin Heinersdorf project development:
The Berlin Heinersdorf project development has senior financing available with a nominal loan amount of €30,000 thousand, which is due to expire on December 20, 2026.

The project development is currently in the early development phase in terms of regulatory planning. The planning is based on the urban development utilization concept adopted by the Berlin Senate in April 2025. Currently, an urban development qualification competition is being held, the conclusion of which is a prerequisite for the subsequent decision to draw up a development plan.

The financing risk from this commitment is restricted to the level of the respective project company, as there is neither a guarantee nor any other liability on the part of the Group parent company for this financing.

Real estate assets with a carrying amount of €36,600 thousand as well as 89.9% of the shares in the company holding the property were transferred to the lender as collateral for the financing. The beneficial ownership of the shares remains with the parent company Gateway Residential GmbH.

Nevertheless, if the financing is not repaid when due, the financing partner would be entitled to access the collateral provided. This could lead to a loss of the property company. However, due to the lack of liability of the Group parent company and the project-related structure of the financing, such access would not have a direct effect on the Group's continued existence as a whole.

Berlin project developments:
As of the reporting date, the financing for the Berlin project developments amounted to €58.4 million for Storkower Straße 140 PE GmbH, €103.9 million for Storkower Straße 142–146 PE GmbH, and €123.1 million for Revaler Straße 32 GmbH. The real estate assets secured by land charges, with a carrying amount of €71.3 million for Storkower Straße 140 PE GmbH, €125.4 million for Storkower Straße 142–146 PE GmbH, and €123.7 million for Revaler Straße 32 GmbH, are used as collateral.

The financing of the project companies Storkower Straße 140 PE GmbH and Storkower Straße 142–146 PE GmbH was extended until December 30, 2026 by way of supplements dated February 18, 2026. As of the reporting date, the parties had agreed on the substance of draft agreements regarding the financing of the project company Revaler Straße 32 PE GmbH, which provide for an extension of the financing until December 30, 2026. However, as of the reporting date, no legally binding extension agreement had yet been entered into.

The projects at Storkower Straße 140, Storkower Straße 142–146 and Revaler Straße 32 currently are in the letting stage. Construction work is largely completed at the moment. The first tenants moved into the Storkower Straße 142–146 project already in 2023, into the Storkower Straße 140 project in 2024, and into the Revaler Straße 32 project in 2025.

Extension of loan agreements with Helvetic Capital AG and SN Beteiligungen Holding AG
On December 30, 2025, the financing arrangements with the related companies Helvetic Capital AG and SN Beteiligungen Holding AG, with a value in the amount of €101.1 million and €8.8 million, were extended until June 30, 2027.

The following table shows the maturities as of the reporting date as they would have been if the restructuring had already been completed as of the reporting date.

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CONTRACTUAL CASH FLOWS

					2024
in € thousand	Within 12 months	From 12 to 24 months	From 24 to 60 months	After more than 60 months	Total
Financial liabilities	–21,994	–491,257	–361,721	–881	**–875,853**
Trade payables	–23,942	0	0	0	**–88,039**
Other financial liabilities	–10,002	–397	0	0	**–10,397**
Lease liabilities	–15	–21	0	0	**–36**
Lease liabilities	–5,724				**–5,724**
Total	**–125,774**	**–491,673**	**–361,721**	**881**	**–980,049**

Summary:
Against the background of the continued challenging market environment in real estate project development, the continuation of the Group's business operations depends on the successful implementation of planned project disposals and on the ability to extend existing financing arrangements to the envisaged extent.

At the same time, during the fiscal year and up to the date of preparation of the financial statements, the Group achieved material progress in stabilizing its financing structure. For the majority of financial liabilities falling due in the short term, maturity extensions, restructurings, or repayments have already been agreed, thereby reducing short-term liquidity pressure and safeguarding the continuation of material projects. The agreed measures have so far been implemented as planned.

For certain financing arrangements, no legally binding extension agreements have yet been concluded as of the date of preparation of the financial statements. Deviations from the underlying assumptions, in particular with regard to the timing or value realization of project sales, could lead to additional liquidity requirements and may affect individual project companies.

Overall, there is a risk that could endanger the Group's ability to continue as a going concern, arising from the possibility that the measures underlying the financing and restructuring agreements already concluded may not be implemented as planned in the future and that financing partners may subsequently terminate contractual arrangements or enforce collateral. Due to guarantees and sureties granted in an amount of €85.5 million that had been issued as of the preparation date of this report, such developments could also indirectly affect the parent company.

The Management Board addresses this situation through close liquidity management, ongoing coordination with financing partners, and the consistent monitoring and implementation of the agreed measures. On this basis, the Management Board assumes that the existing financing and restructuring agreements can be complied with as planned and that the continuation of the Group's business operations is predominantly likely, while pointing out the uncertainties associated therewith.

Please also refer to the statements in the report on risks and opportunities in the Group management report in section 3.2.2 under the headings "Financing risks" and "Liquidity risks" as well as on the description of significant events after the reporting date in section 8.8.

3.8 ASSETS PLEDGED AS SECURITY

Collateral has been provided for the Group's existing financing arrangements, mainly in the form of charges on real estate and pledges on bank accounts. Each collateral is tied to the term of the underlying financing. Collateral is released as soon as the corresponding financing has been repaid in full.

The carrying amounts of assets transferred as security for current and non-current borrowings are presented in the table below:

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ASSETS

in € thousand	2024	2023
Current		
Investment properties held for sale	79,580	0
Inventories	892,129	918,576
Cash and cash equivalents	1,595	3,892
Total amount of current assets transferred as security	**973,304**	**922,468**
Non-current		
Property, plant and equipment	0	0
Investment properties	113,300	238,527
Total amount of non-current assets transferred as security	**113,300**	**238,527**
Total amount of assets transferred as security	**1,086,604**	**1,160,995**

In addition, the following shares in fully-consolidated subsidiaries were provided in full as security:
- Borussia Dresden QaB 1–12 (89.9% of the shares)
- Borussia Köln-Deutz 1–21 (89.9% of the shares)
- Project companies of SoHo Mannheim (S1–12) (89.9% of the shares)
- AugsKor 1–3 (100% of the shares)
- Beteiligungsgesellschaft Berlin-Heinersdorf (89.9% of the shares)
- Storkower Straße 142–146 PE GmbH (100% of the shares)
- Revaler Straße 32 PE GmbH (100% of the shares)

With the transfer of shares on December 20, 2024, 89.9% of the shares in AugsKor 1–3 and Beteiligungsgesellschaft Berlin-Heinersdorf were transferred to the lenders as collateral for the project financing. The properties can only be sold with the consent of the lenders.

Despite of the fact that the majority of voting rights was transferred to the lenders, the company has to be consolidated in accordance with IFRS 10. The Group exercises control over the Group company on the basis of the following contractual agreements.

- The seller remains entitled and obliged to continue the ongoing project developments at company level pursuant to the share purchase agreement.

- The voting rights of the buyers are suspended until the expiry of the financing agreement on December 20, 2026, so that the decision-making power over the company's relevant activities remains de facto with GATEWAY.

- Until this date, the Group is also entitled to full profit participation rights from the investment.

- In addition, the Group was granted a right to withdraw from the share purchase agreement, which can be exercised after full repayment of the funds provided and enables the repurchase of the shares.

These agreements mean that GATEWAY remains in a position to determine the relevant activities of the Group companies and to benefit from variable returns from this control.

In addition, the shares of SKE Immo Sulzbach GmbH (S.à r.l.), Luxembourg, as well as receivables were transferred as collateral for the project financing of the external and unconsolidated Leipzig 416 project. In the Group, the shares in SKE Immo Sulzbach GmbH (S.à r.l.), Luxembourg are recognized under other non-current assets in the amount of €10 thousand. Please refer to Note 8.2 of the management report.

4. ESTIMATES, DISCRETIONARY JUDGMENTS AND ASSUMPTIONS APPLIED FOR ACCOUNTING PURPOSES

For accounting purposes, the Company makes estimates and assumptions regarding expected future developments. All assumptions and estimates are made on the basis of the circumstances and assessments at the reporting date and influence the presentation of the Group's financial position, cash flows and financial performance, as well as the understanding of the underlying risks of financial reporting. The estimates derived from these factors may differ from actual later events. Critical estimates and assumptions are applied for accounting purposes particularly in the following areas:

— The Company's financial statements were prepared on a going concern basis. In assessing the Company's ability to continue its business activities in the foreseeable future, assumptions and estimates are required to be made regarding the Company's future economic development and liquidity position. This assessment is based on current business performance and the expected economic and financial situation. Apart from the risks jeopardizing the Company as a going concern as described in the risk report, there are currently no indications of circumstances that might give rise to material uncertainty regarding the continuation of business operations. If this was to change, appropriate adjustments would have to be made regarding accounting and measurement.

— With respect to the properties held by the Group, the Management Board must decide at every reporting date whether they should be held on a long-term basis to earn rentals or for capital appreciation or both or for sale. Depending on this decision, the properties are accounted for as land with unfinished and finished buildings intended for sale (inventories) or as non-current assets intended for sale, in accordance with the principles for investment properties, and measured at (amortized) cost or fair value, depending on the classification. We refer to Notes 7.3, 7.5 and 7.8.

— The market values of investment properties are based on the results of independent experts engaged for this purpose. The appraisals are conducted in accordance with the discounted cash flow method or the residual value method based on expected future revenue surpluses (procedure of Measurement Level 3). Accordingly, factors such as future rental income and the valuation interest rate to be applied, which have a direct effect on the fair values of the investment properties, are estimated by GATEWAY in collaboration with the appraiser. The fair values of investment properties as of the reporting date totaled €113,300 thousand (previous year: €238,527 thousand). We refer to Note 7.3.

— In order to determine the net realizable value of inventory properties, estimates are calculated in relation to the selling price realizable in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

— Estimates must be made to a limited extent for the recognition of current and deferred taxes. These relate in particular to the assessment of the tax effects of existing loss carryforwards and their usability in accordance with the relevant tax regulations. In the reporting period, there were no significant uncertainties related to the interpretation of tax regulations, in particular with regard to the treatment of tax loss carryforwards when ownership changes during the year in accordance with Section 8c of the German Corporation Tax Act (Körperschaftssteuergesetz, KStG) and Section 10a of the German Municipal Trade Tax Act (Gewerbesteuergesetz, GewStG). Nevertheless, deviations between the actual taxable income and the underlying assumptions or future changes in the tax framework may have an impact on the taxable income for future periods. The prerequisite for recognizing deferred tax assets is that future taxable income will be generated, unless these are offset by deferred tax liabilities of at least the same amount. Further information on current and deferred taxes can be found in Note 7.13.

— There is scope for discretion in determining the time and amount of revenue recognition in accordance with the principles of IFRS 15. If a binding sales contract already exists for a property under development, revenue recognition based on a time period in accordance with the estimated stage of completion can also be considered in addition to revenue recognition based on a specific point in time. We refer to Note 7.14.

— As a result of the general uncertainty observed in the area of real estate project development and due to the insolvency applications filed to date in the real estate sector, the Management Board believes that the credit risk for certain receivables from companies within the sector is not low. Moreover, the Management Board now has objective indicators for expected impairment (Stage 3 expected credit losses). Against this backdrop, loss allowances in a cumulative amount of €141,171 thousand were recorded for the receivables reported as current other financial assets with a total carrying amount of €239,889 thousand on the basis of the expected credit loss model. The loss allowances in the year under review amount to €28,673 thousand. We refer to Notes 7.6 and 7.18.

— The Company recognizes provisions as part of its operating activities for various matters. The amount of the expected cash outflows is determined on the basis of assumptions and estimates on a case-by-case basis. These assumptions can be subject to changes which may result in deviations in future periods. We refer to Note 7.10.

— Government grants can be recognized once the conditions attaching to them are met and the grants have actually been received. Investment grants are recognized based on the fair value model by reducing the cost which in turn results in a reduced depreciation expense (IAS 20.12 ff.). We refer to Note 7.18.

5. RESTATEMENTS IN ACCORDANCE WITH IAS 8

For the fiscal year 2024, the following errors in the previous year's financial statements must be corrected retrospectively in accordance with IAS 8:

1. **Error in the measurement of an investment property**
   In the course of an event-driven audit conducted by the German Federal Financial Supervisory Authority (BaFin), it was determined that the measurement of the investment property at Berliner Allee 53–65 in Augsburg as of June 30, 2023 and in the previous year 2022 included expected government grants in the amount of €46.7 million. This approach was a violation of the provisions set out in IAS 40 and IFRS 13, as market participants would not price in these grants and it was not reasonably probable as of the reporting date that these grants would be received. The correction led to an adjustment of the fair value of the property and to subsequent effects on deferred tax liabilities and equity.

2. **False calculation of deferred taxes on impaired receivables**
   During the preparation of the consolidated financial statements for the fiscal year 2024, we noted that, in the consolidated financial statements as of December 31, 2023, impaired receivables of Gateway Real Estate AG totaling €94 million had not been correctly included in the calculation of deferred taxes or disclosed in the tax reconciliation statement. As of December 31, 2023, this led to an incorrect calculation of deferred tax liabilities and the deferred tax income recognized in the income statement and, in particular, to errors in the disclosure in the tax reconciliation and the other disclosures on deferred taxes in the notes.

3. **False disclosure of government grants in the cash flows from operating activities**
   In the previous year, payments received from government grants amounting to €30,241 thousand were incorrectly reported under cash flows from operating activities. As the grants are related to investments in an investment property, they have to be allocated to cash flows from investing activities. The comparative period was adjusted accordingly as part of a correction of errors in accordance with IAS 8.

4. **False disclosure of interest-bearing and deferred purchase price liabilities**
   The disclosure of the interest-bearing purchase price liability from the acquisition of the shares in Borussia Development GmbH to the related party Helvetic Capital AG in the amount of €52,908 thousand, which was reported as a current trade liability in the previous year, was corrected in the reporting year. Due to the financing nature of the purchase price liability (long-term deferral and fixed interest rate), the liability has to be reported as a current financial liability under loan liabilities and interest liabilities to related parties. The comparative figures of the previous year were adjusted accordingly as part of a correction of errors in accordance with IAS 8.

DETAILED PRESENTATION OF THE ERRORS

1. **Errors in the measurement of the investment property**
   In the course of a BaFin audit, it was determined that expected public grants in the amount of €46.7 million were incorrectly taken into account in the measurement of the investment property at Berliner Allee 53–65 in Augsburg as of June 30, 2023 and in the previous year 2022. Market participants would not have taken these grants into account as there was no reasonable probability of receiving them as of the reporting date. The procedure violated IAS 40.33 and 40.40 as well as IFRSS 13.22 and 13.69. The correction led to a reduction in the fair value of the property by €46.7 million, an adjustment to deferred tax liabilities in the amount of €7.4 million, and a reduction in equity as of January 1, 2023 in the amount of €39.3 million. The adjustments were made retrospectively in accordance with IAS 8 and reported in the tables to the statement of financial position, the statement of comprehensive income, the statement of changes in equity, and the tax reconciliation.

2. **False calculation of deferred taxes on impaired receivables**
   During the calculation of deferred taxes and the preparation of the tax reconciliation for the consolidated financial statements as of December 31, 2023, impaired receivables from related and non-related companies totaling €94 million were not correctly reported in the tax reconciliation. This related to loan and interest receivables of Gateway Real Estate AG from related consolidated companies in the amount of €37.3 million and from non-related companies in the amount of €56.7 million and led to the corrections listed below. As part of the retrospective correction of errors in accordance with IAS 8 as of December 31, 2023, deferred tax liabilities on non-current receivables in the amount of €1.1 million also had to be reversed through profit or loss and equity had to be increased by €1.1 million as of December 31, 2023/January 1, 2024. In addition, the previous year's figures in the tax reconciliation presented as of December 31, 2024 were adjusted.

The errors 1. and 2. result in the following adjustments of the prior year figures in the tax reconciliation:

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in € thousand	Balance as of 12/31/2023 before restatements	Restatement	Balance as of 12/31/2023 after restatements
Profit/loss before tax	–181,456	46,708	–134,748
Tax rate in %	30.175	30.175	30.175
Expected tax expense	–54,754	14,094	–40,660
Tax effects on			
Tax rate differences	5,243	–6,703	–1,460
Change of permanent differences	–1,590	10,206	8,616
Taxes prior years	–320	0	–320
Tax-exempt income and non-tax-deductible expenses	34,920	–27,372	7,548
Local trade tax corrections	1,391	0	1,391
Change in the non-recognition of deferred tax assets in respect of loss carryforwards and use of non-recoverable loss carryforwards from prior years	4,277	1,172	5,449
Change in the non-recognition of deferred tax assets in respect of asset differences	311	15,160	15,472
Other	275	–218	56
Actual tax expenses (+) or tax income (–)	–10,247	6,339	–3,908

The prior-year disclosures on deferred taxes in Note 7.13 and Note 7.20 have been adjusted accordingly where necessary.

