



# DEUTSCHE EIGENHEIM UNION AG

## Deutsche Eigenheim Union AG

### Group Report

March 31, 2022



Commercial register:

Berlin-Charlottenburg

Commercial register number:

HRB 236221

## The share

Nominal capital	36,050,000.00 EUR	
Classes of shares	Bearer shares	
WKN / ISIN	A0STWH / DE000A0STWH9	
Number of shares	36,050,000	
Stock symbol	JZ6	
Listing	Dusseldorf stock exchange	Frankfurt stock exchange
Stock market segment	Primary Market	Open Market
First trading day	30th December 2021	4th January 2022
Designated Sponsor	BankM	
Listing Partner, Specialist	ICF Bank AG	

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## Letter to the shareholders

Dear shareholders,

Dear Sirs and Madames,

Deutsche Eigenheim Union AG and its project subsidiaries create affordable and sustainable living space in the Berlin-Brandenburg metropolitan region.

In the first quarter of 2022, work on 24 residential units progressed. No residential units were handed over in the first quarter. The handover of 24 residential units to the buyers is expected for the fourth quarter of 2022. This will result in sales of EUR 7.7 million. A net income of more than EUR 500,000 is expected for the year as a whole.

The planning for the 2023 financial year already provides for an annual surplus of more than EUR 4 million.

The demand from private buyers and capital investors for affordable housing in the Berlin-Brandenburg metropolitan region remains high. Our goal is to make a contribution with more than 100 residential units in the 2023 financial year that will make a difference in the lives of our customers.

We would like to take this opportunity to thank the employees for their high level of commitment. We would like to thank the members of the Supervisory Board for their good cooperation.

Berlin, May 4, 2022

Management Board



Dr. Christian Pahl



Thomas Zienterski



Vincent Busch

## For us, sustainable building means

creating homes that make you feel good, respecting the environment and giving something back to nature.

We are currently commissioning the planting of trees in the Berlin-Brandenburg metropolitan region with an order value of more than EUR 100 thousand.



### responsible

We take active responsibility for current and future generations through fair, future-oriented and transparent action.



### healthy living

You, your well-being and your health are always in the foreground, both in the planning and in the construction of the provided homes.



### energy efficient

Thanks to the use of regenerative heating technology and the latest thermal insulation as standard, you save costs and produce fewer emissions.



### conserving resources

We avoid unnecessary waste through close cooperation with our service providers, constant process optimization and quality assurance.

## Our active ecological commitment

We are convinced that changes that we want in our environment must be initiated by ourselves. That is why we actively participate in renaturation and reforestation measures in the Berlin-Brandenburg region. In this way, areas previously used or built up by humans are restored to their original or at least near-natural state and plants and animals typical of the region are settled.

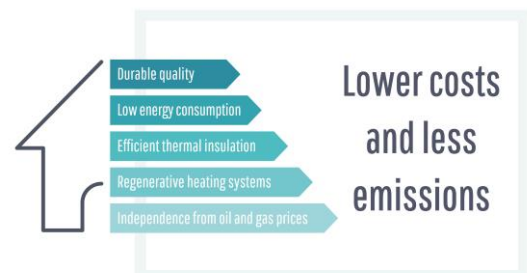


## High quality of living and well thought-out functionality

Every home, in its nature, focuses on your well-being and the protection of your health. During the planning phase, we pay particular attention to the framework conditions at the respective location, the construction method, the best possible noise protection, fire protection and available low-risk and low-emission building products. So that you can move in with a good feeling and use it for a long time.

## Low energy consumption and low heating costs

Not only ecologically, but also economically sensible: All of our house types are equipped with efficient insulation materials and regenerative heating systems, which e.g. use the ambient air to generate thermal energy. Modern ventilation systems use preheated outside air and ensure a healthy indoor climate while protecting the environment and your wallet at the same time. With the aim of becoming independent of fossil fuels and at the same time benefiting from low energy costs.



## Conscientious planning and execution

Thanks to well-organized processes, reliable service providers and a selected range of products, we can ensure that construction defects and poor processing are reduced. In addition, we use the same high-quality building products for all house types and also offer them for sale in our online shop for building materials. This means that we neither produce unnecessary excess nor waste unused resources.



# Deutsche Eigenheim Union AG

## Group Management Report

March 31, 2022

- I. Basis of the group
- II. Economic report
- III. Outlook
- IV. Chances- and risks report



## I. Basis of the group

Deutsche Eigenheim Union AG and its project subsidiaries create affordable living space in the Berlin-Brandenburg metropolitan region. Land is bought when communities welcome the creation of affordable housing. The customers are private buyers and investors.

## II. Economic report

### **Business development**

No residential units were handed over to buyers in the first quarter of 2022. Work on 24 residential units progressed.

### **Earnings situation**

Sales amounted to EUR 6,702.62. The increase in finished and unfinished goods was EUR 20,492.92. Taking into account personnel expenses, other operating expenses and depreciation, a negative EBIT of EUR -246,998.29 resulted.

The net loss for the period was EUR -284,293.64.

