

B-A-L Germany AG

Report on the first half of 2025

B-A-L Germany at a glance

95

Number of residential properties
as at 30 June 2025

4,713

m²

Rentable living space
as at 30 June 2025

196

TEUR

Revenue from rentals
in the first half of 2025

7.14

EUR/m²

Actual monthly rent
in the first half of 2025

3

%

Vacancy rate
in the first half of 2025

26.96

EUR/m²

Average investments
in the first half of 2025

Economic development in the first half of 2025

In the first half of 2025, B-A-L Germany generated rental income of TEUR 195.7. Compared to the same period of the previous year, when rental income of TEUR 173.7 was generated, this represents a significant increase of 12.7 per cent. This increase is attributable to the acquisition of a residential property, the halving of the vacancy rate from 6 per cent to 3 per cent, and new leases that were concluded at higher rent levels than before.

The residential property portfolio increased from 94 units at the end of 2024 to 95 units. As a result, the lettable residential space rose by 1.5 per cent at the end of the first half of 2025 to a total of 4,713 square metres, up from 4,642 square metres at the end of 2024.

Vacancy rates are not defined uniformly in the real estate industry. According to the EPRA guidelines, which B-A-L Germany AG follows, the vacancy rate is calculated as the ratio of the expected rental value of vacant space to the expected rental value of the entire property portfolio. Properties under development are not included in this calculation. According to this definition, the vacancy rate at the end of the first half of 2025 was 3 per cent, compared with 6 per cent at the end of the first half of 2024. The target set in the 2024 annual report of permanently increasing the occupancy rate to 97 per cent has thus been achieved.

Based on the average lettable residential space portfolio, the monthly rent per square metre including ancillary costs amounted to EUR 7.14 (previous year: EUR 6.73) per square metre, with a declining vacancy rate.

In principle, B-A-L Germany's business model benefits from fixed cost degression. This describes the effect whereby the average fixed costs per apartment fall as the number of properties increases, even though the absolute fixed costs remain constant. This is because the company's fixed costs, such as administrative expenses and salaries, are incurred regardless of the number of residential properties let. If a property portfolio holder owns more apartments, these fixed costs are spread across more residential units, resulting in lower unit costs. However, this fixed cost degression was offset in the first half of 2025 by significant one-off expenses from the repositioning of the company on the capital markets. At the Annual General Meeting, the management's proposal to merge the preference shares with the ordinary shares was approved by a large majority. At the same time, an application was made to list the ordinary shares on the open market of the Düsseldorf Stock Exchange and to delist the preference shares on the Vienna and Stuttgart stock exchanges following the merger of the two share classes. As a result of the associated one-off expenses, earnings before interest, taxes, depreciation and amortisation (EBITDA) fell to TEUR 18.1 in the first half of 2025 from TEUR 38.3 in the same period of the previous year.

After taxes, B-A-L Germany AG achieved earnings of TEUR -38.4 in the first half of 2025, following a half-year loss of TEUR -5.4 in the previous year.

As in the previous year, no sales proceeds were generated in the first half of 2025. However, the Management Board is in intensive negotiations with potential buyers in order to drive forward selective portfolio optimisation. The Management Board expects to announce successful negotiations in the second half of 2025.

For the current 2025 financial year, the aim remains to stabilise the vacancy rate of the portfolio at the company's internal target of 3 per cent. If this is achieved, a rental yield in the double-digit range can be expected on the basis of the current property portfolio. This level, which is exceptional in comparison to the market, is to be secured and further developed in the future through active portfolio management and operational excellence.

All figures are based on unaudited data.