The effects of both corrections of errors are presented in the following tables.
In these consolidated financial statements, the comparative figures as of December 31, 2023 have been adjusted in all tables containing information on the values shown in the statement of financial position. Figures published before this date did not have to be presented. The adjustments in accordance with IAS 8 are also shown separately in the consolidated statement of changes in equity. The following tables show the effects of the restatements on the 2024 consolidated financial statements, to which reference is made at various sections in the notes:

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RESTATEMENTS IN CONSOLIDATED STATEMENT OF FINANCIL POSITION IN ACCORDANCE WITH IAS 8

in € thousand	Balance as of 01/01/2023 before restatements	Correction of measurement errors	Follow-up adjustment of deferred tax assets	Deferred taxes	Balance as of 01/01/2023 after restatements
ASSETS					
Investment properties	271,170	–46,708	0	0	224,462
Other non-current and current assets	1,160,380	0	0	0	1,160,380
	1,431,550	**–46,708**	**0**	**0**	**1,384,842**
EQUITY AND LIABILITIES					
Equity	379,049	–46,708	7,392	0	339,732
Deferred tax liabilities	46,370	0	–7,392	0	38,978
Other non-current and current liabilities	1,006,131	0	0	0	1,006,131
	1,431,550	**–46,708**	**0**	**0**	**1,384,842**

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in € thousand	Balance as of 12/31/2023 before restatements	Correction of measurement errors	Follow-up adjustment of deferred tax assets	Deferred taxes	Balance as of 12/31/2023 after restatements
ASSETS					
Investment properties	238,527	0	0	0	238,527
Other non-current and current assets	1,146,270	0	0	0	1,146,270
	1,384,797	**0**	**0**	**0**	**1,384,797**
EQUITY AND LIABILITIES					
Equity	212,842	0	0	1,053	213,895
Deferred tax liabilities	36,937	0	0	–1,053	35,884
Other non-current and current liabilities	1,135,018	0	0	0	1,135,018
	1,384,797	**0**	**0**	**0**	**1,384,797**

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RESTATEMENTS IN CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME IN ACCORDANCE WITH IAS 8

in € thousand	Balance as of 12/31/2023 before restatements	Correction of measurement errors	Follow-up adjustment of deferred tax assets	Deferred taxes	Balance as of 12/31/2023 after restatements
Revenue	18,765	0	0	0	18,765
Changes in inventories of finished goods and work in progress	142,363	0	0	0	142,363
Other operating income	10,295	0	0	0	10,295
Gross profit	**171,423**	**0**	**0**	**0**	**171,423**
Raw materials and consumables used	–125,990	0	0	0	–125,990
Employee benefits expense	–5,217	0	0	0	–5,217
Fair value changes in investment properties and valuation of properties held as inventory and in non-current assets held for sale	–52,533	46,708	0	0	–5,825
Amortization, depreciation and impairment on intangible assets and property, plant and equipment	–9,912	0	0	0	–9,912
Other operating expenses	–120,647	0	0	0	–120,647
Operating profit	**–142,876**	**46,708**	**0**	**0**	**–96,168**
Finance income	44,321	0	0	0	44,321
Finance costs	–82,901	0	0	0	–82,901
Other finance income/costs, net	0	0	0	0	0
Net finance costs	**–38,580**	**0**	**0**	**0**	**–38,580**
Profit/loss before tax	**–181,456**	**46,708**	**0**	**0**	**–134,748**
Income tax expense	10,247	0	–7,392	1,053	3,908
Profit/loss for the period	**–171,209**	**46,708**	**–7,392**	**1,053**	**–130,840**
Other comprehensive income/loss	0	0	0	0	0
Total comprehensive income/loss for the period	**–171,209**	**46,708**	**–7,392**	**1,053**	**–130,840**
Attributable to equity holders of the parent company	–165,939	46,708	–7,392	1,053	–125,570
Attributable to non-controlling interests	–5,270	0	0	0	–5,270
Earnings per share (basic)	–0.92	0.25	–0.04	0.01	–0.67
Earnings per share (diluted)	–0.92	0.25	–0.04	0.01	–0.03

6. SEGMENT REPORT

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FROM JANUARY 1 TO DECEMBER 31, 2024

					2024
in € thousand	**Standing Assets**	**Commercial Properties Development**	**Residential Properties Development**	**Consolidation**	**Group**
Revenue from third parties (external revenue)	9,638	6,822	84,015	0	100,475
Intersegment revenue (internal revenue)	3,048	0	12	–3,060	0
Revenue	**12,686**	**6,822**	**84,027**	**–3,060**	**100,475**
Gross profit	**32,541**	**60,799**	**64,486**	**–7,612**	**150,214**
Segment result (operating profit)	**–55,515**	**–4,311**	**30,977**	**–44,019**	**–72,868**
thereof:					
Fair value changes of investment properties and valuation of properties held as inventory	–20,204	0	0	0	–20,204
Write-downs of project developments	0	–19,517	–31,204	0	–50,721
Specific loss allowances on receivables	–30,244	0	–1,967	0	–32,211
Cost of materials	–4,289	–63,749	–54,955	3,299	–119,694
Profit or loss from investments accounted for using the equity method	0	0	0	0	0
EBIT ADJUSTED	**–55,515**	**–4,311**	**30,977**	**–44,019**	**–72,868**
Finance income	15,812	0	7,695	–11,153	12,354
Finance costs	–20,261	–18,592	–49,012	11,153	–76,712
Other finance income/costs, net	27	–17	0	0	10
EBT	**–59,937**	**–22,920**	**–10,320**	**–44,020**	**–137,197**
Income tax expense	–4,309	426	1,966	776	–1,141
Segment assets	**504,645**	**339,881**	**724,973**	**–297,201**	**1,272,298**
Investments accounted for using the equity method	0	0	0	0	0
Additions to non-current assets	21,068	0	0	0	21,068
Segment liabilities	**435,917**	**366,247**	**684,549**	**–284,625**	**1,202,088**

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FROM JANUARY 1 TO DECEMBER 31, 2023

					2023*
in € thousand	Standing Assets	Commercial Properties Development	Residential Properties Development	Consolidation	Group
Revenue from third parties (external revenue)	10,229	7,685	851	0	18,765
Intersegment revenue (internal revenue)	2,988	0	9	–2,997	0
Revenue	**13,217**	**7,685**	**860**	**–2,997**	**18,765**
Gross profit	**36,178**	**78,506**	**67,433**	**–10,694**	**171,423**
Segment result (operating profit)	**–121,938**	**12,351**	**18,902**	**–5,483**	**–96,168**
thereof:					
Fair value changes of investment properties and valuation of properties held as inventory	–52,533	0	0	0	–52,533
Write-downs of project developments	0	–6,715	–22,948	0	–29,663
Specific loss allowances on receivables	–104,882	0	–71	0	–104,953
Impairment of property, plant and equipment and intangible assets	–9,911	–1	0	0	–9,912
Cost of materials	–19,374	–65,940	–44,467	3,791	–125,990
EBIT ADJUSTED	**–121,938**	**12,351**	**18,902**	**–5,483**	**–96,168**
Finance income	20,962	0	32,800	–9,441	44,321
Finance costs	–15,512	–17,056	–59,883	9,550	–82,901
EBT	**–116,488**	**–4,705**	**–8,181**	**–5,374**	**–134,748**
Income tax expense	2,236	–501	551	1,622	3,908
Segment assets	**592,415**	**309,741**	**720,910**	**–238,269**	**1,384,797**
Additions to non-current assets	56	0	0	0	56
Segment liabilities	**413,714**	**313,615**	**672,113**	**–227,487**	**1,171,955**

* Previous year's figures partially restated (see section 5. Restatements in accordance with IAS 8)

The segment report is prepared in accordance with IFRS 8 based on the management approach.

The disclosures on assets, liabilities, income and expenses used for this purpose correspond to the accounting policies applied in the IFRS consolidated financial statements. There are no discrepancies between internal management and external accounting.

This means that the segment report is linked to the reporting to the chief operating decision makers and reflects the information regularly presented to the chief operating decision makers with respect to decisions on the allocation of resources to the segments and the assessment of profitability. Profitability is assessed and managed on the basis of EBIT adjusted. EBIT adjusted is defined by the Group as the operating profit plus the result from investments accounted for using the equity method.

There is no reporting of results on the basis of geographical regions because all of the Group's activities are conducted in Germany.

The individual segments are described in the following:

— **Standing Assets:** The Standing Assets segment comprises a portfolio of existing properties. This includes both investment properties held to generate rental income and individual properties that are in the development planning stage or in the process of being sold. The segment revenues during the fiscal year mainly consist of rental income from the investment properties held in the portfolio.

— **Residential Properties Development:** In the Residential Properties Development segment, the Group concentrates on development activities in selected metropolitan regions in Germany, normally cities with a population of at least 100,000, such as Dresden, Berlin, Erfurt, Frankfurt am Main, Leipzig and Munich. The focus here is on the new construction of medium-sized apartment buildings for modern living and mixed-use properties and real estate.

— **Commercial Properties Development:** The development activities for commercial properties are combined in the Commercial Properties Development segment. The objective of this segment is to develop attractive and high-quality office buildings with modern architecture and flexible usage formats.

The segment information is determined on the basis of the accounting policies used in the consolidated financial statements. Segment assets as well as revenues and expenses resulting from intersegmental transactions are eliminated in the column “consolidation.”

The major effects shown in this column result from the elimination of intra-group balances as well as of expenses and income.

Revenue from third parties (external revenue) is generated exclusively in Germany; 9.6% (previous year: 54.5%) of this revenue is attributable to the Standing Assets segment, 6.8% (previous year: 41.0%) to the Commercial Properties Development segment and 83.6% (previous year: 4.5%) to the Residential Properties Development segment. Revenue from third parties of all segments mainly refers to revenue from the forward sales of project developments, rental revenue and the revenue from operating costs from investment properties held as financial investments and held for sale as well as from interim rentals of project developments.

The change in the value of investment properties results exclusively from the Standing Assets segment because only inventory properties are held in the other two segments.

The operating profit of the divisions as reported in the statement of comprehensive income is specified as the segment result.

Interest income and interest expenses are allocated according to the associated liabilities or assets.

Segment assets include all the Group’s assets, and segment liabilities include all the Group’s provisions and liabilities. Investments accounted for using the equity method are reported separately here. Segment investments (additions to non-current assets) show all investments in non-current assets as well as additions from fair value changes in investment properties (we refer to Note 7.3).

7. ADDITIONAL NOTES TO THE ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

7.1 INTANGIBLE ASSETS

Intangible assets showed the following development in the last two reporting periods:

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COST

in € thousand	Goodwill	Other intangible assets	Internally generated other intangible assets	Total
Balance as of 01/01/2023	**15,913**	**269**	**120**	**16,302**
Additions	0	65	0	65
Balance as of 12/31/2023	**15,913**	**334**	**120**	**16,367**
Additions	0	4	0	4
Balance as of 12/31/2024	**15,913**	**338**	**120**	**16,371**

—

AMORTIZATION

in € thousand	Goodwill	Other intangible assets	Internally generated other intangible assets	Total
Balance as of 01/01/2023	**6,124**	**269**	**120**	**6,513**
Impairment	9,789	65	0	9,854
Balance as of 12/31/2023	**15,913**	**334**	**120**	**16,367**
Impairment	0	4	0	4
Balance as of 12/31/2024	**15,913**	**338**	**120**	**16,371**

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CARRYING AMOUNTS

in € thousand	Goodwill	Other intangible assets	Internally generated other intangible assets	Total
Balance as of 01/01/2023	**9,789**	**0**	**0**	**9,789**
Balance as of 12/31/2023	**0**	**0**	**0**	**0**
Balance as of 12/31/2024	**0**	**0**	**0**	**0**

The goodwill resulting from the reverse acquisition in 2018 and remaining as of the beginning of the reporting period originally amounted to €9,789 thousand and was attributable to the group of CGUs "Residential Properties Development."

In the prior period, the remaining goodwill was subjected to the annual impairment test in accordance with the provisions set out in IAS 36, performed as of September 30, 2023 and December 31, 2023. For this purpose, the carrying amount of the group of CGUs is compared with its recoverable amount. The recoverable amount of the group of CGUs is determined using its value in use which is calculated by discounting projected cash flows.

The impairment test conducted on the basis of the value in use of the group of CGUs showed that impairment losses for the full amount were required to be recognized for the group of CGUs of the Residential Properties Development business area.

Therefore, the carrying amounts of the group of CGUs “Residential Properties Development” (€9,789 thousand) were fully impaired. The respective carrying amounts were fully attributable to goodwill. In addition, impairment losses on other intangible assets in the other segments totaling €4 thousand were also recognized. Impairment losses recognized for property, plant and equipment amounted to a total of €37 thousand (see Note 7.2).

The impairment results from a delay of project development activities following the weaker overall economic situation and from increased costs of capital.

7.2 PROPERTY, PLANT AND EQUIPMENT

The development of property, plant and equipment is presented in the table below:

—

COST

in € thousand	Operating facilities	Plant and machinery	Land and buildings	Operating and office equipment	Total
Balance as of 01/01/2023	**0**	**22**	**1,378**	**454**	**1,854**
Additions	0	44	0	16	60
Balance as of 12/31/2023	**0**	**66**	**1,378**	**470**	**1,914**
Additions	0	0	0	37	37
Balance as of 12/31/2024	**0**	**66**	**1,378**	**507**	**1,951**

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DEPRECIATION AND IMPAIRMENTS

in € thousand	Operating facilities	Plant and machinery	Land and buildings	Operating and office equipment	Total
Balance as of 01/01/2023	**0**	**22**	**1,378**	**456**	**1,856**
Impairment	0	44	0	14	58
Balance as of 12/31/2023	**0**	**66**	**1,378**	**470**	**1,914**
Impairment	0	0	0	37	37
Balance as of 12/31/2024	**0**	**66**	**1,378**	**507**	**1,951**

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BOOK VALUES

in € thousand	Operating facilities	Plant and machinery	Land and buildings	Operating and office equipment	Total
Balance as of 01/01/2023	0	0	0	4	4
Balance as of 12/31/2023	0	0	0	0	0
Balance as of 12/31/2024	**0**	**0**	**0**	**0**	**0**

As a result of the impairment test in accordance with IAS 36 carried out as planned as of September 30, 2022, followed by an update as of December 31, 2023, and the resulting impairment losses, the property, plant and equipment of the Standing Assets business were fully impaired (€58 thousand).

The impairment amounts to €37 thousand in the 2024 fiscal year.

As of December 31, 2024, property, plant and equipment includes recognized right-of-use assets of €0 thousand (previous year: €0 thousand) in connection with leased objects that do not meet the definition of investment properties. A detailed list of the right-of-use assets is included in Note 7.21.

7.3 INVESTMENT PROPERTIES

All information presented here pertains to the Standing Assets segment. As in the comparative period, there were no intersegment transactions during the reporting period.

In the reporting period, measurement losses of €20,204 thousand (previous year: measurement losses of €5,825 thousand) were recorded in the statement of comprehensive income in the item "Fair value changes in investment properties and valuation of properties held as inventory and in non-current assets held for sale," nearly of which was attributable to the line item "Non-current assets held for sale." We refer to Note 7.8.

By way of a purchase agreement dated May 22, 2024, one building plot (Baufeld I) of the Mannheim project development was disposed at a purchase price of €36.7 million. Possession, benefits and obligations as regards Baufeld 1 are expected to be transferred in the second half of 2024 after the requirements for payment becoming due are met and after the final acceptance of the buyer upon payment of the final purchase price installment on December 8, 2024.

By way of a purchase agreement dated March 26, 2024, the standing asset of the Group company Duisburg EKZ 20 Objekt GmbH was sold at a price of €6.8 million; the financing with a nominal amount of €5.0 million was redeemed. Possession, benefits and obligations were transferred in May 2024 after the requirements for payment becoming due were met. Accordingly, the carrying amount of the property was previously reclassified to "Non-current assets held for sale" and sold from there. Any effect on profit or loss beyond the purchase price has not been incurred by the Group, as the property was already measured at the purchase price as of December 31, 2023.

The development of investment properties is presented in the following table:

—

in € thousand	
Balance as of 01/01/2023*	**224,462**
Reclassifications from inventories	8,954
Subsequent production costs	10,936
Change in market value	–5,825
Balance as of 12/31/2023	**238,527**
Disposal	–39,670
Reclassification to non-current assets held for sale	–106,600
Subsequent production costs	21,027
Change in market value	16
Balance as of 12/31/2024	**113,300**

* Previous year's figures partially restated (see section 5. Restatements in accordance with IAS 8)

The fair values of the investment properties amounting to €113,300 thousand (previous year: €238,527 thousand) are allocated to Level 3. Changes in value are reported in the consolidated statement of comprehensive income under the item "Fair value changes in investment properties and valuation of properties held as inventory and in non-current assets held for sale".

Of the investment properties, properties with a total carrying amount of €113,300 thousand (previous year: €238,527 thousand) were secured by mortgages as of the reporting date.

The following table presents the significant amounts recognized in the statement of profit or loss for the properties shown as investment properties:

—

in € thousand	2024	2023
Rental revenues	1,991	7,789
Revenues from operating costs	491	1,419
Revenues from cost charges to others and building cost subsidies	0	510
Administration costs (operating costs, maintenance, administration, etc.)	–1,735	–4,731
	747	**4,987**

Operating expenses in the amount of €1,735 thousand are attributable to primarily rented properties. The expenses allocable to the vacant parts of the properties are of subordinate importance.

In accordance with International Valuation Standards, the fair values of investment properties are determined by the external appraiser CBRE, mainly on the basis of the residual value method or the discounted cash flow procedure. Expected future rental surpluses from a property are discounted to present value at the valuation date by applying a market-appropriate, property-specific discount rate.

Specifically, the discount rate is derived reciprocally from a standard spread of 50 basis points. An increase in this spread is taken into account for certain real estate and cash flow risks. The discount rate reflects the specific combination of risks and opportunities of the property, the location and the letting situation during the 10-year cash flow analysis period. The selection of the discount rate is based, among other things, on findings from the investment market. The discount rate is selected also on the basis of the following criteria:

- Current market development
- Location and quality of the property
- Demand and price level on the relevant local or national real estate markets
- The current letting situation with regard to vacancies, over- or under-letting, tenant quality (covenant), rent term(s) and quality of the rental contract (index adjustments and step-up rents, etc.)

Whereas net rents are usually applied in determining the rental revenues, operating expenses are incurred particularly from the management costs, which the owner is obligated to pay.

The land value was used to determine the fair value of the property at Berliner Allee 53–65 in Augsburg. The property at August-Bebel-Platz 20 in Duisburg was sold in March 2024. Accordingly, the purchase price of €6.8 million (fair value category 1) was used as the market value in the previous year. In the year under review, the property was reclassified to the line item "non-current assets held for sale."