### **Financial situation**

The financial situation of the Deutsche Eigenheim Union Group can be described as stable. Financial management is designed to always settle liabilities within the payment period and to collect receivables within the payment terms. All liabilities can always be settled within the payment terms.

### **Assets situation**

The financial position of the Deutsche Eigenheim Union Group can be described as stable. Trade receivables fell from EUR 39,040.00 (12/31/2021) to EUR 35,740.00. Inventories increased to EUR 6,233,394.09 (12/31/2021: EUR 5,392,419.42). As of the reporting date, the Deutsche Eigenheim Union Group had liquid funds of EUR 5,544.60 (12/31/2021: EUR 118,415.49).

### **Financial key performance indicator**

For internal corporate management, we use the key figure net profit/loss for the year. The net loss for the period was EUR -284,293.64 (December 31, 2021: EUR -633,071.48) as of the reporting date. Overall, the economic situation of the Deutsche Eigenheim Union Group can be described as stable.

## III. Outlook

We assess the probable development of the Deutsche Eigenheim Union Group as positive. The creation of affordable and ready-to-move-in living space in the Berlin-Brandenburg metropolitan region is in great demand. The attractive housing offers of the Deutsche Eigenheim Union in the catchment area of the federal capital are affordable for owner-occupiers with low interest rates. Investors can use tax depreciation support programs and agree on rents without legal restrictions (unlike in Berlin, where the districts impose their own rent price restrictions).

## IV. Chances- and risks report

### **Chances**

In the Berlin-Brandenburg metropolitan region, the population has grown significantly in recent years. This trend creates opportunities for Deutsche Eigenheim Union. In the area of residential real estate, the Deutsche Eigenheim Union concentrates on the high-demand metropolitan region of Berlin-Brandenburg and develops affordable living space for private buyers and capital investors. With the increasing project volume of the Deutsche Eigenheim Union, positive economies of scale are having an effect on the acquisition costs.

### **Industry specific risks**

The development of the real estate market is significantly influenced by macroeconomic factors and demand. Economic performance, economic growth, disposable income, the unemployment rate, the development of consumer spending, interest rates and tax policy are key parameters that affect market demand.

Taking into account the current situation in the industry, Deutsche Eigenheim Union AG was geared towards creating affordable, ready-to-move-in living space for owner-occupiers and investors, as there is a favorable risk profile here.

### **Construction cost risks**

In the construction industry, risks such as higher, non-budgeted costs or increased construction time and thus increasing financing costs are to be expected. The Deutsche Eigenheim Union reduces these risks through its concept and employs experienced engineers who draw up careful planning and lay the foundation for the performance of services in line with the planning.

Risks can arise with regard to the availability of construction services and reasonable construction prices. The Deutsche Eigenheim Union counters the construction cost risk with established business relationships with selected companies and generates purchasing advantages based on attractive construction volumes. The current construction projects do not show any noteworthy deviations from the planned budget.

### **Profit-related risks**

In the context of economic fluctuations, the demand for residential property can fluctuate. Reduced demand and willingness to pay can lead to earnings risks. Exceeding the sales period harbors the risk of additional financing costs. The Deutsche Eigenheim Union develops high quality real estate at affordable prices. The demand situation and the price elasticity for the housing supply is constantly monitored. The profit-oriented risks are thus taken into account.

### **Financial risks**

The group's liquidity situation is good. Liquidity risks are currently not recognizable. The equity situation is characterized by the fact that costs were incurred in 2019 and 2020, but no significant income was generated, and thus a net loss for the year was recorded, which was included in the balance sheet loss. Significant income was generated in 2021 (sales: EUR 4,792,657.35) - however, the business volume was not yet sufficient to break even (net loss for the year 2021: EUR - 633,071.48).



As of the balance sheet date, the cumulative balance sheet loss totaled EUR -1,862,531.78 (12/31/2021: EUR -1,578,238.14).

The break-even point is expected to be significantly exceeded in 2022, when 24 residential units are handed over to the buyers as planned in the fourth quarter of 2022.

### **Risk management system**

The Deutsche Eigenheim Union Group uses a risk management system that systematically identifies significant risks that threaten the continued existence of the company in order to assess their effects and develop suitable measures. The aim of the risk management system is to avoid financial losses, failures or disruptions or to implement suitable countermeasures without delay. The management board and the supervisory board are informed about risks at an early stage as part of the risk management system. The monitoring of liquidity and the development of results are important aspects and parameters of the risk management system. The operational development is continuously monitored in order to identify deviations from the plan in good time. The management board decides on the appropriate strategy and measures for managing the risks.

### **General statement**

The real estate market for affordable and ready-to-move-in living space for private buyers in the Berlin area is developing positively. The Deutsche Eigenheim Union serves the constant demand for affordable and ready-to-move living space in the metropolitan area Berlin-Brandenburg and has a sophisticated risk management system. The development of the high quality offer takes place under strict observation and appreciation of the demand situation and the price elasticity for the housing supply. There are currently no identifiable risks that could jeopardize the continued existence of the company.