Key figures from the income statement of B-A-L Germany AG, H1/2024 vs. H1/2025			
		H1/2024	H1/2025
Revenue	EURk	173.7	195.7
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	EURk	38.3	18.1
as a percentage of sales revenue	%	22.0	9.2
Earnings before interest and taxes (EBIT)	EURk	5.8	-12.2
as a percentage of sales revenue	%	3.3%	-6.2%
Earnings before taxes	EURk	-1.5	-35.0
Profit after tax	EURk	-5.4	-38.4

Medium-term forecast

The corporate strategy of B-A-L Germany AG is based on the following building blocks:

- Further acquisitions of attractive residential properties, financed from operating cash flows and bank loans.
- Maintaining the vacancy rate at 3 per cent.
- Realisation of hidden reserves through opportunistic sales of properties that do not or no longer meet the strategic requirements profile.

We are in intensive negotiations with a bank regarding the raising of debt capital on very attractive economic terms. We expect to be able to report on the conclusion of these negotiations in the near future.

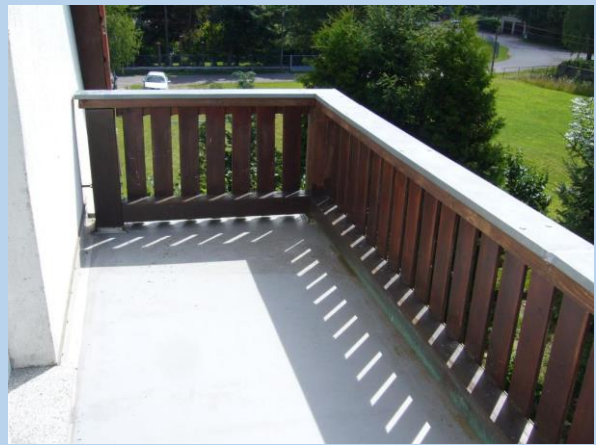
We therefore confirm the medium-term targets issued in the previous year:

- Acquisition of up to 20 new residential units with a total area of up to 1,000 square metres.
- Preparation of debt financing to sustainably improve return on equity.

Property purchases in the reporting period

In the first half of 2025, a two-room flat in Naundorf in northern Saxony with a living space of 71 m² was acquired in accordance with land registry law. Thanks to our long-standing contacts in the real estate industry, we were able to purchase the attic apartment in the building, which was constructed in 1995, at a price well below market value. Based on the total acquisition costs, the initial rental yield currently amounts to 17.0 per cent according to our calculations.

Naundorf, Friedensstraße 23
(top floor left)



Our properties



B-A-L Germany AG on the capital market

In the first half of 2025, the DAX benchmark index rose by more than 20 per cent, achieving the fourth-best performance in its 37-year history. Price gains were particularly pronounced during the second quarter, when the DAX exceeded the 24,000-point mark for the first time.

This rally was driven by several macroeconomic and structural factors: influenced by falling energy prices, the rise in consumer prices in Germany fell to around 2 per cent year-on-year by June 2025 (source: Federal Statistical Office). As wage increases stabilised real purchasing power at the same time, the gradual rise in private consumer spending continued.

In this environment, the European Central Bank lowered interest rates from a peak of 4 per cent in September 2023 to 2 per cent in June 2025. This monetary easing and the prospect of further relief stimulated risk assets and boosted credit mobility.

On the growth side, it was in particular the infrastructure and defence spending announced by the German government that led to a significant improvement in sentiment on the capital markets. German industry also benefited from temporary pull-forward effects from the threatened import tariffs on German cars and industrial products.