The table below shows the fair values of investment properties as well as the principal assumptions applied for purposes of the above-mentioned valuation technique:

						2024
Property	**Blüherpark BA2 Dresden**		**Lilienthalstr. 5–9 Hallbergmoos**	**Rudolf-Diesel-Straße 5, 7 Eschborn**	**August Bebel Platz 20 Duisburg**	**Berliner Allee 53–65 Augsburg**
Type	**Refurbishment* Office**	**Parking***	**Standing asset Hotel**	**Standing asset Office**	**Standing asset Shopping center**	**Development Commercial/ residential**
Rented space (usable area) in sqm	36,680	5,028	8,279	8,005	n/a	n/a
Vacant space in sqm	0	5,028	0	2,294	n/a	n/a
Initial vacancy rate in % (based on total space)	0.0	100.0	0.0	28.7	n/a	n/a
Achievable net basic rent (market rent) p.a. in € thousand (parking space included)	*5,062*	*n.a.*	*1,530*	*986*	*n/a*	*n/a*
Achievable net basic rent (market rent) per sqm in €	11.50	n.a.	15.40	10.26	n/a	n/a
Actually achieved net basic rent (contract rent) p.a. in € thousand (parking space included)	*4,414*	*n.a.*	*1,532*	*743*	*n/a*	*n/a*
Actually achieved net basic rent (contract rent) per sqm in €	10.03	n.a.	15.42	10.84	n/a	n/a
Fair value in € thousand	58,600	6,400	14,580	9,700	n/a	103,600
Fair value per sqm of rented space in €	1,598	1,273	1,761	1,212	n/a	n/a
Fair value per sqm of land area in €	2,804	1,018	1,953	1,866	n/a	1,325
Multiplier on market rent (market value: achievable net basic rent)	11.6	n/a	9.5	9.8	n/a	n/a
Multiplier on contract rent (market value: contractual net basic rent)	13.3	n/a	9.5	13.0	n/a	n/a
Valuation parameters:						
Average maintenance costs p.a. in €/sqm	n/a	n/a	7.96	9.44	n/a	n/a
Administrative expenses (in % of achievable rent)	0.0	n/a	1.5	0.0	n/a	n/a
Operating costs not chargeable (in % of achievable rent)	0.0	n/a	6.3	9.2	n/a	n/a
Discount rate in %	6.30	n/a	7.60	7.00	n/a	n/a
Capitalization interest rates in %	5.80	n/a	6.60	6.25	n/a	n/a
Multiplier in case of resale after ten years	34.5	n/a	14.0	15.8	n/a	n/a
Incidental acquisition costs upon resale in %	6.45	n/a	4.75	7.25	n/a	n/a
Land area in sqm	20,897	6,285	7,466	5,199	n/a	120,472

* Held for sale

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								2023
Property	**Blüherpark BA2 Dresden**		**Lilienthalstr. 5–9 Hallbergmoos**	**Rudolf-Diesel-Straße 5, 7 Eschborn**	**August Bebel Platz 20 Duisburg**	**Berliner Allee 53–65 Augsburg**	**SoHo Mannheim BF 1**
Type	**Refurbishment Office**	**Parking**	**Standing asset Hotel**	**Standing asset Office**	**Standing asset Shopping center**	**Development Commercial/ residential**	**Standing asset Residential**
Rented space (usable area) in sqm	36,680	5,028	8,279	8,005	11,423	n/a	12,374
Vacant space in sqm	0	5,028	0	1,849	n/a	n/a	12,374
Initial vacancy rate in % (based on total space)	0.0	100.0	0.0	23.1	n/a	n/a	100.0
Achievable net basic rent (market rent) p.a. in € thousand (parking space included)	*4,402*	*n/a*	*1,421*	*986*	*n/a*	*n/a*	*1,314*
Achievable net basic rent (market rent) per sqm in €	10.00	n/a	14.30	10.26	n/a	n/a	8.85
Actually achieved net basic rent (contract rent) p.a. in € thousand (parking space included)	*4,402*	*n/a*	*1,421*	*805*	*n/a*	*n/a*	*n/a*
Actually achieved net basic rent (contract rent) per sqm in €	9.50	n/a	14.30	10.89	n/a	n/a	n/a
Fair value in € thousand	73,100	6,200	20,500	10,200	6,800	99,100	46,700
Fair value per sqm of rented space in €	1,993	1,231	2,476	1,274	595	n/a	n/a
Fair value per sqm of land area in €	3,498	986	2,746	1,962	657	823	2,830
Multiplier on market rent (market value: achievable net basic rent)	16.6	n/a	14.4	10.3	n/a	n/a	n/a
Multiplier on contract rent (market value: contractual net basic rent)	17.5	n/a	14.4	12.7	n/a	n/a	n/a
Valuation parameters:							
Average maintenance costs p.a. in €/sqm	n/a	n/a	7.96	9.44	n/a	n/a	9.63
Administrative expenses (in % of achievable rent)	0.0	n/a	1.5	0.0	n/a	n/a	4.0
Operating costs not chargeable (in % of achievable rent)	0.0	n/a	6.6	9.2	n/a	n/a	13.6
Discount rate in %	6.45	n/a	7.60	6.75	n/a	n/a	n/a
Capitalization interest rates in %	5.95	n/a	6.60	6.25	n/a	n/a	2.50
Multiplier in case of resale after ten years	16.6	n/a	13.2	16.6	n/a	n/a	32.5
Incidental acquisition costs upon resale in %	6.45	n/a	4.75	7.25	n/a	n/a	6.25
Land area in sqm	20,897	6,285	7,466	5,199	10,356	120,472	16,500
Net sales value at exit in € thousand	n/a	n/a	n/a	n/a	6,800	n/a	42,764
Cost in € thousand	n/a	n/a	n/a	n/a	n/a	n/a	23,125

The determination of the fair value was generally based on Level 3 input factors (see also Note 3.3), i.e., factors not based on observable market data (unobservable input factors). For properties that are held for sale and for which a binding purchase agreement is already on hand as of the reporting date, the agreed sale prices are applied. In such cases, the fair value is calculated on the basis of Level 1 input factors that can be observed for the asset directly (i.e. as the price).

The selection of the valuation method depends on the property's state of development as of the valuation date: In the case of undeveloped sites without building permit or an approved project-specific land use plan (unless the planned real estate fits in the adjacent development in terms of the type and extent of building use in accordance with Section 34 of the German Construction Act (Baugesetzbuch; BauGB)), the sales comparison approach (Vergleichswertverfahren) with reference to the land value (Bodenwert) is used. In this context, the reference land value and/or, if available, comparable transactions from the committee of appraisers represent the data basis. These parameters are then adjusted, taking into account the characteristics of the plot of land, to establish a like-for-like basis. If there are plans to change the use of plots of land from commercial to residential, the currently possible use often does not represent an actual measure. Therefore, the comparable transactions, if available, are the best indicator for the fair value for financial reporting.

The underlying application of the residual value method assumes that the construction costs, including ancillary construction costs, of the development site are incurred on a straight-line basis between the start and the end of construction works. In order to determine the value of the property as of the reporting date, the direct income capitalization method is used to calculate the potential sale proceeds after completion. Any necessary construction costs, including ancillary construction costs, are deducted from the sale proceeds. The costs for financing and marketing as well as the developer's profit are also deducted from the sale proceeds.

Financing costs are determined taking into account the weighted average cost of capital by using the average capital employed in the amount of 50 percent of construction costs, including ancillary construction costs. The assumption used in relation to marketing costs is that they are not incurred prior to the end of the construction period. The developer's profit is determined by reference to the sale proceeds (excluding incidental acquisition costs), which, in turn, are calculated based on estimated rental income. The subtotal, after taking into account the positions mentioned above, is called "Residual I". The financing costs of the plot of land are then deducted from "Residual I", with the financing costs being calculated using the compound interest rate for the term from the valuation date until the estimated date of sale based on the weighted average cost of capital. The final total, "Residual II", is then determined by deducting incidental acquisition costs.

Once a property is about to be completed, the discounted cash flow (DCF) method is applied. Any outstanding costs incurred during the construction period may be deducted as a one-off payment under this method.

The applied DCF method is a multi-period model. Future increases in revenue and costs are explicitly represented in the ten-year detailed planning period. Deviations between the rental revenues actually earned (contract rent) and the estimated sustainably achievable rental revenues (market rent) as well as the change in the vacancy rate were determined by taking the rental location and the special features of the individual property into account. Costs for new rentals (tenant build-outs, rental commissions, and the lack of income during rent-free periods) were taken into account using historical data. In addition, all costs to be paid by the owner were deducted (maintenance and management costs, vacancy costs, etc.).

The net income for the detailed planning period determined in this way (the assumed rental period) was measured at the valuation date, which is identical with the reporting date. Following the detailed planning period, a resale value was determined based on a multiplier related to the sustainably achievable annual net income. Estimated costs of sale were deducted from the calculated gross resale value, and the resulting net realizable value was discounted to the valuation date. The present value of the net income of the detailed planning period plus the present value of the net realizable value equals the market value of the individual property. The assumptions applied in determining the value of properties are made by the independent appraiser on the basis of his professional experience and are subject to uncertainty.

The following overview shows the distribution of the fair values by property class:

—

FAIR VALUES

in € million	2024	2023
Office	9.7	10.2
Shopping center*	0	6.8
Residential portfolio	0	46.7
Commercial/residential development	103.6	99.1
Office refurbishment	65.0	73.1
Hotel	14.6	20.5
Total	**192.9**	**256.4**

* FV category 1

As part of the sensitivity analysis, the main unobservable input factors – discount rate and capitalization rate as well as market rent – were varied insofar as they are relevant for determining the fair values of the investment properties. No sensitivities were presented for properties whose fair values are determined on the basis of standard land values and agreed purchase prices, as these parameters have no influence on the valuation.

—

SENSITIVITY ANALYSIS

	12/31/2024					
	Construction costs, excluding ancillary construction costs		**Discount rate/capitalization rate (for residential/commercial)**		**Market rent**	
in € million	5.0%	–5.0%	–0.25%	0.25%	5.0%	–5.0%
Office	n/a	n/a	0.3	–0.2	0.6	–0.6
Shopping center*	n/a	n/a	n/a	n/a	n/a	n/a
Residential/commercial development	n/a	n/a	n/a	n/a	n/a	n/a
Office refurbishment	n/a	n/a	3.7	–3.4	2.5	–2.5
Total	**n/a**	**n/a**	**4.0**	**–3.6**	**3.1**	**–3.1**

*FV category 1

—

						12/31/2023
	Construction costs, excluding ancillary construction costs		Discount rate/capitalization rate (for residential/commercial)		Market rent	
in € million	5.0%	–5.0%	–0.25%	0.25%	5.0%	–5.0%
Office	n/a	n/a	0.5	–0.5	0.6	–0.6
Shopping center	n/a	n/a	n/a	n/a	n/a	n/a
Residential/commercial development	2.1	–2.1	3.9	–3.2	2.0	–2.0
Office refurbishment	n/a	n/a	3.2	–3.0	2.1	–2.2
Total	**2.1**	**–2.1**	**7.6**	**–6.7**	**4.7**	**–4.8**

7.4 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The composition of the investments accounted for using the equity method is presented in the following table:

—

FINANCIAL INVESTMENTS

in € thousand	12/31/2024	12/31/2023
Interests in associates	0	0
Balance as of 12/31	**0**	**0**

In the past, the Group also held the interest in an associate that is immaterial in itself. As a result of the impairment test performed in 2022 in accordance with IAS 36, the shares held in the associate GAM Retail Portfolio Holding GmbH amounting to €11 thousand, as well as other assets of the Standing Assets business area, were written down in full. The company did not generate any earnings in the 2024 fiscal year as it is in liquidation.

7.5 INVENTORIES

The Group's inventories as of the reporting date consisted of the capitalized construction costs (including construction period interest) of inventory properties, which were measured entirely at amortized cost in accordance with Note 2.11. Construction period interest of €48,883 thousand (previous year: €53,637 thousand) was capitalized as the cost of inventories in the reporting period; these inventories are attributable to project financings in the basis of individual agreements with external lenders.

Write-downs to the lower net realizable value were recognized for inventories in the amount of €50,722 thousand (previous year: €29,663 thousand).

Accordingly, the total carrying amount of all inventory properties as of December 31, 2024 was €894,739 thousand (previous year: €919,906 thousand). As of the reporting date, inventory properties mainly comprise Projektentwicklung Borussia Köln Deutz Quartiere (€409,187 thousand), Projektentwicklung Borussia Dresden Blüherpark (€115,499 thousand) as well as Storkower Straße 32–146 PE GmbH & Co. KG (€125,438 thousand).

Projektentwicklung Soho Mannheim sold building plot Baufeld 10 by way of a purchase agreement dated May 22, 2024 at a total purchase price of €85.1 million. Possession, benefits and obligations as regards Baufeld 10 are expected to be transferred in the first quarter of 2026 after the requirements for payment becoming due are met and after the final acceptance of the buyer upon payment of the final purchase price installment. Purchase price payments in the amount of €46.5 million have been paid so far since the reporting date.

The city of Hamburg exercised its pre-emptive right in relation to the Hamburg Seevestraße project development at the end of 2022. By way of a land purchase agreement dated February 19, 2024, the city of Hamburg acquired the Hamburg Seevestraße project development. Possession, benefits and obligations were transferred on March 28, 2024.

No inventories will be realized within the next 12 months.

The development of inventories is presented in the table below:

—

in € thousand	12/31/2024	12/31/2023
Projektentwicklung Borussia Köln	409,187	406,231
Storkower Straße 142–146 PE GmbH	125,438	125,962
Revaler Straße 32 PE GmbH	123,704	107,527
Projektentwicklung Borussia Dresden	115,499	105,625
Storkower 140 PE GmbH	71,252	56,472
Beteiligungsgesellschaft Berlin Heinersdorf GmbH	36,600	36,600
Projektentwicklung Chemnitz	6,846	6,495
Projektentwicklung Soho Mannheim	3,602	38,665
Projektentwicklung Soest	1,342	830
Projektentwicklung Burg	1,060	321
Projektentwicklung Herdorf	125	107
Projektentwicklung Ludwigshafen	84	71
Gateway Hamburg Seevestraße GmbH	0	35,000
Total	**894,739**	**919,906**

Of the inventories, properties with a carrying amount of €892,129 thousand as of the reporting date (previous year: €918,576 thousand) were secured by mortgages.

7.6 TRADE RECEIVABLES AND OTHER ASSETS

Trade receivables amounting to €2,676 thousand (previous year: €989 thousand) mainly result from current rent receivables and a purchase price retention of €1,728 thousand for the construction project in Mannheim.

Other current assets mainly comprised the following items:

—

OTHER ASSETS

in € thousand	12/31/2024	12/31/2023
Other financial assets		
Loans – at amortized cost	93,725	124,886
thereof to related parties	26,705	46,527
Other receivables – at amortized cost	4,411	9,539
thereof to related parties	3,782	8,258
Equity investments – measured at FVtPL	38	2,617
Contract assets	324	914
Security deposits	221	220
Total	**98,718**	**138,176**
thereof non-current	85,027	64,057
thereof current	13,691	74,119
Other non-financial assets		
Other assets	58,975	63,388
Value added tax credits	1,859	3,797
Prepaid expenses	79	293
Tenant incentives	0	1,431
Total	**60,913**	**68,909**
thereof non-current	0	1,431
thereof current	60,913	67,478

The significant decrease in financial assets is mainly due to recognized loss allowances. As a result of anticipated price losses (Stage 3 expected credit losses), which are based on observable objective indicators, an impairment in the amount of €32,211 thousand was recognized on receivables reported as loans at amortized cost. Please also refer to Notes 4 and 7.18.

In addition, there were reciprocal offsetting positions as regards the offsetting with other financial liabilities in the amount of €23,500 thousand and further offsetting with financial liabilities in the amount of €5,400 thousand. In addition, there were reversals of impairment losses on receivables in the amount of €10,148 thousand.

The item "Other non-financial assets" continues to include an entitlement amounting to €58,961 thousand to the transfer of real estate from a land purchase agreement that has been certificated by a notary public, but has not yet been fully executed for the SoHo Mannheim project development. This entitlement originally amounted to €65,264 thousand and was adjusted by way of a loss allowance in the amount of €6,303 thousand.

7.7 CASH AND CASH EQUIVALENTS

Cash and cash equivalents mainly consisted of overnight bank deposits and amounted to €10,179 thousand as of December 31, 2024 (previous year: €8,121 thousand).

As in the previous period, cash and cash equivalents were not subject to any restrictions, but are partially used as collateral for existing liabilities to banks (see Note 3.8.).

7.8 NON-CURRENT ASSETS HELD FOR SALE

The item "Non-current assets held for sale" includes the two investment properties of MUC Airport Living GmbH and Borussia Dresden Quartiere am Blüherpark 10 UG.

MUC Airport Living GmbH is classified as a disposal group in accordance with IFRS 5, as the sale is part of a share deal and therefore all of the company's assets and liabilities are transferred as part of the transaction.

The associated liabilities of €10.6 million, which are directly related to assets held for sale, are reported separately as liabilities associated with assets held for sale in accordance with IFRS 5. This relates in particular to loan liabilities at the level of the property companies that are transferred as part of the share deal. They are reported separately in the statement of financial position in order to achieve a more transparent presentation of the obligations associated with the sale.

The property of Duisburg EKZ 20 Objekt GmbH was already sold by way of a purchase agreement dated March 26, 2024 for a purchase price of €6.8 million and was previously reclassified from investment properties to non-current assets held for sale. Any effect on profit or loss beyond the purchase price has not been incurred by the Group, as the property was already measured at the purchase price as of December 31, 2023.

By way of a purchase agreement dated July 29, 2025, Gateway Real Estate AG sold all of its shares held in MUC Airport Living GmbH at a purchase price of €20 thousand paid in cash. In addition, the existing loan receivables of Gateway Real Estate

AG from MUC Airport Living GmbH with a carrying amount of €7.3 million were transferred to the purchaser at a purchase price of €1.5 million. At the level of MUC Airport Living GmbH, the sale of shares mainly comprised the property recognized as an investment property and loan liabilities amounting to €10.6 million. The transaction did not result in a significant inflow of liquidity for the Group. The agreed purchase price reflects the recoverable market value of the assets and liabilities as part of the share deal. As a result, the fair value of the investment property reported in the Group was written down by €5.9 million in the fiscal year 2024.

The purchase agreement also includes an earn-out arrangement, which would result in an additional purchase price of €1.0 million if the company is resold for at least €15.8 million within the next three years. This was not reflected in the financial statements due to the estimated low probability of occurrence.

As part of the extension negotiations for the financing of the QaB Dresden project, a sale of the existing property of Borussia Dresden Quartiere am Blüherpark 10 UG is planned within the next twelve months. The property was therefore reclassified from investment properties to non-current assets held for sale and impaired by €14.3 million due to the ongoing sales negotiations.

All information presented here pertains to the Standing Assets segment. As in the comparative period, there were no intersegment transactions during the reporting period.

In the reporting period, measurement losses of €20,204 thousand (previous year: measurement loss of €52,532 thousand) were recorded in the statement of comprehensive income in the item "Fair value changes in investment properties and valuation of properties held as inventory and in non-current assets held for sale". Of that amount, measurement losses of €20.2 million (previous year: measurement losses of €0 thousand) were attributable to non-current assets held for sale.

The following overview presents the development of non-current assets held for sale.

—

in € thousand	
Balance as of 01/01/2023	**0**
Changes in market value	0
Disposal through sale	0
Balance as of 12/31/2023	**0**
Reclassification of investment properties	106,600
Changes in market value	–20,220
Disposal through sale	–6,800
Balance as of 12/31/2024	**79,580**
Thereof fair value Level 2	**79,580**
Thereof fair value Level 3	**0**

The fair value of properties held for sale is therefore determined entirely in accordance with Level 2 of the fair value hierarchy.

In order to better estimate the effects from the disposal of held-for-sale assets on income and expenses from operating activities arising, the following significant amounts recognized in the statement of profit or loss only for the properties shown as assets held for sale are presented as follows:

—

in € thousand	**2024**	**2023**
Rental revenues	6,199	0
Revenues from operating costs	780	230
Revenues from cost charges to others and building cost subsidies	172	0
Administration costs (operating costs, maintenance, administration, etc.)	–2,281	–251
	4,870	**–21**
Thereof fair value Level 3	0	–21
Thereof fair value Level 2	0	0

The operating expenses were incurred primarily for leased properties. The expenses allocable to vacant properties are of subordinate importance.

7.9 EQUITY

Please refer to the above statement of changes in equity for a presentation of the development of equity.

As of December 31, 2024, the **share capital** remains unchanged at €186,764,040 (previous year: €186,764,040) and is divided into 186,764,040 (previous year: 186,764,040) no-par-value bearer shares with a notional value in the share capital of €1 per share. The following table shows the development of the number of shares outstanding:

—

NUMBER OF SHARES

	2024	2023
Shares outstanding as of January 01	186,764,040	186,764,040
Issue of new shares in connection with a business combination	0	0
Issue of new shares against cash payment	0	0
Balance as of 12/31	186,764,040	186,764,040

The Annual General Meeting held on August 30, 2023 authorized the Management Board to increase the Company's share capital, subject to the consent of the Supervisory Board, until August 29, 2028, by up to €67,914,196 against cash contributions and/or contributions in kind. The subscription rights of the existing shareholders may be disapplied (Authorized Capital 2023/I).

In addition, there was an authorization from the Annual General Meeting held on August 21, 2019 to increase the share capital, subject to the consent of the Supervisory Board, by up to €25,467,824 (Authorized Capital 2019/I). This authorization expired on August 20, 2024 and had not been used by this date.

As a result, the Management Board has available authorized capital of €67,914,196 as of December 31, 2024, which corresponds to 36.4% of the existing share capital. No actions to increase the share capital were resolved during fiscal year 2024.