Berlin, May 4, 2022

Management Board



Dr. Christian Pahl



Thomas Zienterski

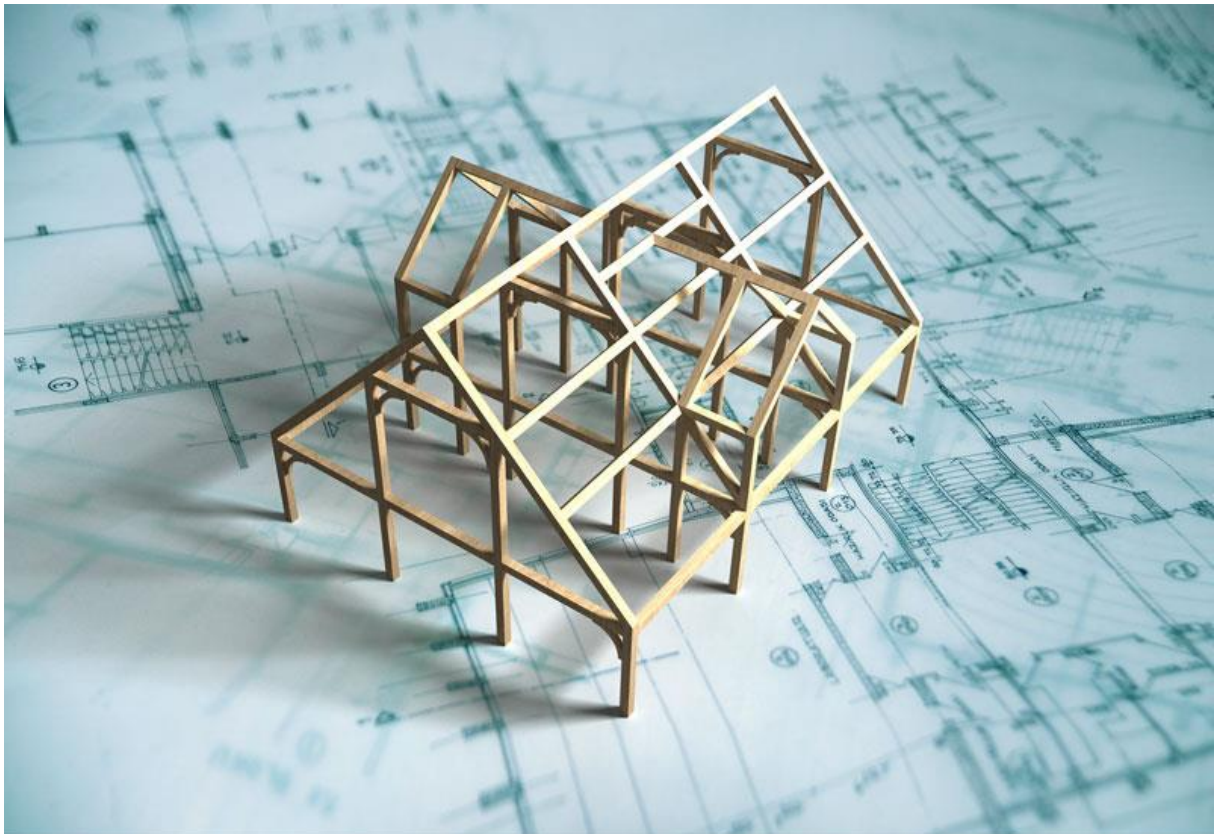


Vincent Busch

# IFRS Consolidated Financial Statements

March 31, 2022

- I. Consolidated balance sheet
- II. Consolidated profit and loss summary account
- III. Consolidated cash flow statement
- IV. Consolidated equity change account



Commercial register: Berlin-Charlottenburg  
Commercial register number: HRB 236221

## Deutsche Eigenheim Union AG consolidated balance sheet

March 31, 2022

(Accounting under IFRS)

ASSETS	Notes	03/31 2022 EUR	12/31 2021 EUR	LIABILITIES AND EQUITY	Notes	03/31 2022 EUR	12/31 2021 EUR
Cash	5.1.	5,544.60	118,415.49	Accruals	5.7.	325,302.17	326,802.17
Trade receivables	5.2.	35,740.00	39,040.00	Bank loan	5.8.	320,159.64	95,604.89
Inventory	5.3.	6,233,394.09	5,392,419.42	Trade payables	5.9.	268,769.78	259,775.21
Other short-term assets	5.4.	33,990.31	11,850.37	Other short-term liabilities	5.10.	2,029,572.38	1,673,747.50
				Received customer prepayments	5.11.	5,007,994.04	4,557,460.51
<b>Short-term assets</b>		<b>6,308,669.00</b>	<b>5,561,725.28</b>	<b>Short-term liabilities</b>		<b>7,951,798.01</b>	<b>6,913,390.28</b>
Intangible assets	5.5.	5,616.54	6,735.00	Lease liabilities	5.12.	302,553.71	323,400.67
Company value	5.5.	35,735,731.20	35,735,731.20				
Tangible assets	5.5.	358,566.19	390,347.15				
Deferred assets	5.6.	33,237.01	14,014.18				
<b>Long-term assets</b>		<b>36,133,150.94</b>	<b>36,146,827.53</b>	<b>Long-term liabilities</b>		<b>302,553.71</b>	<b>323,400.67</b>
				Share capital	5.13.	36,050,000.00	36,050,000.00
				Balance sheet profit	5.13.	-1,862,531.78	-1,578,238.14
				Equity attributable to equity holders of UniDevice	5.13.	34,187,468.22	34,471,761.86
				<b>Equity</b>	5.13.	<b>34,187,468.22</b>	<b>34,471,761.86</b>
						80.55%	82.65%
<b>TOTAL ASSETS</b>		<b>42,441,819.94</b>	<b>41,708,552.81</b>	<b>TOTAL LIABILITIES AND EQUITY</b>		<b>42,441,819.94</b>	<b>41,708,552.81</b>