Share price

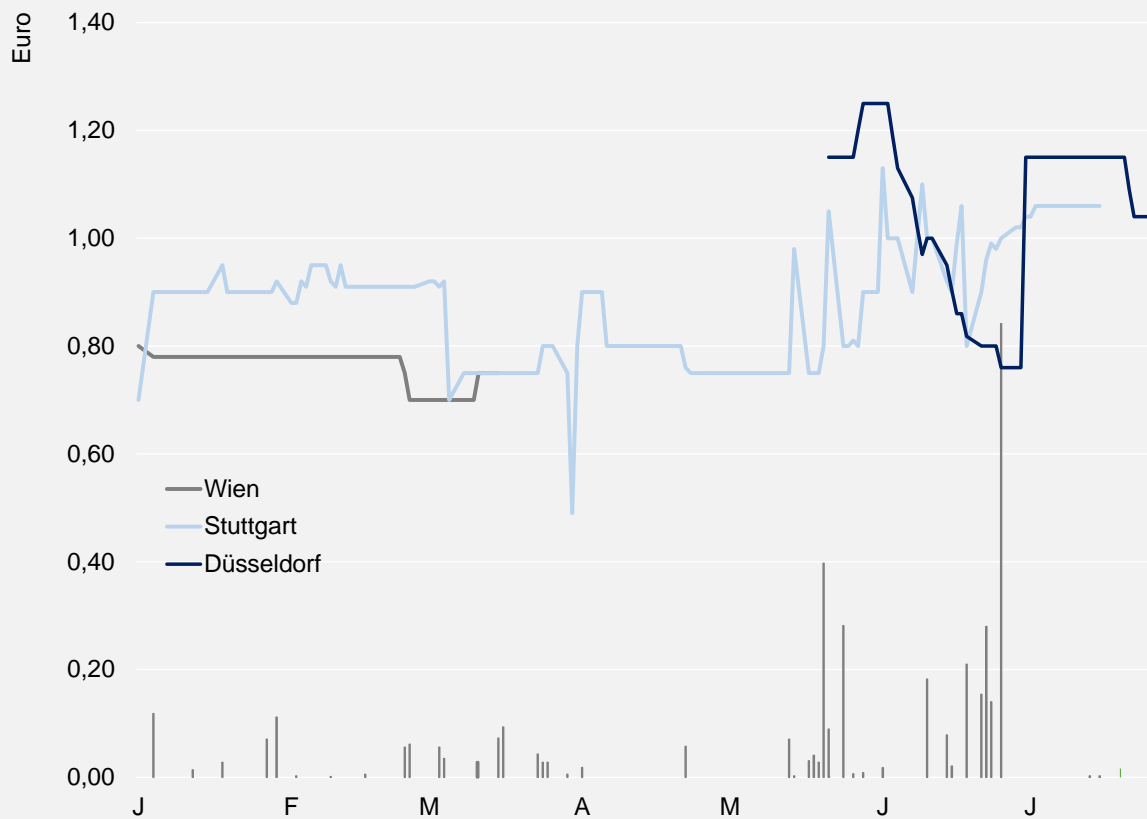
The share price performance of B-A-L Germany AG preference and ordinary shares also benefited from this positive capital market environment. Based on a year-end closing price of EUR 0.70 per preference share, this represents a significant increase of 48.6 per cent since the beginning of the year. The B-A-L Germany ordinary share, which is now listed, is currently trading at EUR 1.04.

The average trading volume of B-A-L Germany AG preference shares in the first half of 2025 was around 1,000 shares per trading day. Measured in euros, preference shares with a daily average value of around EUR 700 were traded in the first half of 2025. The vast majority of preference shares were traded on the Stuttgart Stock Exchange, with only selective trading taking place on the Vienna Stock Exchange.

The highest daily closing price for B-A-L Germany AG preference shares in the first half of the year was EUR 1.13 on 3 June 2025, while the lowest daily closing price was EUR 0.75 on 17 March 2025.

Since 23 May 2025, the ordinary shares of B-A-L Germany AG have been traded on the Düsseldorf Stock Exchange.