The purpose of the **capital reserve** is to recognize share premiums that are paid during the issue of shares exceeding the nominal amount of subscribed capital. The capital reserve is negative in particular due to the adjustment of Development Partner's subscribed capital to the subscribed capital of GATEWAY as the legal acquirer as a result of the reverse acquisition in 2018. The capital increase executed in the fiscal year 2019 year and the associated share premium received led to a decrease of the negative balance of the capital reserve.

The capital reserve reported as of the reporting date is as follows:

—

in € thousand	2024	2023
Opening balance as of January 1	**–389,131**	**–389,131**
Proceeds from the issue of shares	0	0
Costs for the issue of shares	0	0
Reversal of capital reserve	0	0
Other	0	0
Closing balance as of December 31	**–389,131**	**–389,131**

No **dividends** were resolved and paid out in the reporting period or the previous year. Due to the ongoing loss-making situation, no dividends will be paid out.

Retained earnings were recorded as part of Group equity and consist of earnings generated by the companies that are included in the consolidated financial statements.

7.10 OTHER PROVISIONS

Other provisions are composed of the following:

—

in € thousand	12/31/2024	12/31/2023
Non-current provisions		
	0	**0**
Current provisions		
Other provisions (remaining term < 1 year)	20,035	3,881
Total	**20,035**	**3,881**

The €16,154 thousand increase in other current provisions is largely due to additions for legal costs for ongoing legal disputes (€16,187 thousand). The Group expects most of the provisions to be utilized in the coming year.

In connection with the claim made in the previous year arising from a letter of comfort issued by the Company in connection with a land purchase agreement concluded by a formerly fully consolidated project company, the Company was sued for damages. The claim was upheld in the first instance. The Company filed an appeal against the judgment within the prescribed time limit. As of December 31, 2024, a provision for risks in the amount of €12,500 thousand was established for this purpose. In January 2026, the Company entered into an out-of-court settlement agreement with the plaintiff to resolve the legal dispute, which was amended on March 30, 2026. See also Section 8.8 Significant events after the reporting date.

The development of other provisions is shown in the following statement of changes in provisions:

—

in € thousand	12/31/2023	Additions	Reversals	Utilization	12/31/2024
Current provisions					
Litigation risks	3,881	16,187	0	–33	20,035
Total	**3,881**	**16,187**	**0**	**–33**	**20,035**

7.11 FINANCIAL LIABILITIES

Financial liabilities break down as follows:

—

in € thousand	12/31/2024	12/31/2023*
Non-current financial liabilities		
Liabilities to banks	1,874	20,965
Liabilities to related parties	0	0
Liabilities to third parties	72,100	21
Liabilities to third parties from bonds	69,693	98,148
	143,667	**119,135**
Current financial liabilities		
Liabilities to banks	415,820	360,471
Liabilities to related parties	109,895	106,187
Liabilities to third parties	127,623	219,240
Liabilities to third parties from bonds	229,868	177,157
	883,206	**863,055**

* Previous year's figures partially restated (see Section 5. Restatements in accordance with IAS 8)

The terms of the non-current financial liabilities in the amount of €143,667 thousand (previous year: €119,135 thousand) are longer than one year. They are collateralized in the amount of €73,974 thousand (previous year: €49,442 thousand) for the benefit of the lender by way of land charges on the properties underlying the financing.

The current financial liabilities have a remaining term of up to 12 months. They primarily include the current portion of the liabilities in connection with the acquisition of properties or the financing of the development projects. Current financial liabilities in the amount of €883,206 thousand (previous year: €863,055 thousand) are collateralized for the benefit of the lenders by way of land charges on the properties underlying the financing in the amount of €787,697 thousand (previous year: €771,737 thousand).

Loans with a remaining value of €476,380 thousand as of December 31, 2024 (previous year: €390,074 thousand) are subject to variable interest rates based on EURIBOR and EONIA. The interest rates in 2024 were between 0.0% and 20.0% for the loans from third parties, the majority of which is collateralized. Some of the loans have variable interest rates. We refer to Note 8.3 for details on the terms of the financial liabilities towards related companies.

There were no financial liabilities denominated in foreign currencies as of the reporting date, and neither were there any interest rate swaps or other stand-alone derivative financial instruments as of the reporting date. We refer to Note 3.5 for information on the extent to which GATEWAY is exposed to interest rate, liquidity and financing risk.

There were no premiums as of the reporting date.

Since the prior year's reporting date, interest has no longer accrued on the bond for the acquisition financing of the SoHo Mannheim project.

In the reporting period, negotiations were held with respect to repayment terms and extensions for significant Group financing. The risk that the negotiations cannot be successfully concluded also results in facts that jeopardize the Company's continued existence. Please refer to the explanations under 3.7 "Liquidity risk" in the section on financial instruments in the Notes.

We also refer to our comments on the financing negotiated after the reporting date in the report on events after the reporting date in Chapter 8.8.

7.12 TRADE PAYABLES AND OTHER PAYABLES

Trade payables amount to €88,039 thousand in the year under review (previous year: €108,205 thousand). The trade payables mainly refer to the residential project developments of Borussia Köln Deutz Quartiere (€68,935 thousand) and SoHo Mannheim (€9,463 thousand). The previous year's figure of trade payables was adjusted (see Chapter 5. Restatements in accordance with IAS 8).

As of the reporting date, the other financial liabilities break down as follows:

—

OTHER FINANCIAL LIABILITIES

in € thousand	12/31/2024	12/31/2023
Contract liabilities	2,130	758
Liabilities, non-controlling interests	255	236
Security deposits received	210	210
Lease liabilities	36	170
Other	4,959	31,097
thereof to related parties	2,666	15,509
	7,590	**32,471**
thereof non-current	431	433
thereof current	7,159	32,038

Contract liabilities in the year under review mainly include operating costs not yet invoiced (€861 thousand) and work in progress for a construction project in Mannheim amounting to €1,269 thousand.

The "Other" item comprises guarantees and guarantee commissions in the amount of €2,666 thousand.

As of the reporting date, the other current non-financial liabilities break down as follows:

—

OTHER NON-FINANCIAL LIABILITIES

in € thousand	12/31/2024	12/31/2023
Liabilities from other taxes	3,104	0
Liabilities for personnel	1,461	875
VAT liabilities	110	37
Deferred income	6	85
Other	948	717
	5,629	**1,714**
thereof non-current	0	0
thereof current	5,629	1,714

The increase in personnel liabilities is mainly due to the increase in liabilities from wages and salaries to €1,277 thousand and the increase in vacation liabilities to €178 thousand.

The item "Liabilities from other taxes" results from a real estate transfer tax assessment.

We refer to Note 3.7 for information on liquidity risks of GATEWAY as regards trade payables as well as other liabilities.

7.13 DEFERRED TAXES

Deferred tax liabilities of €36,741 thousand (previous year: €35,884 thousand) and deferred tax assets of €12,058 thousand (previous year: €9,940 thousand) are presented in the statement of financial position at the reporting date.

DEFERRED INCOME TAX ASSETS

Deferred tax assets were recognized in respect of tax loss carryforwards and deductible temporary differences in the following items of the statement of financial position:

—

in € thousand	2024	2023
Assets		
Property, plant and equipment and intangible assets	73	42
Other non-current assets	0	68
Inventories	19,299	8,808
Trade receivables	25	0
Other financial assets	207	0
Other non-financial assets	194	3
Liabilities		
Non-current financial liabilities	673	5
Current financial liabilities	650	652
Other current financial liabilities	115	34
Other non-current financial liabilities	56	17
Trade payables	59	0
Tax loss carryforwards	6,622	7,565
Sub-total of deferred tax assets	**27,973**	**17,194**
Netting with deferred tax liabilities	–15,915	–7,254
Total	**12,058**	**9,940**

The change in the balance of deferred tax assets is fully recognized through profit or loss.

The increase in deferred income tax assets on inventories and deferred income tax liabilities on other liabilities is due to the different timing of revenue recognition for the SoHo Mannheim project, as revenue is recognized pro rata temporis in accordance with the progress toward completion under IFRS, while the realization of profits under tax laws is only recognized upon acceptance of the project.

No deferred tax assets were recognized in respect of temporary differences amounting to €17,504 thousand (previous year: €16,548 thousand), because it is not probable that a taxable profit against which the deductible temporary differences can be applied will be available in the future. Deferred tax assets totaling €6,622 thousand were recognized as of December 31, 2024 in relation to companies that suffered a tax loss either in the reporting year or the previous year. The recoverability of these deferred tax assets results from taxable temporary differences at the level of the respective Group entity.

Corporate income tax loss carryforwards of €125,758 thousand (previous year: €80,127 thousand), local trade tax loss carryforwards of €117,869 thousand (previous year: €67,840 thousand) as well as the interest carryforwards of €4,764 thousand (previous year: €0 thousand) existed within the Group as of the reporting date. No deferred tax assets were recognized for corporate income tax loss carryforwards in the amount of €102,963 thousand (previous year: €50,351 thousand) and local trade tax loss carryforwards of €93,750 thousand (previous year: €46,870 thousand) and interest carryforwards of €4,764 (previous year: €0 thousand) as their future utilization is not more likely than not. The loss carryforwards can be carried forward without restriction, as a general rule.

DEFERRED INCOME TAX LIABILITIES

Deferred tax liabilities were recognized in respect of temporary differences in the following items of the statement of financial position:

—

DEFERRED TAX LIABILITIES

in € thousand	2024	2023*
Assets		
Investment properties	18,241	30,277
Other non-current financial assets	637	586
Other non-current non-financial assets	3,093	4,248
Inventories	4,066	6,880
Non-current assets held for sale	14,546	0
Other current assets	61	0
Liabilities		
Non-current financial liabilities	996	474
Current financial liabilities	229	665
Trade payables	142	0
Other liabilities	10,417	8
Other provisions	228	0
Sub-total of deferred tax liabilities	**52,656**	**43,138**
Netting with deferred tax assets	–15,915	–7,254
Total	**36,741**	**35,884**

* Previous year's figures partially restated (see Section 5. Restatements in accordance with IAS 8)

The deferred income tax liabilities in connection with investment properties and non-current assets held for sale result from their measurement at fair value.

The decrease in total deferred tax liabilities (€24,683 thousand) compared to the previous year (€25,945 thousand) in the amount of €1,262 thousand is recognized in income tax expenses (see Note 7.20).

In accordance with IAS 12.39, no deferred tax liabilities were recognized for differences between the IFRS carrying amounts of shares in subsidiaries and the tax base of these shares (so-called outside basis differences) in the amount of €27,968 thousand (previous year: €20,935 thousand) since these differences will not reverse in the foreseeable future.

7.14 REVENUE

The Group generated revenues of €100,475 thousand in the period from January 1 to December 31, 2024 (previous year: €18,765 thousand). In the year under review, GATEWAY mainly generated revenue from the partial sale of the Mannheim project development (€48,841 thousand) and the sale of land for the Hamburg project development (€35,003 thousand). Other sources of revenue include the rental of inventory properties and investment properties as well as the provision of services, operating cost settlements and the building cost subsidies received. Specifically, revenues break down as follows:

—

in € thousand	2024	2023
Rental revenues in accordance with IFRS 16		
Rental revenues from investment properties	6,184	0
Rental revenues from inventory properties	5,808	3,126
Rental revenues from sub-letting	1,990	7,789
Rental revenues from IFRS 5 properties	6	6
	13,988	**10,921**
Revenue in accordance with IFRS 15		
Revenues from cost charges to others and building cost subsidies	83,846	0
Revenues from operating costs	1,523	2,227
Revenues from operating costs – IFRS 5 properties	782	230
Revenues from the sale of inventory properties	334	5,110
Revenues from services	2	2
Other	0	275
	86,487	**7,844**
thereof over time	34,619	2,654
thereof at a point in time	51,868	5,190
Total	**100,475**	**18,765**

Of the overall revenues, €86,487 thousand (previous year: €7,844 thousand) fall under the scope of IFRS 15 and €13,988 thousand (previous year: €10,921 thousand) fall under the scope of IFRS 16. With respect to revenues under the scope of IFRS 15, with the exception of revenues from services and operating costs not yet charged, revenue is recognized at a certain point in time. The construction work performed for real estate projects sold in a forward sale is realized over time according to the progress toward completion, while the land is realized at a specific point in time as a separate performance obligation.

The rental revenues on inventory properties and investment properties do not fall under the scope of IFRS 15 and therefore no revenue recognition was carried out over time, but only revenue recognition in the period in which it accrues.

The following table presents information about receivables, contract assets and contract liabilities from contracts with customers.

—

in € thousand	12/31/2024	12/31/2023
Contract assets	324	914
Contract liabilities	3,130	758

The contract assets as of December 31, 2024, amount to €324 thousand (previous year: €914 thousand). They are reported in the current item “Other financial assets”. We refer to Note 7.6.

As of December 31, 2024, contract liabilities amount to €2,130 thousand (previous year: €758 thousand) and, in the year under review, include operating costs not yet invoiced (€861 thousand) and work in progress for a construction project in Mannheim amounting to €1,269 thousand.

The contract liabilities are reported in the current item “Other financial liabilities”. We refer to Note 7.12.

The performance obligations from ongoing project developments that have not been satisfied or have been satisfied only partially amount to a total of €38,922 thousand (previous year: €0 thousand). Based on the current construction and project plans, the Group expects that revenue from performance obligations not yet satisfied or partially unsatisfied as of the reporting date will be recognized in full within the next 12 months.

In the 2024 fiscal year, revenue of €1,927 thousand was recognized from operating cost settlements relating to performance obligations already rendered in previous periods.

7.15 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

The changes in inventories of finished goods and work in progress relate to the capitalized production costs for the inventory properties, which include €48,883 thousand (previous year: €53,636 thousands) in capitalized interest on borrowed capital. The major changes in inventories arise from the companies Gateway Revaler Straße 32 PE GmbH (€37,694 thousand), Storkower Straße 142–140 PE GmbH (€15,066 thousand) as well as from the project developments Dresden Blüherpark Quartiere (€11,048 thousand) and Köln Deutz Quartiere (€32,248 thousand). By way of a land purchase agreement dated February 19, 2024, the city of Hamburg acquired the Hamburg Seevestraße project development. Possession, benefits and obligations were transferred on March 28, 2024, resulting in a decline in inventories by €–35,099 thousand. A forward sale of the Mannheim project development reduced the changes in inventories for this building plot by €–35,144 thousand.

Overall, changes in inventories amount to €27,230 thousand (previous year: €142,363 thousand).

—

in € thousand	2024	2023
Increase in inventory due to purchase of properties, construction activity and capitalization of interest on borrowed capital	27,230	142,363
	27,230	**142,363**

7.16 RAW MATERIALS AND CONSUMABLES USED

The reported raw materials and consumables used primarily comprise the acquisition costs for land, and the production costs for the inventory properties. This item breaks down in detail as follows:

—

in € thousand	2024	2023
Land	0	13,130
Construction costs	52,058	52,761
Project development costs	54,744	44,141
Other ancillary construction costs	6,982	8,900
Administration costs	5,910	7,058
	119,694	**125,990**

In 2023, there were expenses for land that were primarily attributable to a land purchase made by the SoHo Mannheim project development (€7,301 thousand) as well as to incidental acquisition costs of the Cologne project development (€4,526 thousand). No land was purchased in the 2024 reporting year.

The significant increase in project development costs in the 2024 fiscal year is mainly the result of higher write-downs to the lower net realizable value in relation to inventories in the amount of €50,722 thousand (previous year: €29,663 thousand). This was offset by the decrease in expenses from business management agreements and project management by €–16,728 thousand.

7.17 EMPLOYEE BENEFITS EXPENSE

Besides the members of the Management Board, the Group had 28 (previous year: 26) employees as of the end of the reporting period and 27 (previous year: 28) employees on average for the year. The employee benefits expense incurred are broken down as follows:

—

in € thousand	2024	2023
Wages and salaries	4,255	4,689
Valuable benefits and contributions to capital formation	17	16
Social security contributions and pensions	460	512
	4,732	**5,217**

47.5% of the employer's share of statutory social insurance consist of contributions to the statutory pension insurance system.

7.18 OTHER OPERATING INCOME AND EXPENSES

Other operating income includes the following amounts:

—

in € thousand	2024	2023
Income from the reversal of allowances on receivables	10,148	144
Income from indemnity	3,800	0
Recourse claim for utilization of guarantee	3,656	3,500
Capitalization of interest	2,180	4,586
Income from the reduction of liabilities	1,734	670
Income from insurance benefits	116	348
Other prior-period income	73	78
Other	802	969
	22,509	**10,295**

The increase in other operating income in the year under review is primarily due to the reversal through profit or loss of loss allowances on receivables recognized in previous years in the amount of €10,148 thousand. The reversal results from the improvement in the credit assessment of the receivables. Sales have already been achieved for the relevant projects, which has significantly increased the probability of full repayment of the receivables.

In the year under review, other operating income includes the capitalization of interest resulting from the recognized entitlement to transfer real estate from a land purchase agreement for an amount of €2,180 thousand (previous year: €4,586 thousand) that has been certificated by a notary public, but has not yet been fully executed; this entitlement is reported under other non-financial assets.

As a result of contamination of rental properties for the Augsburg investment property, it was not possible to rent out all of the space. In this context, income of €3,800 thousand was generated in reporting year from compensation for lost rents.

A claim was made against the Company under a guarantee issued in previous years in the amount of €3,656 thousand. At the same time, the recourse claims were recognized in the income statement under other operating income. As the Company against which the claim was made is in insolvency proceedings, the amount was written down in full, with the amount of the write-down being recorded in the item "Specific valuation allowances and bad debt losses."

In the previous year, the Company was held liable by an external third party as part of a guarantee assumed in the amount of €3,500 thousand based on a contractual arrangement with the related company SNBH. A provision of an equivalent amount was recognized through profit or loss under other operating expenses. There is an equivalent recourse claim in the same amount as a result of the contractual arrangement with the related company SNBH. The recourse claim was recognized through profit or loss in other operating income and reported under other financial assets. Please also refer to Note 7.18.

Other operating expenses include the following amounts:

—

in € thousand	2024	2023
Specific valuation allowances and bad debt losses	32,211	105,090
Utilization of guarantee	16,156	3,500
Loss allowances on non-financial assets (Mannheim entitlement)	6,303	0
Other tax expenses	5,544	243
Legal and consulting expenses	3,715	2,398
Losses on the disposal of investment properties	3,306	0
Write-downs on non-current financial assets and short-term investments	2,579	0
Selling expenses	1,278	182
Accounting, financial statements and auditing expenses	1,071	616
Expenses for insurance, premiums and dues	686	311
Non-deductible input tax	602	546
IT expenses	291	226
Prior-period expenses	241	3,289
Travel expenses	223	236
Remuneration of the Supervisory Board	113	130
Payment transaction costs and other financing expenses	93	70
Deconsolidation expense	0	1,257
Other	3,998	2,553
	78,410	**120,647**

As a result of objective indicators for further impairment, loans reported as receivables at amortized cost were impaired by a total of €57,629 thousand (previous year: €104,953 thousand). Please also refer to Chapter 4 and Note 7.18.

Provisions totaling €16,156 thousand were recorded in the fiscal year 2024, as guarantees were utilized. Please also refer to Note 7.10.

Moreover, a loss allowance in the amount of €6,303 thousand was recorded for the entitlement to the transfer of real estate from a land purchase agreement that has been certificated by a notary public, but has not yet been fully executed; the entitlement was included in the item "Other non-financial assets."