Methodology:

The figures as of March 31, 2022 are unaudited; those as of December 31, 2021 are audited.

## Deutsche Eigenheim Union AG consolidated profit and loss summary account

March 31, 2022

(Accounting under IFRS)

		<b>03/31</b>	<b>12/31</b>
		<b>2022</b>	<b>2021</b>
	Notes	EUR	EUR
<b>1. Sales</b>	7.1.	6,702.62	4,792,657.35
2. Increase in inventories of finished goods and work in progress	7.2.	20,492.92	3,436,409.31
3. Total output	7.3.	27,195.54	8,229,066.66
4. Other operating income	7.4.	44,099.78	49,361.99
<b>5. Cost of materials</b>	7.5.		
Cost of purchased goods and services		-21,745.20	-7,147,374.77
<b>6. Labour cost</b>	7.6.		
a) Salaries		-151,774.58	-612,906.47
b) Social insurance contribution		-25,793.17	-103,898.78
		-177,567.75	-716,805.25
7. Depreciation / Amortisation of intangible and tangible assets	7.7.	-28,092.42	-117,747.21
8. Other operational expenses	7.8.	-90,888.24	-606,671.82
<b>9. EBIT (earnings before interest and tax)</b>		<b>-246,998.29</b>	<b>-310,170.40</b>
10. Interest and similar income	7.9.	0.00	36.40
11. Interest and similar expenses	7.10.	-36,684.51	-143,935.12
<b>12. Financial result</b>		<b>-36,684.51</b>	<b>-143,898.72</b>
13. EBT (earnings before tax)		-283,682.80	-454,069.12
in %		-4232.42%	-9.47%
14. Income tax	7.11.	-610.84	-179,002.36
<b>15. Net profit</b>		<b>-284,293.64</b>	<b>-633,071.48</b>

Methodology:

The figures as of March 31, 2022 are unaudited; those as of December 31, 2021 are audited.

## Deutsche Eigenheim Union AG consolidated cash flow statement

for the period from 1 January to 31 March 2022

(Accounting under IFRS)

	03/31 2022 EUR	12/31 2021 EUR
<b>Period result</b>	-284,293.64	-633,071.48
Depreciation on fixed assets	28,092.42	117,747.21
Change in trade receivables	3,300.00	60,045.49
Change in inventory	-840,974.67	-361,289.84
Change in other short-term assets	-22,139.94	10,651.70
Change in other deferred assets	-19,222.83	-11,437.20
Change in short-term accruals	-1,500.00	250,960.76
Change in trade payables	8,994.57	10,501.76
Change in other short-term payables	355,824.88	102,745.58
Change in customer prepayments	450,533.53	739,773.89
Interest expenses / income	36,684.51	143,898.72
Income tax expense/income/non-cash transactions	5,617.13	-264,809.15
<b>Cash Flow from operating activities</b>	-279,084.04	165,717.44
Payments for investments in fixed assets	-810.13	-181,575.21
<b>Cash Flow from investment activities</b>	-810.13	-181,575.21
Change in lease liabilities	-20,846.96	323,400.67
Change in bank loans	224,554.75	-856,852.32
Interest expenses / income	-36,684.51	-143,898.72
<b>Cash Flow from financing activities</b>	167,023.28	-677,350.37
<b>Cash Flow</b>	-112,870.89	-693,208.14
Cash and cash equivalents on 1 January 2021 / previous year	118,415.49	811,623.63
Cash and cash equivalents on 31 December 2021 / previous year	5,544.60	118,415.49
Change in cash and cash equivalents	-112,870.89	-693,208.14

Methodology:

The figures as of March 31, 2022 are unaudited; those as of December 31, 2021 are audited.

## Deutsche Eigenheim Union AG consolidated equity change account

March 31, 2022

(Accounting under IFRS)

	Share capital EUR	Legal reserve EUR	Balance sheet profit EUR	Total Equity EUR
1. As of 1 January 2022	36,050,000.00		-1,578,238.14	34,471,761.86
2. Period income			-284,293.64	-284,293.64
5. As of 31 March 2022	36,050,000.00		-1,862,531.78	34,187,468.22

Methodology:

The figures as of March 31, 2022 are unaudited; those as of December 31, 2021 are being examined.