Share price of B-A-L Germany AG preference and ordinary shares



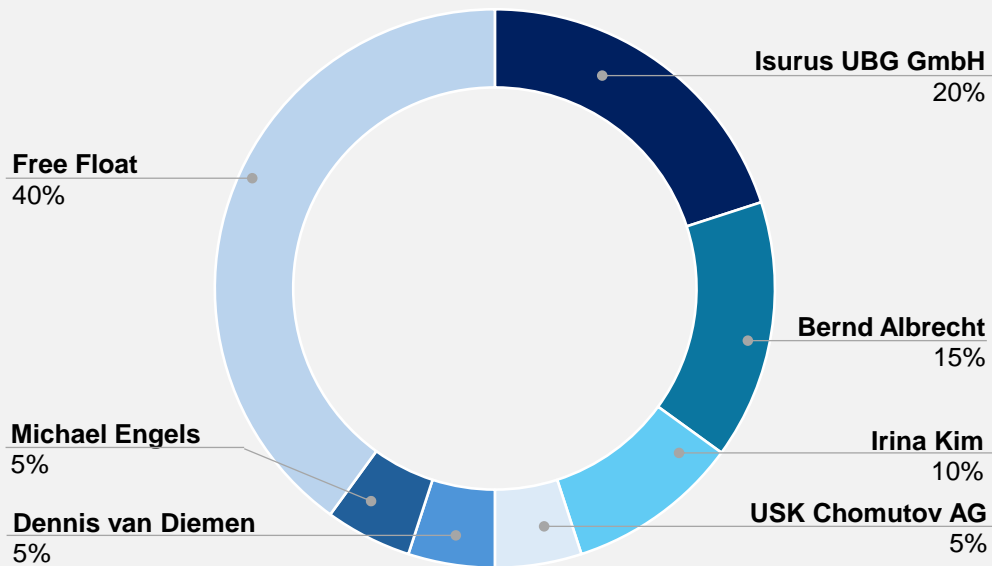
Source: Ariva.de

Shareholder structure

The following diagram shows the shareholdings according to our own surveys and the voting rights reported by shareholders in accordance with Sections 33 and 34 of the German Securities Trading Act (WpHG), based on the current share capital.

According to Deutsche Börse AG's definition of free float, the preference shares are fully attributable to the free float. On 30 June 2025, the free float of B-A-L Germany shares thus amounted to 40 per cent of the outstanding share capital of EUR 2.0 million.

Shareholder structure (as of 07/2025)



Source: Own surveys

Annual General Meeting 2025

On 21 May 2025, the Annual General Meeting of B-A L Germany AG took place as an in-person event in Meissen. 77.0 per cent of the share capital was represented.

The shareholders approved all proposed resolutions by a large majority.

Financial calendar 2025

15 April

Annual report for the 2024 financial year

16

Invitation to the Annual General Meeting 2025

21 May

Annual General Meeting, Meissen

19 August 2025

Invitation to the Extraordinary General Meeting 2025

26 September 2025

Extraordinary General Meeting, Meissen

1 October

Half-yearly report for the 2025 financial year

Contact

B-A-L Germany AG

Poststraße 5
01662 Meißen

Company headquarters: Meißen
Dresden Local Court, HRB 36831
Tax number: 236/100/00126
Chairman of the Supervisory Board: Bernd Albrecht

Your contact persons

Falko Zschunke
Executive Board
Email: f@bal-ag.de
+49 (0) 3521 4596539

Peter Thilo Hasler
Executive Board
Email p@bal-ag.de
+49 (0) 3521 4596539

Note

The annual report is published in German and English. The German version is always authoritative. The annual report is available on the website at www.bal-ag.de.

Disclaimer

This report contains forward-looking statements. These statements are based on the current experiences, assumptions and forecasts of the Management Board and the information currently available to it. The forward-looking statements are not to be understood as guarantees of the future developments and results mentioned therein. Rather, future developments and results depend on a variety of factors. They involve various risks and uncertainties and are based on assumptions that may prove to be inaccurate. These risk factors include, in particular, the factors mentioned in the risk report in the 2024 Annual Report. The company assumes no obligation to update the forward-looking statements made in this report. This financial report does not constitute an offer to sell or a solicitation of an offer to purchase securities of B-A-L Germany AG.