The other tax expenses result primarily from a real estate transfer tax assessment.

7.19 NET FINANCE COSTS

Net finance costs can be broken down as follows:

—

in € thousand	2024	2023
Finance income	12,354	12,408
Net modification result	–1,784	31,913
Finance costs	–74,925	–82,888
Interest expenses for leases	–3	–13
Net measurement gain or loss from liabilities from redeemable non-controlling interests	9	0
	–64,349	**–38,580**

Finance income mainly results from the origination of debt to related companies of the Group. Please refer to Note 8.3 for details on these loans.

In contrast, the finance costs predominantly include interest on borrowings to finance the development projects. An amount of €48,883 thousand (previous year: €53,637 thousand) of these finance costs was capitalized in the reporting period (see Note 7.15).

In the reporting year, the change in the contractual terms for the financing for the Heinersdorf project development and for the standing asset in Augsburg reported under non-current financial liabilities led to a non-substantial modification with a net modification loss of €–1,784 thousand.

In the previous reporting period, the change in the contractual terms for the acquisition financing of the SoHo Mannheim project development, which is reported under non-current financial liabilities, led to a significant modification in the contractual cash flows and thus to the derecognition of the original liability and the recognition of the new, amended liability. In fiscal year 2023, the transaction resulted in total income of €31,913 thousand (net modification result), which is reported as finance income under net finance costs.

7.20 INCOME TAX EXPENSE

Companies resident in Germany with the legal form of a corporation are subject to corporate income tax of 15%, the solidarity surtax of 5.5% of the standard corporate income tax, and local trade tax, the amount of which depends on locally specific assessment rates. Commercially operating or predominantly commercial enterprises with the legal form of an unincorporated partnership are only subject to the local trade tax. For purposes of taxation based on corporate income tax, the tax result is directly attributed to the shareholder.

The expected nominal income tax rate for the Group's parent company Gateway Real Estate AG in 2024 is 30.175% (previous year: 30.175%) and is calculated as follows:

—

in %	2024	2023
Corporate income tax	15.0	15.0
Solidarity surcharge	0.825	0.825
Local trade tax rate	14.35	14.35
Tax rate	**30.175**	**30.175**

The tax expense/income presented in the statement of comprehensive income can be broken down as follows:

—

in € thousand	2024	2023*
Current income taxes	2,403	1,835
Deferred income taxes	-1,262	-5,743
Tax expense/income	**1,141**	**3,908**

* Previous year's figures partially restated (see section 5. Restatements in accordance with IAS 8)

A reconciliation of tax expenses/income is presented in the table below:

—

in € thousand	2024	2023*
Profit/loss before tax	–137,217	–134,748
Tax rate in %	30.175	30.175
Expected tax expense	–41,405	–40,660
Tax effects on		
Tax rate differences	6,479	–1,460
Change of permanent differences	0	8,616
Taxes prior years	–16,939	–320
Tax-exempt income and non-tax-deductible expenses	25,042	7,548
Local trade tax corrections	661	1,391
Change in the non-recognition of deferred tax assets in respect of loss carryforwards and use of non-recoverable loss carryforwards from prior years	13,465	5,449
Changes in the non-recognition of deferred tax assets in respect of asset differences	16,116	15,472
Other	410	56
Actual tax expenses (+) or tax income (–)	**1,141**	**–3,908**

* Previous year's figures partially restated (see Section 5. Restatements in accordance with IAS 8)

Based on the actual income taxes, the effective tax rate for the fiscal year is 5.6% (previous year: 5.6%).

The tax rate differences concern, besides different local tax rates of various Group companies, primarily the fact that domestic income of foreign corporations is exempt from trade taxes. The item “Taxes prior years” in the previous year relates to loan and interest receivables in the amount of €16.9 million, which were written down in accordance with IFRS as of December 31, 2023; however, the Company had waived a write-down to net present value for tax purposes. After the Company exercised its tax option in the course of 2024 and decided to recognize the loss allowance from 2023 for tax purposes after all, the corresponding increase in tax loss carryforwards as of December 31, 2023 was reported in the tax reconciliation statement under the item “Taxes prior years”. The local trade tax corrections relate in particular to the addition of finance costs at the level of individual companies.

7.21 LEASES

A. LEASES AS LESSEE (IFRS 16)

GATEWAY rents office space in the locations of Frankfurt am Main and Berlin. The terms of the lease agreements range from one to five years. Several of the underlying rental payments are linked to price indices.

Furthermore, the Group has sublet a part of the rented office space in Berlin to Nokera Construction GmbH. For more information, please refer to Note 7.3 “Material transactions with related parties.” The sublease agreement was entered into on February 1, 2021. The sublease was classified as an operating lease from the lessor’s perspective and the lease payments were recognized as income.

GATEWAY has leased one motor vehicle. The term of the lease agreements for the motor vehicle is three years. There are no extension options and the lease agreement contains fixed lease payments.

GATEWAY also rents a part of the IT equipment in use. If the underlying contractual relationships are not classified as short-term leases or as a low-value asset, right-of-use assets and lease liabilities are recognized. The contractual term of printers and multi-mode devices is five years and the lease agreement contains fixed lease payments.

Information about leases with the Group as lessee is presented in the following.

a) Right-of-use assets

Right-of-use assets that do not meet the definition of investment properties are presented as part of property, plant and equipment (see Note 7.2).

—

in € thousand	Plant and machinery	Land and buildings	Operating and office equipment	Total
Balance as of 01/01/2023	**0**	**0**	**0**	**0**
Depreciation in the fiscal year	0	0	0	0
Additions to right-of-use assets	0	0	0	0
Disposals of right-of-use assets	0	0	0	0
Impairment losses	0	0	0	0
Balance as of 12/31/2023	**0**	**0**	**0**	**0**
Depreciation in the fiscal year	0	0	–5	–5
Additions to right-of-use assets	0	0	23	23
Disposals of right-of-use assets	0	0	0	0
Impairment losses	0	0	–18	–18
Balance as of 12/31/2024	**0**	**0**	**0**	**0**

The right-of-use asset for the office building in Frankfurt am Main was fully written off due to the relocation of management to Berlin in 2021 and the associated lack of benefit for GATEWAY as well as the limited other alternative uses. However, the lease liability remains as before.

b) Amounts recognized in profit or loss

—

in € thousand	2024	2023
Leases in accordance with IFRS 16		
Interest expenses for lease liabilities	–3	–13
Income from subleases of right-of-use assets, presented in revenue	6	6
Expenses for short-term leases	–368	–544
Expenses for leases of low-value assets	0	0
Depreciation of right-of-use assets	–5	–36

c) Amounts recognized in the cash flow statement

—

in € thousand	2024	2023
Principal payments for leases	–156	–149
Interest payments for leases	–4	–7
Short-term leases	–205	–205
Total cash outflows for leases	**–365**	**–361**

In the reporting year, short-term leases amounted to €205 thousand (previous year: €205 thousand).

d) Extension options

As of the reporting date, there are no lease agreements subject to extension options the exercise of which has a material effect on lease liabilities.

e) Future leases

The Group did not enter into a lease after the end of the reporting period.

B. LEASES AS LESSOR (IFRS 16)

GATEWAY acts as the lessor within the context of properties held as inventory properties and investment properties. In case of the inventory properties, this refers to the lease termination phase and lease agreements already entered into in relation to buildings under construction. Note 7.3 includes information on investment properties. The Group classifies these leases as operating leases since not substantially all the risks and rewards of ownership are transferred.

In the reporting period, the Group recorded lease income in the amount of €13,988 thousand (previous year: €10,921 thousand).

The following table presents a maturity analysis of future lease receivables and shows the undiscounted lease payments to be received after the reporting date.

—

in € thousand	2024	2023
Operating leases in accordance with IFRS 16		
Less than one year	12,200	10,725
One to two years	6,047	6,235
Two to three years	5,904	6,109
Three to four years	5,829	5,824
Four to five years	5,720	5,781
More than five years	20,191	25,906
Total	**55,891**	**60,580**

The Group has been taking comprehensive measures to minimize the risks arising from the rented properties. Initially, GATEWAY seeks to minimize the risk of loss of rental income through a prudent selection of contracting parties. In addition, the usual hedging instruments are used, such as rent deposits or guarantees. Potential bad debts are addressed through a structured receivables management process. With regard to the risk of loss of rental income, the Management Board assumes a possible probability of occurrence and, if it does occur, expects a low financial impact. Please refer to Chapter 3.2.1 of the Group management report.

8. OTHER DISCLOSURES

8.1 EARNINGS PER SHARE

The basic earnings per share are as follows:

—

in €	2024	2023*
Earnings per share	**–0.74**	**–0.70**

* Previous year's figures partially restated (see section 5. Restatements in accordance with IAS 8)

As in the prior year, there were no potentially diluting equity instruments such as stock options at the reporting date. Basic earnings per share are calculated as the quotient of the profit attributable to the shareholders of the parent company divided by the average number of shares outstanding during the fiscal year as follows:

A. ATTRIBUTION OF PROFIT TO COMMON SHAREHOLDERS (BASIC)

—

in € thousand	2024	2023*
Profit attributable to owners of the parent company	–122,388	–125,570
Profit attributable to holders of common shares	–122,388	–125,570

* Previous year's figures partially restated (see section 5. Restatements in accordance with IAS 8)

The average number of shares is calculated as follows:

B. WEIGHTED AVERAGE OF COMMON SHARES (BASIC)

—

in thousands of shares	2024	2023
Common shares outstanding as of January 1	186,764	186,764
Common shares outstanding as of December 31	186,764	186,764
Weighted average number of common shares as of December 31	**186,764**	**186,764**

8.2 CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

The Group enters into contingent liabilities in relation to order commitments for investment projects. These mainly relate to construction and planning contracts for ongoing project developments.

Contingencies generally occur in the form of interest guarantees, rent deposit guarantees, cost overrun guarantees, comfort letters, partial releases from liability of co-shareholders and bank guarantees.

The following section is a description of the contingencies existing in the year under review:
From guarantees
Gateway Real Estate AG and PRS Family Trust GmbH had purchased a portfolio of three commercial properties in the past as part of a joint venture. The purchase of one of these properties was financed via Raiffeisenbank Höchberg eG. The borrower of Raiffeisenbank Höchberg eG is solely PRS Family Trust GmbH. However, Gateway Real Estate issued a guarantee in the amount of €8.5 million to Raiffeisenbank Höchberg eG. At the same time, PRS Family Trust GmbH issued a letter of comfort dated December 28, 2023, in which it agreed to indemnify GATEWAY against any utilization of up to an amount of €8.5 million. On May 20, 2025, the obligations of PRS Family Trust GmbH under the loan agreement with Raiffeisenbank Höchberg eG were fulfilled. The guarantee is no longer applicable.

Guarantee facility agreements (e.g. debt servicing guarantee/letters of comfort, warranties etc.)
The order commitment for investment projects amounts to €48,173 thousand (previous year: €43,461 thousand). Realization is expected to occur in the following year.

In the fiscal year 2024, right-of-use assets and lease liabilities were accounted for in accordance with IFRS 16. We refer to Notes 6.21 and 2.2. In addition, there were the following commitments and contingencies:

Unwinding of the acquisition of the Leipzig project development
The rescission of the purchase agreement for investments in Leipzig project companies presented in the previous year was confirmed by mutual agreement in 2023 and fully reversed. The originally planned assumption of loan liabilities no longer applies.

Pledge of shares in SKE Immo Sulzbach GmbH
Liens on the shares and receivables relating to the wholly-owned subsidiary SKE Immo Sulzbach GmbH, Luxembourg, were created in connection with the abovementioned acquisition in Leipzig to collateralize loan liabilities in the amount of €50.0 million.

The voting rights attached to the shares were eventually transferred to the creditors in the first half of 2023; the previously fully-consolidated company was deconsolidated on February 20, 2023. Deconsolidation did not have any effects on the Group's profit or loss. The amount of collateral has now been limited by the creditors to €25.0 million by way of a letter dated June 21, 2023.

Contracts on heritable buildings rights in Ludwigshafen
In connection with the acquisition of heritable building rights on November 13, 2024 concerning five properties with a term of 99 years and a ground rent of €0.3 million per year, there are other financial obligations from the concluded heritable building right contracts as of the reporting date. The contracts contain rights of withdrawal, the exercise of which is subject to certain conditions (including the granting of building permit and funding approval).

On March 12, 2026, a third supplement to the existing contracts on heritable building rights of the Ludwigshafen project development was concluded. This supplement contains significant changes to the contractual obligations: The long-stop date was extended to June 30, 2026. The due date for the initial land development costs was postponed until the condition precedent is met. In addition, the first due date of the ground rent has now been amended such that the ground rent is due for the first time on the first day of the month following the month in which the building application is submitted. These changes may affect the timing and amount of future payment obligations.

8.3 MATERIAL TRANSACTIONS WITH RELATED PARTIES

A. PARENT COMPANY AND ULTIMATE CONTROLLING PARTY

Since May 7, 2020, Norbert Ketterer personally is the controlling majority shareholder and the controlling company within the meaning of Section 312 AktG.

According to the most recent voting rights notification dated June 6, 2023, Norbert Ketterer holds 66.24% in Gateway Real Estate AG's share capital. Therefore, Norbert Ketterer is the main shareholder within the meaning of Section 327a (1) sentence 1 AktG.

B. RELATED PARTY TRANSACTIONS

The Group has significant relations to other related parties. Above all, financing via other related companies is a key source of financing.

In the past, the group of important business partners included SN Beteiligungen Holding AG, Switzerland, which was classified as a related company as it is also controlled by Norbert Ketterer. However, significant loan receivables of SN Beteiligungen Holding AG, Switzerland, plus accrued interest were assigned to Helvetic Capital AG, Switzerland, in the year under review. This Company is also controlled by Mr. Norbert Ketterer and is therefore classified as a related party.

In addition, there is a comprehensive relationship with the Swiss company YN Beteiligungen Holding AG, which mainly results from the sales transactions of the Development Partner portfolio or the joint acquisition of Group companies. YN Beteiligungen Holding AG, Switzerland, is a company controlled by Yannick Patrick Heller. In accordance with IAS 24, Mr. Heller can be considered a related party to the majority shareholder or Chairman of the Supervisory Board, respectively.

In connection with the construction activities, the Group commissions subsidiaries of Nokera AG, Rueschlikon, to provide planning and civil engineering activities. The company is classified as a related company as it is also controlled by Norbert Ketterer.

In accordance with IAS 24, the Group thus also reports transactions between Norbert Ketterer and related natural persons and their family members. Related persons are also defined as members of the Management Board and the Supervisory Board as well as their family members.

C. COMPENSATION OF MEMBERS OF KEY MANAGEMENT PERSONNEL

The members of the Supervisory Board and the Management Board of GATEWAY are the key management personnel within the meaning of IAS 24.9. The compensation of the active members of the Management Board comprises:

—

in € thousand	2024	2023
Short-term benefits	690	1,414
	690	**1,414**

The benefits exclusively refer to non-performance-related compensation components and include, in terms of the Management Board compensation, a fixed compensation as well as fringe benefits. As in the comparative period, the members of the Management Board were not granted any advances or loans in the reporting period.

The members of the Supervisory Board exclusively receive a fixed compensation and received a compensation of a total of €94 thousand (previous year: €130 thousand) in the current fiscal year.

The members of the Supervisory Board were not granted any advances or loans in the reporting period. For further information, we refer to the remuneration report.

D. TRANSACTIONS BETWEEN THE GROUP AND YN BETEILIGUNGEN HOLDING AG

Disposal of shares in related companies
Based on share purchase agreements dated July 25, 2019, a stake of 5.1% each in Gateway Vierte GmbH and Gateway Fünfte GmbH, respectively, was sold to the related company YN Beteiligung Holding AG, Switzerland. The purchase prices of €0.8 million and €1.8 million were initially deferred. The current interest rate is 12.12%.

Under a repurchase agreement dated February 22, 2023, Gateway Real Estate AG repurchased the 5.1% shares in Gateway Fünfte GmbH from YN Beteiligungen Holding AG by offsetting the purchase price receivables, which resulted in a reduction of the purchase price receivable from 2019 by €0.6 million. The current interest rate is 12.12%.

By way of a share purchase agreement dated December 18, 2020, Gateway Real Estate AG acquired a further 39.9% of the shares in Duisburg EKZ 20 Objekt GmbH, in addition to the 50% of the shares already held, and acquired a receivable of €0.5 million from the new minority shareholder YN Beteiligungen AG, Switzerland, as part of the purchase price settlement for 10.1% of the shares. This receivable remains non-interest bearing.

In connection with the final settlement of standing asset portfolios sold in 2019, receivables subsequently arose in the previous year in relation to the non-controlling interest of 5.1% of YN Beteiligungen AG, Switzerland, in the amount of €67,711.

Accordingly, the Group has the following partially interest-bearing receivables from YN Beteiligungen Holding AG. As in the previous year, no collateral was provided for these loans. The loan receivables are composed of as follows as of December 31, 2024, taking into account an impairment of 100%:

—

Other related companies	Borrower	Amount in € thousand	Interest rate in %	Carrying amount as of 12/31/2024 in € thousand	Carrying amount as of 12/31/2023 in € thousand	End of contract term
Gateway Real Estate AG, Frankfurt am Main						
12/31/2023	YN Beteiligungen Holding AG	68	0	0	10	12/31/2024
01/01/2021	YN Beteiligungen Holding AG	465	0	0	70	12/31/2024
07/25/2019	YN Beteiligungen Holding AG	1,783	12,12	0	279	12/31/2024
07/25/2019	YN Beteiligungen Holding AG	779	12,12	0	165	12/31/2024
Total		**3,095**		**0**	**524**	

Disposal of the Commercial Properties Development business area

Gateway Real Estate sold 50% of its shares in Development Partner AG (in the meantime renamed Development Partner GmbH, Duesseldorf) to YN Beteiligungen Holding AG, Switzerland, by way of a share purchase and transfer agreement dated February 3, 2021. A portion of the purchase price due in the amount of €28,037 thousand was deferred until March 31, 2022 and bore interest at a rate of 4.25%. These have been deferred since April 1, 2022. The default rate amounts to 8.5% as specified in the purchase agreement.

Apart from the above-mentioned receivables from the share purchase, receivables also exist in relation to the remaining loans in the amount of €71.7 million to Development Partner GmbH, Duesseldorf, and to its subsidiaries set out below.

Following the filing for insolvency of Development Partner GmbH, Duesseldorf, in November 2023, the two purchasers – YN Beteiligungen Holding AG, Switzerland, and IMFARR Beteiligungs GmbH, Austria – each accede to half of the existing loan agreements on the basis of contractual arrangements included in the share purchase and transfer agreement dated February 3, 2021, as part of a pro rata assumption of liabilities.

As a result, only the proportionate amount of loan receivables from YN is shown under related companies. The portion of receivables attributable to IMFARR was reclassified and is now reported as loan receivables from third parties.

Credit risks are elevated in this context following the currently tight situation on the market for properties and project developments. In line with the objective indicators for expected impairment (Stage 3 expected credit losses), the receivables from YN Beteiligungen AG, reported under loans carried at amortized cost, were also impaired as a matter of precaution by an amount of €59,241 thousand.