# Deutsche Eigenheim Union AG

## Notes to the Consolidated Financial Statements

March 31, 2022

1. General information
2. Consolidated group
3. Consolidation principles
4. Estimates and assumptions
5. Notes to the consolidated balance sheet including the accounting and valuation methods
6. Contingent liabilities and other financial obligations
7. Notes to the profit and loss summary account
8. Earnings per share
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11. Risk management policy and countermeasures
12. Events after the financial statement date





## 1 General information

Deutsche Eigenheim Union AG was founded on March 28, 2007. At the Annual General Meeting on September 24, 2021, the acquisition of Eigenheim Union 1898 AG by means of a contribution in kind was resolved. The acquisition and initial consolidation takes place on January 1, 2021.

In addition to the initial consolidation of Eigenheim Union 1898 AG and its subsidiaries on January 1, 2021, a pro forma group presentation is made as of December 31, 2020, as the acquired Eigenheim Union 1898 AG and its subsidiaries were already economically active during these periods and the pro-forma group presentation enables a better understanding of the net assets, financial position and results of operations for the financial years 2020 and 2021.

Eigenheim Union 1898 AG was founded on September 3, 2007. On August 12, 2019, the Management Board focused on the creation of affordable and ready-to-move living space in the Berlin-Brandenburg metropolitan region. The company is registered in the commercial register of the Berlin-Charlottenburg District Court under HRB 209989 and has its registered office in Berlin. The business address is in Ringbahnstraße 16/18/20, 12099 Berlin. Eigenheim Union 1898 AG is a holding company.

Eigenheim Union 1898 AG is the parent company (100%) of Eigenheim Union 1898 Massivhaus GmbH, Eigenheim Union 1898 zweite Massivhaus GmbH, Eigenheim Union 1898 dritte Massivhaus GmbH, HIRA Diedersdorf Erschließungs UG (limited liability), Eigenheim Union 1898 fünfte Massivhaus GmbH, Eigenheim Union 1898 sechste Massivhaus GmbH, Eigenheim Union 1898 siebte Massivhaus GmbH Eigenheim Union 1898 Massivbau GmbH and Eigenheim Union 1898 Baustoffe GmbH.

The consolidated financial statements for the period from January 1 to March 31, 2022 of Deutsche Eigenheim Union AG were prepared voluntarily and in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), as they are to be applied in the European Union, and the supplementary commercial law provisions to be applied in accordance with Section 315e (1) of the German Commercial Code (HGB).

The accounting and valuation was carried out on the assumption that the company would continue as a going concern. The consolidated financial statements are prepared on the reporting date of the parent company's annual financial statements, which is also the reporting date of all subsidiaries included.

The balance sheet of the Deutsche Eigenheim Union Group has been drawn up according to maturity considerations, whereby assets and debts whose realization or repayment is expected within twelve months after the balance sheet date are classified as short-term according to IAS 1. Deferred tax assets and deferred tax liabilities are shown in full under long-term assets and long-term liabilities in accordance with IAS 1.56

The income statement is prepared as part of the statement of comprehensive income using the total cost method.

## 2 Consolidated group

In the consolidated financial statements for the reporting period from January 1 to March 31, 2022 of Deutsche Eigenheim Union AG, in addition to Deutsche Eigenheim Union AG, Eigenheim Union 1898 AG, Eigenheim Union 1898 Massivhaus GmbH, Eigenheim Union 1898 zweite Massivhaus GmbH, Eigenheim Union 1898 dritte Massivhaus GmbH, HIRA Diedersdorf Erschließungs UG (limited liability), Eigenheim Union 1898 fünfte Massivhaus GmbH, Eigenheim Union 1898 sechste Massivhaus GmbH, Eigenheim Union 1898 siebte Massivhaus GmbH, Eigenheim Union 1898 Massivbau GmbH, Eigenheim Union 1898 Baustoffe GmbH, are included.

The consolidations carried out are as follows:

- Eigenheim Union 1898 AG (from August 12, 2019, date of initial consolidation)
- Eigenheim Union 1898 Massivhaus GmbH (from September 19, 2019, date of initial consolidation)
- Eigenheim Union 1898 zweite Massivhaus GmbH (from September 30, 2019, date of initial consolidation)
- Eigenheim Union 1898 dritte Massivhaus GmbH (from November 21, 2019, date of initial consolidation)
- HIRA Diedersdorf Erschließungs UG (limited liability) (from October 23, 2019, date of initial consolidation)
- Eigenheim Union 1898 fünfte Massivhaus GmbH (from July 17, 2020, date of initial consolidation)
- Eigenheim Union 1898 sechste Massivhaus GmbH (from July 26, 2021, date of initial consolidation)
- Eigenheim Union 1898 siebte Massivhaus GmbH (from September 24, 2021, date of initial consolidation)
- Eigenheim Union 1898 Massivbau GmbH (from July 17, 2020, date of initial consolidation)
- Eigenheim Union 1898 Baustoffe GmbH (from July 17, 2020, date of initial consolidation)

Eigenheim Union 1898 Massivhaus GmbH was founded on September 19, 2019.

Eigenheim Union 1898 AG, as a founding partner, subscribed to 100% (share capital of the company EUR 25,000.00) of the share capital. Eigenheim Union 1898 zweite Massivhaus GmbH was founded on September 30, 2019. Eigenheim Union 1898 AG, as a founding partner, subscribed to 100% (share capital of the company EUR 25,000.00) of the share capital. The Eigenheim Union 1898 dritte Massivhaus GmbH was founded on November 21, 2019. As a founding partner, Eigenheim Union 1898 AG subscribed 100% (share capital of the company EUR 25,000.00) of the share capital. Eigenheim Union 1898 AG acquired the HIRA Diedersdorf Erschließungs UG (limited liability) on October 23, 2019 for a purchase price of EUR 35,000.00. A loan claim was bought with the same purchase contract document for EUR 15,000.00. The company had a development contract in connection with a construction project for 24 residential units in Diedersdorf. Eigenheim Union 1898 fünfte Massivhaus GmbH was founded on July 17, 2020. Eigenheim Union 1898 AG, as a founding partner, subscribed to 100% (share capital of the company EUR 25,000.00) of the share capital.

Eigenheim Union 1898 sechste Massivhaus GmbH was founded on July 26th, 2021. Eigenheim Union 1898 AG, as a founding partner, subscribed to 100% (share capital of the company EUR 25,000.00) of the share capital. Eigenheim Union 1898 siebte Massivhaus GmbH was founded on September 24th,

2021. Eigenheim Union 1898 AG, as a founding partner, subscribed to 100% (share capital of the company EUR 25,000.00) of the share capital.

Eigenheim Union 1898 Massivbau GmbH was founded on July 17, 2020. Eigenheim Union 1898 AG, as a founding shareholder, subscribed 100% (share capital of the company EUR 25,000.00) of the share capital. Eigenheim Union 1898 Baustoffe GmbH was founded on July 17, 2020. Eigenheim Union 1898 AG, as a founding partner, subscribed 100% (share capital of the company EUR 25,000.00) of the share capital.

The participation rate of Deutsche Eigenheim Union AG in the subsidiaries is as follows on the reporting date:

Name and registered office of the company	Participation rate in %
Eigenheim Union 1898 AG, Berlin	100,00
Eigenheim Union 1898 Massivhaus GmbH, Schönefeld	100,00
Eigenheim Union 1898 zweite Massivhaus GmbH, Schönefeld	100,00
Eigenheim Union 1898 dritte Massivhaus GmbH, Schönefeld	100,00
HIRA Diedersdorf Erschließungs UG (haftungsbeschränkt), Schönefeld	100,00
Eigenheim Union 1898 fünfte Massivhaus GmbH, Schönefeld	100,00
Eigenheim Union 1898 sechste Massivhaus GmbH, Schönefeld	100,00
Eigenheim Union 1898 siebte Massivhaus GmbH, Schönefeld	100,00
Eigenheim Union 1898 Massivbau GmbH, Schönefeld	100,00
Eigenheim Union 1898 Baustoffe GmbH, Schönefeld	100,00

### 3 Consolidation principles

The annual financial statements of all group companies are drawn up on the basis of uniform accounting and valuation methods as of the reporting date of Deutsche Eigenheim Union AG (parent company).

The acquisition of business operations is accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value. Costs associated with the business combination were recognized in profit or loss when incurred. The identifiable assets and liabilities acquired were measured at their fair values, with the exception of deferred tax assets and deferred tax liabilities. Deferred tax assets and deferred tax liabilities were recorded and measured in accordance with IAS 12 "Income Taxes". The goodwill represents the surplus of the sum of the consideration transferred, the amount of all non-controlling interests in the acquiree and the balance of the amounts of the identifiable assets acquired and the liabilities assumed at the date of acquisition.

Receivables and liabilities between the consolidated companies as well as intercompany sales, other intragroup income and related expenses are consolidated. Intermediate results are eliminated.

Deferred taxation was carried out in accordance with IAS 12 to consolidate profit or loss to the extent that the divergent tax expense is likely to be offset in later financial years.

### 4 Estimates and assumptions

The preparation of the consolidated financial statements requires estimates and assumptions that may affect the amounts of assets, liabilities and financial obligations as of the balance sheet date, as well as

the income and expenses of the year under review. Actual amounts may differ from these estimates and assumptions.

When applying the accounting and valuation methods, the Management Board exercises discretionary decisions. In addition, the acquisition of shares in Eigenheim Union 1898 AG and HIRA Diedersdorf Erschließungs UG required the impairment test of the goodwill acquired as of the balance sheet date. In order to test the recoverability of goodwill, it is necessary to determine the value in use of the cash-generating unit to which the goodwill has been allocated. The calculation of the value in use requires the estimation of future cash flows from the cash-generating unit and a suitable discount rate for the present value calculation. The determination of the fair value of assets and liabilities is based on management judgments.