The write-down on the receivables from Gewerbepark Neufahrn Projektentwicklungs-GmbH, Kitzbühel, Austria, was fully reversed through profit or loss due to the improved economic situation and ongoing negotiations for the sale of the property in Neufahrn. The overall effect on earnings amounted to €9.8 million.

The loan receivables resulting from YN's accession are composed of as follows as of December 31, 2024, taking into account impairment of 85%:

—

Date of contract	Borrower/related company	Original borrower	Amount in € thousand	Interest rate in %	Carrying amount as of 12/31/2024 in € thousand	Carrying amount as of 12/31/2023 in € thousand	End of contract term
SN Beteiligungen Holding AG, Schweiz							
03/16/2021	YN Beteiligungen Holding AG	YN Beteiligungen Holding AG	16,284	8.50	1	5,058	12/31/2024
01/13/2020	YN Beteiligungen Holding AG	Development Partner AG, Duesseldorf	4,024	4.25	0	705	12/31/2024
05/13/2019	YN Beteiligungen Holding AG	Development Partner AG, Duesseldorf	480	2.00	0	79	12/31/2024
12/13/2021	YN Beteiligungen Holding AG	Development Partner AG, Duesseldorf	5,400	4.25	0	880	12/31/2024
08/18/2021	YN Beteiligungen Holding AG	Development Partner AG, Duesseldorf	3,900	4.25	0	642	12/31/2024
01/01/2020	YN Beteiligungen Holding AG	Development Partner AG, Duesseldorf	6,577	4.25	0	1,154	12/31/2024
01/01/2021	YN Beteiligungen Holding AG	Development Partner AG, Duesseldorf	2,804	4.25	0	475	12/31/2024
01/13/2020	YN Beteiligungen Holding AG	Gewerbepark Neufahrn Projektentwicklungs-GmbH, Kitzbühel, Austria	4,250	4.25	0	745	12/31/2023
09/18/2020	YN Beteiligungen Holding AG	Gewerbepark Neufahrn Projektentwicklungs-GmbH, Kitzbühel, Austria	268	4.25	0	46	12/31/2023
01/28/2020	YN Beteiligungen Holding AG	Gewerbepark Neufahrn Projektentwicklungs-GmbH, Kitzbühel, Austria	25	4.25	0	4	12/31/2023
09/27/2019	YN Beteiligungen Holding AG	Projektentwicklung Campus Park München, Duesseldorf	588	4.25	0	117	12/31/2024
10/09/2019	YN Beteiligungen Holding AG	Projektentwicklung Campus Park München, Duesseldorf	1,190	4.25	0	204	12/31/2024
05/17/2019	YN Beteiligungen Holding AG	Projektentwicklung Technologiecampus Großraum Stuttgart GmbH, Duesseldorf	1,990	2.00	0	329	12/31/2024
Total			**47,780**		**1**	**10,438**	

Due to the fact that the compensation of net profit for the period from January 1 to February 28, 2021 was contractually agreed between YN Beteiligungen Holding AG and the additional buyer, there is a receivable from the buyers, which they owe in equal parts.

Moreover, advance payments of €2 million was already made by YN Beteiligungen Holding AG as of the closing date for the originally planned sale of the shares in the three commercial properties development companies in Berlin. Due to the reversal of the sale as a result of the lack of shareholder approval, these advance payments are now reported as other financial liabilities. Furthermore, 50% of the associated contractual penalty of €16.0 million, which was recorded as a liability, is also attributable to YN Beteiligungen Holding AG, Switzerland, and will also be reported under other financial liabilities.

There is an offsetting situation for the abovementioned liabilities, so that 50% each are offset against the impaired receivables. By way the offsetting agreement dated April 15, 2024, offsetting was declared in the reporting year and the liabilities were offset against outstanding receivables.

E. TRANSACTIONS BETWEEN THE GROUP AND HELVETIC AG

Acquisition of Borussia Development GmbH

Based on a share purchase agreement dated February 17, 2021, all of the shares in Borussia Development GmbH (previously Gerch Invest GmbH) were acquired from the related company SN Beteiligungen Holding AG, Switzerland.

The agreed purchase price amounted to €70 million. As of December 31, 2023, the outstanding purchase price liability of Gateway Real Estate AG to SN Beteiligung Holding AG, Switzerland, for the acquisition had a carrying amount of €46.8 million, plus interest in the amount of €6.1 million.

A change of creditor from SN Beteiligung Holding AG to Helvetic Capital AG took place on June 30, 2024. As of December 31, 2024, the carrying amount is €46.8 million plus interest of €8.1 million; payment of the amount was deferred until December 31, 2025. Due to the financing character as a result of deferral and interest, the purchase price liability was reported under current financial liabilities as of December 31, 2024.

—

Other related companies	Borrower	Amount in € thousand	Interest rate in %	Carrying amount as of 12/31/2024 in € thousand	Carrying amount as of 12/31/2023 in € thousand	End of contract term
Helvetic Capital AG, Schweiz						
02/18/2021	Gateway Real Estate AG, Frankfurt am Main	56,000	4.25	54,897	52,908	12/31/2025
Total		**56,000**		**54,897**	**52,908**	

The following project-related loan liabilities due to the related company SN Beteiligungen Holding AG, Switzerland, were also assumed in connection with the acquisition of Borussia Development GmbH from the related company SN Beteiligungen Holding AG, Switzerland: As of July 1, 2024, the remaining receivables of SN Beteiligung Holding AG for the Cologne project were assigned to Helvetic Capital AG.

By way of a netting agreement dated December 27, 2024, Gateway Real Estate AG's receivables from SN Beteiligung Holding AG in the amount of €5.4 million were offset against the outstanding liabilities.

—

Borrower	Amount in € thousand	Interest rate in %	Carrying amount as of 12/31/2024 in € thousand	Carrying amount as of 12/31/2023 in € thousand	End of contract term
SN Beteiligung Holding AG, Schweiz					
Gateway Real Estate AG, Frankfurt am Main	9,946	10.00	8,796	21,692	10/31/2025
Total	**9,946**		**8,796**	**21,692**	

—

Borrower	Amount in € thousand	Interest rate in %	Carrying amount as of 12/31/2024 in € thousand	Carrying amount as of 12/31/2023 in € thousand	End of contract term
Helvetic Capital AG, Schweiz					
Gateway Real Estate AG, Frankfurt am Main	6,101	10.00	9,117	0	10/31/2025
Total	**6,101**		**9,117**	**0**	

These project financings are passed through to the respective project companies at an interest rate of 10.5%.

Moreover, the project financing for the Cavallo Duesseldorf project (which was already redeemed in 2021 after offsetting loan receivables and loan liabilities) was passed through to the non-Group companies Borussia Düsseldorf Cavallo 1 UG haftungsbeschränkt, Duesseldorf, and Borussia Düsseldorf Cavallo 2 UG haftungsbeschränkt, Duesseldorf, at an interest rate of 10.5%. The loan receivable remaining after offsetting on December 31, 2021, amounts to €1.97 million as of December 31, 2024. Both companies are controlled by Development Partner S.à r.l., Luxembourg, and are therefore classified as related parties.

The outstanding loan receivables of Borussia Development GmbH, Duesseldorf, due from the two companies are broken down as follows as of December 31, 2024:

—

Borrower	Project	Amount in € thousand	Interest rate in %	Carrying amount as of 12/31/2024 in € thousand	Carrying amount as of 12/31/2023 in € thousand	End of contract term
Borussia Cavallo 1 UG, Düsseldorf	Cavallo Duesseldorf	146	10.50	0	1,329	12/31/2024
Borussia Cavallo 2 UG, Düsseldorf	Cavallo Duesseldorf	68	10.50	0	615	12/31/2024
Total		**214**		**0**	**1,944**	

Due to the insolvency of both Borussia Cavallo companies, the receivables were written down for impairment to €1 as of December 31, 2024.

Acquisition of Leipzig 416

On July 8, 2021, the Company acquired a plot of land in Leipzig, primarily for residential development purposes. To this end, the Company concluded a purchase agreement on the same date with IMFARR Beteiligungs GmbH and SN Beteiligungen Holding AG, Switzerland, for the acquisition of their shares (IMFARR Beteiligungs GmbH 50% each, SN Beteiligungen Holding AG 39.9% each, together 89.9% each) in Virtus Sechsundzwanzig Beteiligungs GmbH and Baufeld 23 Entwicklungs GmbH. The purchase price amounts to around €54,000, including the concurrent acquisition of the proportionate loan liabilities in the amount of approximately €210 million. The acquisition of Baufeld 23 Entwicklungs GmbH was completed as of April 19, 2022. In contrast, the closing of the purchase of shares in Virtus Sechsundzwanzig Beteiligungs GmbH initially remained subject to conditions precedent and was scheduled for November 2022.

Gateway Real Estate AG withdrew from the agreement to acquire shares in Virtus Sechsundzwanzig Beteiligungs GmbH by letters dated November 3, 2022 and November 20, 2022. Based on an agreement dated June 21, 2023, the rescission was confirmed by SNBH and IMFARR, waiving any claims for damages.

The share purchase agreement of the project company Baufeld 23 Entwicklungs GmbH, which has been performed already, was also re-transferred in this context as of October 31, 2023, based on the share purchase and assignment agreement dated June 30, 2023.

In the context of the abovementioned project acquisition, Gateway Real Estate AG, for its part, granted loans to the company to be acquired and its subsidiaries in the previous years. The carrying amounts of the continuing borrowings as of December 31, 2024 are as follows:

—

Borrower	Amount in € thousand	Interest rate in %	Carrying amount as of 12/31/2024 in € thousand	Carrying amount as of 12/31/2023 in € thousand	End of contract term
Leipzig 416 GmbH	11,807	4.25	11,302	12,818	12/31/2024
Leipzig 416 Management GmbH	8,729	4.25	7,375	9,506	12/31/2024
Virtus 26 Beteiligungs GmbH	925	4.25	826	1,023	12/31/2024
Total	**21,461**		**19,503**	**23,347**	

In addition, Gateway Real Estate AG assumed a liability from Leipzig 416 GmbH in the amount of €1.875 million, which resulted in a corresponding increase of the receivable from Leipzig 416 GmbH.

Due to the long term of the project developments, the receivables of the company Leipzig 416 GmbH were impaired by €2,074 thousand and the receivables of the company Leipzig 416 Management GmbH by €2,547 thousand. The receivables from the liability assumed in the amount of €1,875 thousand were written off in full. The loss allowance of the receivable from Virtus 26 Beteiligungs GmbH amounts to €237 thousand.

Other loan relationships

Further loan relationships with Helvetic Capital AG exist, primarily in the project finance area. These were also acquired by SN Beteiligungen Holding AG as of June 30, 2024. The following table includes material information for each loan taken out. As in the previous year, no collateral was provided for these loans.

—

Other related companies	Borrower	Amount in € thousand	Interest rate in %	Outstanding amount as of 12/31/2024 in € thousand	Outstanding amount as of 12/31/2023 in € thousand	End of contract term
Helvetic Capital AG, Switzerland						
12/28/2022	Gateway Real Estate AG, Frankfurt am Main	5,140	4.25	5,514	5,296	12/31/2025
02/10/2023	Gateway Real Estate AG, Frankfurt am Main	7,658	4.25	8,273	7,947	12/31/2025
02/27/2023	Gateway Real Estate AG, Frankfurt am Main	1,000	4.25	1,078	1,036	12/31/2025
03/02/2023	Gateway Real Estate AG, Frankfurt am Main	1,000	4.25	1,078	1,036	12/31/2025
03/07/2023	Gateway Real Estate AG, Frankfurt am Main	9,964	4.25	10,624	10,211	12/31/2025
03/17/2023	Gateway Real Estate AG, Frankfurt am Main	2,000	4.25	2,152	2,067	12/31/2025
04/05/2023	Gateway Real Estate AG, Frankfurt am Main	4,325	4.25	4,624	3,996	12/31/2025
05/16/2024	Gateway Real Estate AG, Frankfurt am Main	2,949	4.25	3,027	0	12/31/2025
06/18/2024	Gateway Real Estate AG, Frankfurt am Main	676	4.25	716	0	12/31/2025
Total		**34,712**		**37,086**	**31,589**	

F. TRANSACTIONS BETWEEN THE COMPANY AND NOKERA CONSTRUCTION GMBH

General contractor agreement regarding civil engineering activities for SoHo Mannheim project development

GATEWAY, through its subsidiaries S8 Chelsea Quartier GmbH & Co. KG ("S8"), as well as the companies S0 SoHo Sullivan GmbH & Co. KG ("S0"), S6 Park Lane GmbH & Co. KG ("S6") and S7 Curve Quartier GmbH ("S7") is developing a real estate project in Mannheim. To this end, the S companies have concluded a main contractor agreement with Nokera Construction GmbH ("Nokera") for the turnkey construction of residential buildings.

An amount of €42.9 million was invoiced in the year under review. In line with work provided to date, provisions were recognized in the reporting year in the amount of €0.2 million, and €17.7 million were utilized.

Sublease of office premises of Gateway Real Estate AG, Berlin

Gateway Real Estate AG leases office floor space to Nokera Construction GmbH at a monthly rent of €833.00, based on a term until December 31, 2024.

G. TRANSACTIONS BETWEEN THE COMPANY AND NOKERA PLANNING GMBH

Planning services

Nokera Planning GmbH has to be classified as a related company as it is also controlled by Norbert Ketterer.

Nokera Planning GmbH (until December 31, 2020: Fuchshuber Architekten, Leipzig) provided planning services for project companies of GATEWAY in the year under review. The company has to be classified as a related company as it is controlled by the Chairman of the Supervisory Board. The scope of the planning assignments already awarded in 2021 comprises work stages (Leistungsphasen, LP) 1 to 4 as defined in the German Regulation on the Fee Structure for Architects and Engineers (Honorarordnung für Architekten und Ingenieure, HOAI). The agreed fee was €25 per square meter of eligible rented space.

In the year under review, payments for invoices for an amount of €168 thousand were received and recognized in inventories against the item "Changes in inventories of finished foods and work in progress," as they constituted project expenses that are eligible for capitalization.

H. TRANSACTIONS BETWEEN THE COMPANY AND NORBERT KETTERER

In the 2024 reporting period, legal transactions in the form of bank guarantees for which the Company is liable as principal debtor (selbstschuldnerische Bankbürgschaften) had to be reported for Norbert Ketterer:

For the purpose of land acquisition financing and the new construction of the project Storkower Str. 142–146, Berlin, Norbert Ketterer, Switzerland, as principal debtor, has assumed an unlimited guarantee (selbstschuldnerische Bürgschaft) for €4.9 million.

Norbert Ketterer provided a guarantee as principal debtor (selbstschuldnerische Bürgschaft) as security for the acquisition financing for the Leuchtwerke project in Augsburg, for the total loan amount of €42.6 million.

Norbert Ketterer assumed a guarantee as principal debtor (selbstschuldnerische Bürgschaft) in an amount not exceeding €13.0 million for the follow-up financing to the acquisition financing of the Hamburg Seevestraße property. The financing is currently valued at €9.6 million.

In return for providing the guarantees, Norbert Ketterer receives a commission amounting to 1% per annum of the guarantee amount. Guarantee commissions totaling €2.7 million were recognized in the year under review.

Moreover, Norbert Ketterer received a remuneration of €40 thousand for his office as Chairman of the Supervisory Board.

I. TRANSACTIONS BETWEEN THE COMPANY AND OTHER RELATED PERSONS

In relation to the compensation of key management personnel required to be reported in accordance with IAS 24, we refer to subsection B of this Note; this comprises the compensation of the active members of the Management Board and the Supervisory Board.

Natalie von Rom – wife of the Supervisory Board member Ferdinand von Rom – was active as a notary public for companies of the Group in the previous year and invoiced an amount of €39.5 thousand for her services. She did not act as a notary public for the Group in 2024. There were no balances outstanding as of the reporting date.

8.4 GOVERNING BODIES

A. SUPERVISORY BOARD

In accordance with the articles of association, the Supervisory Board of GATEWAY consists of five members who are elected by the Annual General Meeting. The members of the Group's Supervisory Board during the reporting year 2024 are presented below:

- Norbert Ketterer, businessman, Rueschlikon/Switzerland (Chairman)
- Thomas Kunze, business management graduate, Leipzig/Germany (Deputy Chairman)
- Ferdinand von Rom, attorney (Rechtsanwalt), Frankfurt am Main/Germany, retired as of January 31, 2024
- Jan Hendrik Hedding, businessman, Zurich/Switzerland, retired as of February 15, 2024
- Leonhard Fischer, businessman, Zurich/Switzerland

Ferdinand von Rom resigned from the Supervisory Board with effect from January 31, 2024, and Jan Hendrik Hedding resigned from the Supervisory Board with effect from February 15, 2024. We are in the process of finding successors.

B. MANAGEMENT BOARD

The members of the Group's Management Board during the reporting year 2024 are presented below:

- Stefan Witjes, Berlin/Germany, COO

Tobias Meibom's term of office expired as of the end of 2023. On March 3, 2025, Mr. Meibom was reappointed to the Executive Board.

8.5 AUDITOR'S FEES

The total fee charged by the independent auditor for its activity throughout the Group in the past fiscal year in the amount of €485 thousand (previous year: €487 thousand) includes fees for auditing services and other services, plus the statutory sales tax. The total fee can be broken down as follows:

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in € thousand	2024	2023
Financial statements auditing services	485	482
Other services	0	5
Total	**485**	**487**

8.6 DECLARATION OF COMPLIANCE WITH THE GERMAN CORPORATE GOVERNANCE CODE

GATEWAY's Management Board and Supervisory Board have issued the declaration of compliance in accordance with Section 161 AktG. The declaration is included in the 2024 Annual Report and will also be permanently accessible to the shareholders on the website under https://www.gateway-re.de/en/investor-relations/corporate-governance/declarations-of-compliance (German only).