The bases used by management for assessing the appropriateness of allowances on receivables are the maturity structure of accounts receivable balances, the creditworthiness of customers, and changes in payment terms. In the event of a worsening of customers' financial position, the extent of the actual write-offs may exceed the amount of the expected write-offs.

For each taxable entity, the expected actual income tax must be calculated, and the temporary differences arising from the different treatment of certain balance sheet items between the IFRS consolidated financial statements and the tax statements have to be assessed. If there are temporary differences, these differences generally lead to the recognition of deferred tax assets and liabilities in the consolidated financial statements. Management must make judgments when calculating actual and deferred taxes. Deferred tax assets are recognized to the extent that they are likely to be used. The use of deferred tax assets depends on the ability to generate sufficient taxable income within the relevant tax type. To assess the likelihood of future use of deferred tax assets, various factors must be considered, such as: Earnings situation in the past, operational planning and tax planning strategies. If the actual results deviate from these estimates or if these estimates are adjusted in future periods, these could adversely affect the net assets, financial position and results of operations. If there is a change in the impairment test for deferred tax assets, the recognized deferred tax assets must be written down through profit or loss.

## **5 Notes to the consolidated balance sheet including the accounting and valuation methods**

When preparing the financial statements of the associated Group companies, transactions denominated in currencies other than the functional currency (EUR) of the Group company are translated at the exchange rates prevailing on the date of the transaction. All monetary items denominated in foreign currency are translated at the closing rate on the balance sheet date. Non-monetary items denominated in foreign currencies that are measured at fair value must be translated at the rates that were valid at the time of measurement at fair value.

## **5.1 Cash and bank balances**

Cash and bank balances totaling EUR 5,544.60 thousand (12/31/2021: EUR 118,415.49 thousand) are valued at acquisition cost. They include cash on hand, on-demand bank deposits and other short-term, highly liquid financial assets that have a maximum term of three months at the time of acquisition.

## **5.2 Trade receivables**

Trade receivables totaling EUR 35,740.00 thousand (12/31/2021: EUR 39,040.00 thousand) are measured using the effective interest method at amortized cost less any impairment. Impairments are recognized if there is an objective indication that the expected future cash flows have changed negatively as a result of one or more events that occurred after the initial recognition of the asset. The criteria that lead to an impairment of the trade receivables are based on the probability of default of the receivable and the expected creditworthiness of the customers.

## **5.3 Inventory**

The inventories, which total EUR 6,233,394.09 (12/31/2021: EUR 5,392,419.42), show finished goods that were measured at cost. In accordance with IAS 2, all costs were included that were incurred in connection with the acquisition of the respective inventories. There were no borrowing costs to be capitalized. The application of IAS 11 is not relevant.

## **5.4 Other short-term assets**

The other current assets, which total EUR 33,990.31 (12/31/2021: EUR 11,850.37), include deductible input tax amounts, prepaid expenses and accounts receivable by accounts payable.

## **5.5 Fixed assets and company value**

Tangible assets, which total EUR 358,566.19 (12/31/2021: EUR 390,347.15), as well as licenses (software) in the amount of EUR 5,616.54 (12/31/2021: EUR 6,735.00), as well as goodwill in the amount of EUR 35,735,731.20 (12/31/2021: EUR 35,735,731.20) are recognized at acquisition cost in accordance with IAS 16 or IAS 38, reduced by scheduled depreciation in the case of limited use. If necessary, impairments reduce the (amortized) acquisition costs. There was no revaluation of property, plant and equipment in accordance with the option available under IAS 16.

Scheduled depreciation is linear. Depreciation corresponds to the course of consumption of the future economic benefit. Property, plant and equipment and intangible assets are depreciated on a straight-line basis over various useful lives (three to fifteen years).

In the event that the book value exceeds the expected recoverable amount, an impairment to this value is made in accordance with IAS 36. The recoverable amount is determined by the net sales proceeds or, if higher, the present value of the estimated future cash flows from the use of the asset.

Company value acquired in a business combination may not be amortized. Instead, the acquirer must allocate it to the Group's cash-generating units and, in accordance with IAS 36, test for impairment once or more frequently if events or changes in circumstances indicate that impairment may have occurred.

If the recoverable amount of a cash-generating unit is less than its carrying amount, the impairment loss is initially allocated to the carrying amount of the goodwill allocated to the unit and then pro rata to the

other assets. Any impairment losses on goodwill are recognized directly in the income statement. An impairment loss recognized for goodwill may not be reversed in future periods. The company value of EUR 35,735,731.20 reported in the consolidated balance sheet was fully allocated to the construction business of Eigenheim Union 1898 AG and its subsidiaries as a cash-generating unit.

#### **5.6 Deferred assets**

The active prepaid expenses, which total EUR 33,237.01 (12/31/2021: EUR 14,014.18), relate to prepaid insurance premiums and rents.