8.7 LIST OF SHAREHOLDINGS

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Name of the company	Registered office, country	Ownership interest in %	Foot-note
Fully-consolidated subsidiaries (standing assets)			
Gateway Vierte GmbH	Frankfurt am Main, Germany	94.90	
Gateway Siebte GmbH	Frankfurt am Main, Germany	100.00	
Gateway Achte GmbH	Frankfurt am Main, Germany	100.00	
Gateway Neunte GmbH	Frankfurt am Main, Germany	100.00	
Gateway Elfte GmbH	Frankfurt am Main, Germany	94.00	
Gateway Betriebsvorrichtungen – Dienstleistungen – Marketing GmbH	Frankfurt am Main, Germany	100.00	
Augskor 1 GmbH (S.à r.l.)	Luxembourg, Luxembourg	100.00	2
Augskor 2 GmbH (S.à r.l.)	Luxembourg, Luxembourg	100.00	2
Augskor 3 GmbH (S.à r.l.)	Luxembourg, Luxembourg	100.00	2
Duisburg EKZ 20 Objekt GmbH	Berlin, Germany	89.90	
MUC Airport Living GmbH	München, Germany	90.00	
Borussia Dresden Quartiere am Blüherpark 10 UG	Düsseldorf, Germany	100.00	4
S8 Chelsea Quartier GmbH & Co. KG	Frankfurt am Main, Germany	100.00	5
Fully-consolidated subsidiaries (property development)			
Residential Properties Development			
Borussia Development GmbH	Duesseldorf, Germany	100.00	
Borussia Köln DQ Erschließungs UG	Duesseldorf, Germany	89.90	3
Borussia Köln DQ 1 UG	Duesseldorf, Germany	89.90	3
Borussia Köln DQ 2 UG	Duesseldorf, Germany	89.90	3
Borussia Köln DQ 3 UG	Duesseldorf, Germany	89.90	3
Borussia Köln DQ 4 UG	Duesseldorf, Germany	89.90	3
Borussia Köln DQ 5 UG	Duesseldorf, Germany	89.90	3
Borussia Köln DQ 6 UG	Duesseldorf, Germany	89.90	3
Borussia Köln DQ 7 UG	Duesseldorf, Germany	89.90	3
Borussia Köln DQ 8 UG	Duesseldorf, Germany	89.90	3
Borussia Köln DQ 9 UG	Duesseldorf, Germany	89.90	3
Borussia Köln DQ 10 UG	Duesseldorf, Germany	89.90	3
Borussia Köln DQ 11 UG	Duesseldorf, Germany	89.90	3
Borussia Köln DQ 12 UG	Duesseldorf, Germany	89.90	3
Borussia Köln DQ 13 UG	Duesseldorf, Germany	89.90	3
Borussia Köln DQ 14 UG	Duesseldorf, Germany	89.90	3
Borussia Köln DQ 15 UG	Duesseldorf, Germany	89.90	3
Borussia Köln DQ 16 UG	Duesseldorf, Germany	89.90	3
Borussia Köln DQ 17 UG	Duesseldorf, Germany	89.90	3
Borussia Köln DQ 18 UG	Duesseldorf, Germany	89.90	3
Borussia Köln DQ 19 UG	Duesseldorf, Germany	89.90	3
Borussia Köln DQ 20 UG	Duesseldorf, Germany	89.90	3
Borussia Köln DQ 21 UG	Duesseldorf, Germany	89.90	3
Borussia Köln DQ Einkaufs GbR	Duesseldorf, Germany	100.00	3
Borussia Dresden Investment UG	Duesseldorf, Germany	89.90	
Borussia Dresden Quartiere am Blüherpark 1 GmbH & Co. KG	Duesseldorf, Germany	100.00	4
Borussia Dresden Quartiere am Blüherpark 2 GmbH & Co. KG	Duesseldorf, Germany	100.00	4
Borussia Dresden Quartiere am Blüherpark 3 GmbH & Co. KG	Duesseldorf, Germany	100.00	4
Borussia Dresden Quartiere am Blüherpark 4 GmbH & Co. KG	Duesseldorf, Germany	100.00	4
Borussia Dresden Quartiere am Blüherpark 5 GmbH & Co. KG	Duesseldorf, Germany	100.00	4
Borussia Dresden Quartiere am Blüherpark 6 GmbH & Co. KG	Duesseldorf, Germany	100.00	4
Borussia Dresden Quartiere am Blüherpark 7 GmbH & Co. KG	Duesseldorf, Germany	100.00	4
Borussia Dresden Quartiere am Blüherpark 8 GmbH & Co. KG	Duesseldorf, Germany	100.00	4
Blüherpark BA 1 Verwaltungs GmbH	Duesseldorf, Germany	100.00	4
Borussia Dresden Quartiere am Blüherpark 9 UG	Duesseldorf, Germany	100.00	4
Borussia Dresden Quartiere am Blüherpark 11 UG	Duesseldorf, Germany	100.00	4
Borussia Dresden Quartiere am Blüherpark 12 UG	Duesseldorf, Germany	100.00	4
Borussia Dresden Einkaufs-GbR	Duesseldorf, Germany	100.00	4
Gateway Residential GmbH	Frankfurt am Main, Germany	100.00	
Beteiligungsgesellschaft Berlin-Heinersdorf 18 GmbH	Berlin, Germany	90.00	7
Gateway SoHo Sullivan GmbH & Co. KG	Frankfurt am Main, Germany	100.00	7
Gateway SoHo Sullivan Verwaltungs GmbH	Frankfurt am Main, Germany	100.00	7
S0 SoHo Sullivan GmbH & Co. KG	Frankfurt am Main, Germany	100.00	5
S1 Rialto Quartier GmbH	Frankfurt am Main, Germany	100.00	5
S2 Cliffhanger GmbH	Frankfurt am Main, Germany	100.00	5
S3 Forum Sullivan GmbH	Frankfurt am Main, Germany	100.00	5
S4 De Gregori Quartier GmbH	Frankfurt am Main, Germany	100.00	5
S5 Dalla Quartier GmbH	Frankfurt am Main, Germany	100.00	5
S7 Curve Quartier GmbH	Frankfurt am Main, Germany	100.00	5
S6 Park Lane GmbH & Co. KG	Frankfurt am Main, Germany	100.00	5
S11 Piazza GmbH & Co. KG	Frankfurt am Main, Germany	100.00	5
S12 Sound & Vision GmbH & Co. KG	Frankfurt am Main, Germany	100.00	5

Fully-consolidated subsidiaries (property development)			
Residential Properties Development			
Gateway SoHo Sullivan Baufeld 10 GmbH & Co. KG	Frankfurt am Main, Germany	100.00	8
Gateway Siebzehnte GmbH	Eschborn, Germany	100.00	
Gateway Achtzehnte GmbH	Eschborn, Germany	100.00	
Gateway Neunzehnte GmbH	Berlin, Germany	100.00	
Gateway Zwanzigste GmbH	Berlin, Germany	100.00	
Gateway Hamburg Seevestraße GmbH (vormals Maize Zizania Property GmbH)	Berlin, Germany	100.00	6
Gateway Einundzwanzigste UG	Eschborn, Germany	100.00	
Gateway Zweiundzwanzigste UG	Eschborn, Germany	100.00	
Commercial Properties Development			
Revaler Straße 32 PE GmbH	Berlin, Germany	51.00	9
Storkower Straße 140 PE GmbH	Berlin, Germany	51.00	9
Storkower Straße 142–146 PE GmbH	Berlin, Germany	51.00	9
Companies not included			
GTY Betriebsvorrichtung GmbH	Eschborn, Germany	100.00	1
Associates accounted for using the equity method			
GAM Retail Portfolio Holding GmbH	Berlin, Germany	42.15	
Other investments			
Projektentwicklung Taunusstr. 52–60 in Frankfurt GmbH	Duesseldorf, Germany	11.00	7

[1] Investment held via Gateway Achte GmbH, Frankfurt am Main
[2] Investment held via Gateway Neunte GmbH, Frankfurt am Main
[3] Investment held via Borussia Development GmbH, Duesseldorf
[4] Investment held via Borussia Dresden Investment UG, Duesseldorf
[5] Investment held via Gateway SoHo Sullivan GmbH, Frankfurt am Main
[6] Investment held via Gateway Siebzehnte GmbH, Eschborn
[7] Investment held via Gateway Residential GmbH, Frankfurt am Main
[8] Investment held via So SoHo Sullivan GmbH & Co. KG, S6 Park Lane GmbH & Co. KG und S7 Curve Quartier GmbH, Frankfurt am Main
[9] Investment held via Gateway Neunte GmbH, Frankfurt am Main

8.8 SIGNIFICANT EVENTS AFTER THE REPORTING DATE

Going concern risk:
As of the reporting date, the Group had current financial liabilities of €883,206 thousand, which mainly relate to project financing for individual development projects and a promissory note loan taken out by Gateway Real Estate AG for general financing purposes. Of these financial liabilities, an amount of €102,300 thousand is currently not fully covered by agreed refinancing or specifically contracted sales proceeds.

As part of negotiations with the respective lenders, the Management Board has been able to agree extensions to the terms of a significant portion of the financial liabilities amounting to €850,392 thousand (thereof current financial liabilities in the amount of €780,906 thousand). For the financing that has not yet been extended, the lenders have collateral in the form of land charges which, in the view of the Management Board, generally indicate that an extension can also be agreed for this financing. In exceptional cases, the Group would also accept the realization of the collateral provided.

Overall, the ability of the Group to continue as a going concern is dependent on sufficient liquidity being generated through the scheduled realization of project sales and on unplanned outflows of liquidity being avoided as part of loan extensions.

If, contrary to the expectations of the Management Board, the Group is unable to extend a significant portion of the financing that has not yet been extended and, at the same time, is unable to realize the sale of significant projects as planned – in particular not at the planned dates and sales prices – this would jeopardize the continued existence of the subsidiaries involved in these projects.

If there were to be any deviations from the measures set forth in the extension agreements, this could also jeopardize the continued existence of the subsidiaries involved in these projects.

Due to guarantees and sureties in the amount of €85.5 million that had been issued as of the preparation date of this report, such a development could also have an impact on the parent company and thus on the entire Group. Based on the projects' progress, the Board currently does not anticipate that the guarantees and sureties will be utilized.

According to the Management Board, the situation of the individual financing arrangements and projects and the subsidiaries involved in the respective projects is as follows:

Redemption of financial liabilities of Gateway Real Estate AG:
As part of a partial sale, the Cologne Deutz project development was sold via a share deal on December 23, 2025. The provisional result from deconsolidation amounts to €7,518 thousand. In return, in 2025, the purchaser assigned claims against GATEWAY in the form of promissory note loans (€36,222 thousand) and corporate bonds (€31,932 thousand), and transferred cash in the amount of €15,500 thousand. The assignment of the claims resulted in a corresponding reduction in these liabilities through offsetting on the part of GATEWAY. A

further amount of €3,000 thousand will be recognized in the fiscal year 2026.

Following the redemption of the corporate bond as part of the partial sale, the corporate bond issued by Gateway Real Estate AG in a total nominal amount of €40,000 thousand was extended June 30, 2027. At the same time, a waiver of the repayment amount of €13,000 thousand was agreed with the creditors of the corporate bond.

Promissory note loan of Gateway Real Estate AG:
In addition, Gateway Real Estate AG concluded a promissory note loan, which had a value of €9,581 thousand as of December 31, 2024. The promissory note loan expired on March 2, 2025. On May 14, 2025, the promissory note loan was extended until December 31, 2026, taking into account an installment payment plan. The installment plan has been complied with so far.

Financing of Borussia Köln project development:
In the reporting period, both junior and senior financing agreements for the Cologne project development with a carrying amount of €282,886 thousand were extended, initially for a short term.

This agreement also included a deferral of obligations to make equity contributions totaling €15,000 thousand.

Following successful negotiations, the Group agreed – in notarized form – a comprehensive restructuring of the Cologne project development with all financing partners and the creditor of the outstanding land purchase price installments in the course of the fiscal year 2025. In this context, the urban development contract regarding the local zoning regulation was also signed. The major objective of the reorganization is to secure the orderly repayment of the existing junior and senior financing and to settle the outstanding installments of the land purchase price, and at the same time to secure the return of the equity funds invested in the project through the future development and sale of individual building plots.

The restructuring agreement provides for an extension of the senior financing until December 31, 2027 and the granting of an additional credit line of €23,000 thousand, which is intended to be utilized for payment of the interest payable upon final maturity.

The liabilities consist of junior financing in the amount of €173,466 thousand and senior financing in the amount of €109,420 thousand. An irrevocable debt waiver in the amount of €109,466 thousand was granted in connection with the junior financing that was outstanding as of the reporting date. The waiver of claims was granted subject to the condition precedent of GATEWAY's insolvency. The remaining €64,000 thousand of the junior financing and the senior financing were extended until December 31, 2028.

As part of the restructuring, several milestones were defined with all financing partners, which in particular provide for the gradual development of the project and the sale of individual properties on the basis of an orderly time schedule.

Additional collateral was provided more recently, apart from the collateral provided for the senior financing – consisting of pledges of shares, real estate assets secured by land charges with a carrying amount of €409,187 thousand and a letter of comfort of GATEWAY towards the lender of a maximum amount of €8,000 thousand.

From September 30, 2025, a guarantee from GATEWAY in favor of the junior financing in the amount of €25,000 thousand became effective. However, utilization of this guarantee is only permitted once the senior financing has been repaid in full.

The agreed milestones have been complied with so far. On December 23, 2025, a sale of shares in seven companies with a significant volume of space was implemented at the agreed target price. See also the previous section on Gateway Real Estate AG.

For GATEWAY, there is a risk that if the milestones defined in the restructuring agreement and the urban development contract are not met (including development planning, capital flows, obtaining planning permission, minimum resales), all lenders, the seller of the land and the public authorities may call in their claims immediately. In this case, the Management Board believes that there might be direct access to the collateral provided, which – depending on the development of the project – could lead to a substantial outflow of liquidity or even jeopardize the Group's continued existence. The partial sale of the Cologne Deutz project development carried out on December 23, 2025 means that a significant proportion of the defined milestones has already been met. The Management Board believes that it is more likely than not that the milestones will continue to be met.

SoHo Mannheim project development:
The bond for financing the acquisition of the SoHo Mannheim project development has a value of €53,881 thousand as of the reporting date.

In March 2026, the SoHo Mannheim project development agreed a modified repayment agreement for the bond. The adjustment provides for a reduction of the originally agreed outstanding bond liabilities from €53,881 thousand to €40,000 thousand. This involves a debt waiver in the amount of €13,881 thousand. The reduced amount is to be repaid primarily from the proceeds from the development and marketing of the southern construction site not later than December 30, 2027. The existing guarantee from Gateway Real Estate AG in the amount of €15,000 thousand will in future only serve to cover any shortfall at the end of the term and no longer primarily to secure the total amount. The Management Board believes that it is more likely than not that the redemption agreement will be complied with.

Dresden Blüherpark project development:
The acquisition financing for the project development and the existing commercial property at the Dresden Blüherpark site had a nominal loan amount of €87,000 thousand, plus interest of €10,835 thousand payable upon final maturity. Real estate assets with a carrying amount of €153,260 thousand secured by land charges and pledges of shares in the project-related companies are used as collateral. After the original term expired, standstill agreements were concluded with the lenders, which expired by the time the consolidated financial statements were prepared. Negotiations are currently underway with the lenders and other potential investors regarding the extension or assumption of the loans. At the time the financial statements were prepared, binding agreements had yet to be reached.

Following the sale of the existing property, it is planned to extend the remaining financing for the rest of the project. Corresponding negotiations to extend financing arrangements are not to be initiated until after the sale has been completed. As a result, there were no legally binding extension agreements as of the reporting date or the date of preparation of the financial statements.

In connection with the acquisition financing, Gateway Real Estate AG assumed an irrevocable and unconditional guarantee for unpaid interest and for any cost overrun of up to €3,500 thousand. In the opinion of the Management Board, it is currently unlikely that this guarantee will be utilized.

If, contrary to the Management Board's expectations, neither the standing asset is sold nor the remaining financing is subsequently extended, the lenders could access the collateral provided, which would jeopardize the continued existence of the subsidiaries involved in the project. From a Group perspective, however, the Management Board believes that such a development would not directly jeopardize the Group's continued existence as a whole due to the project-related structure of the financing. In addition, the Management Board assumes that the current market value of the projects exceeds the total amount of collateral.

Berlin project developments:
As of the reporting date, the financing for the Berlin project developments amounted to €58.4 million for Storkower Straße 140 PE GmbH, €103.9 million for Storkower Straße 142–146 PE GmbH, and €123.1 million for Revaler Straße 32 GmbH. The real estate assets secured by land charges, with a carrying amount of €71.3 million for Storkower Straße 140 PE GmbH, €125.4 million for Storkower Straße 142–146 PE GmbH, and €123.7 million for Revaler Straße 32 GmbH, are used as collateral.

The financing of the project companies Storkower Straße 140 PE GmbH and Storkower Straße 142–146 PE GmbH was extended until December 30, 2026 by way of supplements dated February 18, 2026. As of the reporting date, the parties had agreed on the substance of draft agreements regarding the financing of the project company Revaler Straße 32 PE GmbH, which provide for an extension of the financing until December 30, 2026. However, as of the reporting date, no legally binding extension agreement had yet been entered into.

The projects at Storkower Straße 140, Storkower Straße 142–146 and Revaler Straße 32 currently are in the letting stage. Construction work is largely completed at the moment. The first tenants moved into the Storkower Straße 142–146 project already in 2023, into the Storkower Straße 140 project in 2024, and into the Revaler Straße 32 project in 2025.

Extension of loan agreements with Helvetic Capital AG and SN Beteiligungen Holding AG
On December 30, 2025, the financing arrangements with the related companies Helvetic Capital AG and SN Beteiligungen Holding AG, with a value in the amount of €101.1 million and €8.8 million, were extended until June 30, 2027.

Summary:
Against the background of the continued challenging market environment in real estate project development, the continuation of the Group's business operations depends on the successful implementation of planned project disposals and on the ability to extend existing financing arrangements to the envisaged extent.

At the same time, during the fiscal year and up to the date of preparation of the financial statements, the Group achieved material progress in stabilizing its financing structure.

For the majority of financial liabilities falling due in the short term, maturity extensions, restructurings, or repayments have already been agreed, thereby reducing short-term liquidity pressure and safeguarding the continuation of material projects. The agreed measures have so far been implemented as planned.

For certain financing arrangements, no legally binding extension agreements have yet been concluded as of the date of preparation of the financial statements. Deviations from the underlying assumptions, in particular with regard to the timing or value realization of project sales, could lead to additional liquidity requirements and may affect individual project companies.

Overall, there is a risk that could endanger the Group's ability to continue as a going concern, arising from the possibility that the measures underlying the financing and restructuring agreements already concluded may not be implemented as planned in the future and that financing partners may subsequently terminate contractual arrangements or enforce collateral. Due to guarantees and sureties granted in an amount of €85.5 million that had been issued as of the preparation date of this report, such developments could also indirectly affect the parent company.

The Management Board addresses this situation through close liquidity management, ongoing coordination with financing partners, and the consistent monitoring and implementation of the agreed measures. On this basis, the Management Board assumes that the existing financing and restructuring agreements can be complied with as planned and that the continuation of the Group's business operations is predominantly likely, while pointing out the uncertainties associated therewith.

Ruling on the transaction reversal concerning Düsseldorf Uerdinger Straße
In connection with the drawdown made in the previous year under the letter of comfort issued by the Company for a land purchase agreement concluded by a previously fully consolidated project company, an action was filed before court against the Company for compensation of damages. The action was upheld at first instance. The Company filed an appeal against the ruling in due time. As of December 31, 2024, the Company recorded a loss allowance of €12,500 thousand in this context.

In January 2026, the Company entered into an out-of-court settlement agreement with the plaintiff to resolve the legal dispute, which was amended on March 30, 2026. The amended version is the governing version. Upon its entry into effect, the pending legal dispute was settled by mutual agreement; at the same time, the claims awarded in the first instance were finally settled.

The amended settlement agreement provides that the plaintiff's claims still outstanding from the judgment are to be transferred to a person affiliated with the Company. The purchase price to be paid for this amounts to €15,460 thousand. Accordingly, the Company no longer has a direct payment obligation to the plaintiff.

Changes to corporate income tax rates in Germany
After the reporting date, an amendment to the German Corporate Income Tax Act was passed, which provides for a gradual reduction in the corporate income tax rate from currently 15% to 10% by 2032. The tax rate is to be reduced by one percentage point each year from the 2028 assessment period.

As the reporting date is before the date on which the legislative process was substantively completed, this amendment to the law is a non-adjusting event after the reporting date. Accordingly, the change in the tax rate had no impact on the measurement of deferred taxes as of the reporting date.

The effects of the changed tax rates on the measurement of deferred tax assets and liabilities are currently being analyzed.

Full redemption of SoHo Mannheim fund shares
Effective September 26, 2025, all fund shares held by the Group in connection with the SoHo Mannheim project development were redeemed in full. The fund assets are therefore completely dissolved; there is no longer any obligation to include the assets by way of consolidation. Consolidation was necessary in the fiscal year 2023 as the Group exercised a controlling influence over the project company due to the subscription of fund shares. This was based on the existing majority situation and contractual provisions. Consolidation did not have any effects on profit or loss. The project site was sold already in 2023 as part of a forward sale (purchase agreement on June 12, 2023, closing on August 15, 2023).

Contracts on heritable buildings rights in Ludwigshafen
On March 12, 2026, a third supplement to the existing contracts on heritable building rights of the Ludwigshafen project development was concluded. This supplement contains significant changes to the contractual obligations: The longstop date was extended to June 30, 2026. The due date for the initial land development costs was postponed until the condition precedent is met. In addition, the first due date of the ground rent has now been amended such that the ground rent is due for the first time on the first day of the month following the month in which the building application is submitted. These changes may affect the timing and amount of future payment obligations.

Sale of shares in MUC Airport Living GmbH
On July 29, 2025, Gateway Real Estate AG sold 89.9% of its shares in MUC Airport Living GmbH for a total purchase price of €20 thousand. In addition, shareholder loan receivables were transferred at a purchase price of €1.5 million. As part of the transaction, the existing debt financing was refinanced and the letter of comfort in favor of the financing partners was revoked. The date of closing and transfer of economic ownership took place on July 29, 2025.

War with Iran
The ongoing geopolitical tensions in the Middle East, as well as a possible further escalation between Israel, the U.S., and Iran, constitute a post-balance-sheet event and could lead to higher energy and commodity prices as well as interest rate volatility in the future, which could indirectly impact the real estate sector through increased construction costs.

Changes in the Management Board
Tobias Meibom was appointed CFO of Gateway Real Estate AG on March 3, 2025.

Frankfurt am Main, March 31, 2026
Gateway Real Estate AG
The Management Board

Stefan Witjes

Tobias Meibom

RESPONSIBILITY STATEMENT

To the best of my knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and results of operations of the Group, and the management report of the Group includes a fair view of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group.

Frankfurt am Main, March 31, 2026

Gateway Real Estate AG
The Management Board

Stefan Witjes

Tobias Meibom

INDEPENDENT AUDITOR'S REPORT

To Gateway Real Estate AG, Frankfurt am Main

AUDIT OPINIONS

We have audited the consolidated financial statements of Gateway Real Estate AG, Frankfurt am Main, and its subsidiaries (the Group), which comprise the consolidated balance sheet as of 31 December 2024, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash-flow statement for the financial year from 1 January to 31 December 2024, and the consolidated notes, including material accounting policy information. In addition, we have audited the group management report of Gateway Real Estate AG for the financial year from 1 January to 31 December 2024. In accordance with German legal requirements we have not audited the content of those parts of the group management report listed in other information.

In our opinion, on the basis of the knowledge obtained in the audit,

— the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (hereafter "IFRS Accounting Standards"), as adopted by the EU, and the additional requirements of German commercial law pursuant to §315e (1) HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as of 31 December 2024, and of its financial performance for the financial year from 1 January to 31 December 31 2024, and

— the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of the parts of the group management report listed in the "Other information" section.

Pursuant to §322 (3) sent. 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

BASIS FOR THE AUDIT OPINIONS

We conducted our audit of the consolidated financial statements and of the group management report in accordance with §317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institute of Public Auditors in Germany (IDW) [Institut der Wirtschaftsprüfer in Deutschland]. Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

NOTE ON OTHER MATTERS

The consolidated financial statements and the group management report of Gateway Real Estate AG for the previous financial year ended 31 December 2023 were audited by another auditor who, on 23 September 2024, issued unmodified audit opinions on these annual financial statements and this management report.

MATERIAL UNCERTAINTY REGARDING THE COMPANY'S ABILITY TO CONTINUE AS A GOING CONCERN

We refer to the information provided in sections 2.1 "Basic Information," 3.7 "Liquidity Risk," 7.11 "Financial Liabilities," and 8.8 "Significant Events After the Balance Sheet Date" in the Notes to the Consolidated Financial Statements, as well as the information in sections 3.2.2 "Company-Specific Risks" and 3.2.3 "Overall Assessment of the Risk Situation" of the Group Management Report, in which the legal representatives describe that, as of the date of preparation, risks exist with regard to financing and liquidity that threaten the company's continued existence.

As of the reporting date, the Group had current financial liabilities of €883.2 million, which mainly relate to project financing for individual development projects and a promissory note loan taken out by Gateway Real Estate AG for general financing purposes. Of these financial liabilities, an amount of €102.3 million is currently not fully covered by agreed refinancing or specifically contracted sales proceeds.

As part of negotiations with the respective lenders, the Management Board has been able to agree extensions to the terms of a significant portion of the financial liabilities amounting to €850.4 million (thereof current financial liabilities in the amount of €780.9 million). For the financing that has not yet been extended, the lenders have collateral in the form of land charges which, in the view of the Management Board, generally indicate that an extension can also be agreed for this financing. In exceptional cases, the Group would also accept the realization of the collateral provided.

Overall, the ability of the Group to continue as a going concern is dependent on sufficient liquidity being generated through the scheduled realization of project sales and on unplanned outflows of liquidity being avoided as part of loan extensions.

If, contrary to the expectations of the Management Board, the Group is unable to extend a significant portion of the financing that has not yet been extended and, at the same time, is unable to realize the sale of significant projects as planned – in particular not at the planned dates and sales prices – this would affect the continued existence of the subsidiaries involved in these projects.

If there were to be any deviations from the measures set forth in the extension agreements, this could also jeopardize the continued existence of the subsidiaries involved in these projects.

Due to guarantees and sureties granted as of the date the financial statements are drawn up in an amount of € 85.5 million, such a development could also have an impact on the parent company and, consequently, on the Group as a whole. Based on the progress of the projects, management does not currently expect these guarantees and sureties to be called upon.

As described in sections 2.1 "Fundamentals," 3.7 "Liquidity Risk," 7.11 "Financial Liabilities," and 8.8 "Significant Events After the Reporting Date" in the Notes to the Consolidated Financial Statements, as well as in sections 3.2.2 "Company-Specific Risks" and 3.2.3 "Overall Assessment of Risk Profile" of the Group Management Report, these events and circumstances indicate that a significant uncertainty exists which may cast substantial doubt on the Company's ability to continue as a going concern and which constitutes a risk threatening the Company's continued existence within the meaning of Section 322 (2) sentence 3 of the German Commercial Code (HGB).

In accordance with Article 10(2)(c)(ii) of the EU General Data Protection Regulation, we summarize our audit opinion regarding this risk as follows:

As part of our audit, we evaluated whether management's assessment regarding the application of the going concern accounting principle in the preparation of the consolidated financial statements and the group management report is appropriate, whether a material uncertainty exists in relation to this assessment, and whether the disclosures required to explain any such material uncertainty in the notes to the consolidated financial statements and in the group management report are appropriate.

We examined current financial planning at Group-level covering the twelve-month period from the date of preparation of the consolidated financial statements, with particular focus on the measures assumed in and initiated as part of these plans. In this context, we obtained an understanding of the planning process and assessed the mathematical accuracy of the financial planning as well as its appropriateness for evaluating the development of liquidity.

We assessed which events considered in the planning are secured by existing contractual arrangements and which are not. Existing contractual arrangements were inspected on a sample basis. For transactions not contractually agreed, we evaluated management's assessment of the probability of occurrence and assessed its plausibility.

In addition, we satisfied ourselves that the disclosures in the notes to the consolidated financial statements as of 31 December 2024 and in the group management report for the financial year from 1 January to 31 December 2024 relating to material uncertainties in connection with the going concern assumption are appropriate and complete.

Our audit opinions on the consolidated financial statements and on the Group management report are not modified with regard to this matter.

KEY AUDIT MATTERS IN THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon, we do not provide a separate [audit] opinion on these matters. In addition to the matters described in section "Material uncertainty regarding the Company's ability to continue as a going concern" we have identified the matters set out below as key audit matters that have to be mentioned in our auditor's report.

In our view, the matters presented below were the most significant as part of our audit:

RECOGNITION AND MEASUREMENT OF INVENTORIES

Related information in the consolidated financial statements and the group management report
The Company's disclosures regarding the properties recognised as inventories, the accounting and valuation methods applied and the related judgements are presented in section 2.11 of "2. Significant accounting and valuation methods" and in section 7.5 of "7. Supplementary explanations of the items in the financial statements".

Matter and audit risk
In the consolidated financial statements of Gateway Real Estate AG as of 31 December 2024, inventories amounting to €894.7 million (prior year: €919.9 million) are recognised; this corresponds to 70% of total assets. The inventory properties comprise assets from the sales-driven project development business. Accounting for the properties held as inventories involves significant estimation uncertainty and the exercise of judgement due to various influencing factors. First, management must decide for each property whether it is intended to be held long-term for rental and/or value appreciation purposes or for sale and, accordingly, whether it is to be presented as investment property or as inventories.

Inventory properties from the sales-driven project development business are accounted for, due to the intention to sell, in accordance with IAS 2 at amortised cost of production, or – if no customer order exists for the units intended for sale – at the lower net realisable value in subsequent measurement. In valuing inventories, management must ensure the proper determination of the acquisition and/or production costs and assess whether a write-down to a net realisable value lower than the (amortised) acquisition and/or production costs is required. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to completion and the selling costs still to be incurred.

Due to the significance of inventories for the financial statements as well as the existing estimation uncertainties and the judgements required by management, we determined this matter to be a key audit matter.

Audit approach and findings
First, we obtained an understanding of the relevant processes and the internal controls implemented for the recognition, classification and measurement of inventory properties; in doing so, we assessed the design and operating effectiveness of the key controls, in particular with regard to the distinction between investment property and inventory properties, the determination of acquisition and production costs, and the determination of the net realisable value. We evaluated the valuation methodology under IAS 2 for consistency with the accounting policies.

We involved our real estate valuation specialists in the audit of the measurement. In determining net realisable value, we assessed market price assumptions based on external valuation reports (commissioned by management), existing business plans and, where available, comparable transactions; we recalculated the costs to completion and selling costs and assessed their plausibility. We evaluated the competence, capabilities and objectivity of the experts involved. For significant projects, we corroborated the net realisable value by comparing expected sales proceeds with the costs to completion and selling costs still to be incurred; we tested any required write-downs or reversals of write-downs. We assessed the allocation of acquisition and production costs and – where applicable – capitalisable borrowing costs in accordance with IAS 23; for this purpose, we performed a test of details on a risk-based sample basis.

We assessed the appropriate presentation of the properties within inventories based on the contractual documentation as well as information provided by management and other documents made available. Finally, we assessed the completeness and appropriateness of the disclosures required by IAS 2 in the notes to the consolidated financial statements.

RECOGNITION AND MEASUREMENT OF INVESTMENT PROPERTIES AND NON-CURRENT ASSETS HELD FOR SALE

Related information in the consolidated financial statements and the group management report
The Company's disclosures regarding investment property and the accounting and measurement policies applied are set out in the notes to the consolidated financial statements in section 2.8 of "2. Significant accounting policies" and section 7.3 of "7. Additional notes to the items of the consolidated financial statements". Disclosures and accounting and measurement policies regarding Non-current assets held for sale are included in the notes in section 2.22 of "2. Significant accounting policies" and section 7.8 of "7. Additional notes to the items of the consolidated financial statements".

Matter and audit risk
In the consolidated financial statements of Gateway Real Estate AG, investment property amounting to €113.3 million (prior year: €238.5 million) and non-current assets held for sale (properties previously recognised as investment property) amounting to €79.6 million (prior year: €0) are recognised as at 31 December 2024. In preparing the consolidated financial statements, Management is required to determine for each individual property whether it should be presented as investment property, as a non-current asset held for sale, or as inventories. Gateway Real Estate AG measures investment property and non-current assets held for sale, exercising the option under IAS 40.30, using the fair value model in accordance with IFRS 13. Accordingly, both realised gains/losses from disposals and unrealised changes in market values arising from measurement at fair value are recognised in profit or loss. In the financial year under review, impairments of €–20.2 million (prior year: €–5.8 million) were recognised in profit or loss as unrealised changes in market values in the consolidated statement of comprehensive income.

When determining fair value, it is assumed that the current use also represents the property's highest and best use (the "highest and best use" concept). The fair values of investment property and non-current assets held for sale are determined on the basis of external expert valuation reports using current market data and internationally accredited valuation methods. For completed properties and projects close to completion, discounted cash flow methods are applied, under which the expected future net cash inflows of a property are discounted to the reporting date of 31 December 2024 using market-based, property-specific discount and capitalisation rates. For undeveloped land, the valuation is based on adjusted standard land values (Bodenrichtwerte).

The measurement of investment property and non-current assets held for sale is influenced by numerous valuation-relevant inputs that are inherently subject to estimation uncertainty and the exercise of judgement. Key valuation inputs include, in particular, expected cash flows, assumed vacancy rates, and discount and capitalisation rates. Even minor changes in valuation inputs may result in significant changes in fair values. Given the significance of the line items "Investment property" and "Non-current assets held for sale" to the consolidated financial statements, as well as the associated estimation uncertainty and Management's judgements, we determined this matter to be a key audit matter.

Audit approach and findings
As part of our audit, together with our real estate valuation specialists, we assessed the valuation methods applied by the Company with regard to compliance with IAS 40 in conjunction with IFRS 13, the accuracy and completeness of the data used for the property portfolio, and the reasonableness of the significant valuation assumptions and parameters. We also tested the mathematical accuracy of the calculations. In auditing the valuation, we assessed the competence, capabilities and objectivity of the external valuer engaged by Gateway Real Estate AG to determine fair value. In addition, we performed analytical audit procedures and tests of details over the key value-driving parameters. We further compared the valuation results with our expectations regarding value developments.

Moreover, we performed analytical procedures on the changes in market values of the individual properties. In doing so, we analysed whether changes in the key value drivers – particularly annual net cold rents, floor areas, vacancy rates, discount and capitalisation rates, and applied multipliers – are in a plausible relationship to the development of the respective market values.

We assessed the appropriate presentation of investment property and non-current assets held for sale on the basis of contractual documentation, the Company's business planning, information obtained from Management, and other documents provided. Finally, we assessed the completeness and appropriateness of the disclosures required under IAS 40, IFRS 13 and IFRS 5 in the notes to the consolidated financial statements.

OTHER INFORMATION

The management and the supervisory board are responsible for the other information. Other information contains the following parts of the management report the content of which we have not audited:

- The statement on corporate governance in accordance with Section 289f HGB, which is referred to in the management report, and
- the remuneration report in accordance with Section 162 AktG.

Other information also includes:
- the assurances pursuant to Section 297 (2) sentence 4 HGB on the consolidated annual financial statements and group management report, and
- the remaining parts of the annual report – without further cross-references to external information – excluding the audited consolidated financial statements and Group management report and our auditor's report.

The executive directors and the supervisory board are jointly responsible for the remuneration report. The supervisory board is responsible for the supervisory board report. Otherwise, the executive directors are responsible for the other information.

Our audit opinions on the annual financial statements and the management report do not cover the other information and consequently we do not issue an audit opinion or express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information:

- is materially inconsistent with the annual financial statements, with the management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE GROUP MANAGEMENT REPORT

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to §315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition the executive directors are responsible for such internal controls as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with §317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) [and supplementary compliance with the ISAs] will always detect a material misstatement. 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 and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

— identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, 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 audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

— obtain an understanding of internal controls relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the internal controls or these arrangements and measures.

— evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

— conclude on the appropriateness of the executive directors' 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 the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able 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 present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Auditing Standards as adopted by the EU and the additional requirements of German commercial law pursuant to §315e (1) HGB.

— obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.

— evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.

— perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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 controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the assurance on the electronic rendering, of the consolidated financial statements and the group management report, prepared for publication purposes in accordance with §317 (3A) HGB

ASSURANCE OPINION

We have performed assurance work in accordance with §317 (3a) HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the attached electronic file GATEWAY_REAL_ESTATE_AG_KAuKLB_ESEF-2024-12-31-de.zip subject to assurance (MD5-hash value: 6ccc3fa1bb421f03881oecd6c29ed8d0) and prepared for publication purposes complies in all material respects with the requirements of §328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of §328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from 1 January to 31 December 2024 contained in the "Report on the audit of the consolidated financial statements and of the group management report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

Basis for the assurance opinion
We conducted our assurance work on the rendering, of the consolidated financial statements and the group management report, contained in the file identified above in accordance with §317 (3a) HGB and the IDW Assurance Standard: Assurance on the Electronic Rendering, of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with §317 (3a) HGB (IDW AsS 410) (06.2022) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Group auditor's responsibilities for the assurance work on the ESEF documents" section. Our audit firm applies the International Standard on Quality Management (ISQM 1) to the quality management system.

Responsibilities of the executive directors and the supervisory board for the ESEF documents
The executive directors of the company are responsible for the preparation of the ESEF documents with the electronic rendering of the consolidated financial statements and the group management report in accordance with §328 (1) sent. 4 Nr. 1 HGB and for the tagging of the consolidated financial statements in accordance with §328 (1) sent. 4 Nr. 2 HGB.

In addition, the executive directors of the company are responsible for such internal controls that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of §328 (1) HGB for the electronic reporting format.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group auditor's responsibilities for the assurance work on the ESEF documents
Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of §328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

— identify and assess the risks of material intentional or unintentional non-compliance with the requirements of §328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

— obtain an understanding of internal controls relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

— evaluate the technical validity of the ESEF documents, i.e. whether the file (made available,) containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, on the technical specification for this electronic file.

— evaluate whether the ESEF documents enables an XHTML rendering with content equivalent to the audited consolidated financial statements and of the audited group management report.

— evaluate whether the tagging of ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Other information according to Art. 10 EU-APrVO
We were elected as auditors for the consolidated financial statements by the general meeting on 30 October 2024. We were appointed by the supervisory board on 11 November 2024. We have served as auditors for the consolidated financial statements of Gateway Real Estate AG since the 2024 financial year.

We declare that the audit opinions contained in this audit report are consistent with the additional report to the audit committee pursuant to Art. 11 EU-AprVO (audit report [Prüfungsbericht]).

OTHER MATTERS – USE OF THE AUDIT OPINION

Our audit opinion should always be read in conjunction with the audited consolidated financial statements and the audited group management report as well as the audited ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be published in the Federal Gazette – are merely electronic reproductions of the audited consolidated financial statements and the audited group management report and do not replace them. In particular, the ESEF opinion and our audit opinion contained therein can only be used in conjunction with the audited ESEF documents provided in electronic form.

RESPONSIBLE AUDITOR

The auditor responsible for the audit is Dirk Jessen.

Hamburg, 31 March 2026

Forvis Mazars GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

In the original German version signed by:

Anna Gunzelmann (German Public Auditor)	Dirk Jessen (German Public Auditor)

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