#### **5.7 Accruals**

Accruals totaling EUR 325,302.17 (12/31/2021: EUR 326,802.17) include accruals formed when the Group has a present, legal or actual obligation from a past event, the outflow of re-sources with economic benefits to fulfill that obligation is likely and a reliable estimate of the amount of the obligation is possible. Accruals are recognized at the amount that arises from the best estimate of financial expenses to meet the current obligation as of the balance sheet date.

#### **5.8 Bank loan**

Liabilities to banks amount to EUR 320,159.64 (12/31/2021: EUR 95,604.89).

#### **5.9 Trade payables**

Trade payables, which total EUR 268,769.78 (12/31/2021: EUR 259,775.21), are recognized at amortized cost using the effective interest method.

#### **5.10 Other short-term liabilities**

Other short-term liabilities, which total EUR 2,029,572.38 (12/31/2021: EUR 1,673,747.50), are recognized at amortized cost using the effective interest method. These are essentially short-term loans, wage and sales tax liabilities.

#### **5.11 Advance payments received from buyers**

The advance payments received from buyers, which total EUR 5,007,994.04 (12/31/2021: EUR 4,557,460.51), are recognized at amortized cost using the effective interest method.

#### **5.12 Lease liabilities**

Lease liabilities according to IFRS 16 amount to EUR 302,553.71 (12/31/2021: EUR 323,400.67).

#### **5.13 Equity**

The share capital of the company in the amount of EUR 36,050,000.00 is divided into 36,050,000 no-par-value shares with a nominal value of EUR 1.00 each.

Deutsche Eigenheim Union AG does not hold any treasury shares as of the balance sheet date.

### **6 Contingent liabilities and other financial obligations**

The other financial obligations lie in the normal course of business.

## **7 Notes to the profit and loss summary account**

### **Principles of revenue recognition**

Revenues from the sale of residential units are recognized after the residential units have been handed over to the buyer. Revenues from the sale of building materials are posted after the agreed transfer of risk.

### **Segment reporting according to IFRS 8**

#### **Products and services that result in income from reportable segments**

According to IFRS 8, business segments are to be delineated on the basis of internal reporting on group areas, which is regularly reviewed by the company's main decision-maker with regard to decisions regarding the allocation of resources to these segments and the assessment of their profitability. Information reported to the Executive Board as the main decision-maker for the purpose of allocating resources to the Group's business segments and evaluating their profitability relates to the types of goods or services that are manufactured or provided. The reportable segment of the group according to IFRS 8 is the property development business. The group turnover corresponds to the segment turnover and the group result corresponds to the segment result. Group assets correspond to segment assets and group liabilities correspond to segment liabilities.

#### **Products and services**

All products in connection with the creation of residential units have been combined into a group of comparable products. All sales shown in the income statement essentially relate to the product group described above.

#### **Geographic information**

The group operates in the Berlin-Brandenburg metropolitan region.

### **7.1 Sales**

Sales mainly relate to revenue from the sale of housing units.

### **7.2 Increase in inventories of finished goods and work in progress**

Increase in inventories of finished goods and work in progress totaled EUR 20,492.92 (12/31/2021: EUR 3,436,409.31).

### **7.3 Total output**

Total output totaled EUR 27,195.54 (12/31/2021: EUR 8,229,066.66).

### **7.4 Other operating income**

Other operating income totaled EUR 44,099.78 (12/31/2021: EUR 49,361.99).



## 7.5 Cost of materials

The cost of materials item includes all expenses incurred in connection with the construction of housing units.

## 7.6 Labour cost

Labour cost include wages and salaries as well as social security contributions in the amount of EUR 177,567.75 (12/31/2021: EUR 716,805.25).

## 7.7 Depreciation

Depreciation includes scheduled depreciation of property, plant and equipment and intangible assets in the amount of EUR 28,092.42 (12/31/2021: EUR 117,747.21). Property, plant and equipment and intangible assets are depreciated on a straight-line basis over various useful lives (three to fifteen years).

## 7.8 Other operating expenses

Other operating expenses totaling EUR 90,888.24 (12/31/2021: EUR 606,671.82) include a large number of individual items. These include, in particular, the costs of the premises, transport costs, insurance and contributions, repairs and maintenance, advertising and travel costs, legal and consulting fees and other various operating costs.

## 7.9 Interest and similar income

The income totaling EUR 0.00 (12/31/2021: EUR 36.40) results from the investment of cash and cash equivalents at German banks as well as distributions for bank cooperative shares.

## 7.10 Interest and similar expenses

The interest includes expenses for the interest on borrowed loans amounting to EUR 36,684.51 (12/31/2021: EUR 143,935.12).

## 7.11 Income tax

The position can be broken down as follows:

	03/31/2022	12/31/2021
	EUR	EUR
Income tax current year	610.84	179,002.36
Deferred tax expense from valuation differences	0,00	0,00
Deferred tax income from valuation differences	0,00	0,00
	610.84	179,002.36

Deferred taxes are calculated on a company-by-company basis using different effective tax rates.

## 8 Earnings per share

Earnings per share are calculated by dividing net income by the number of shares issued. In accordance with IAS 33.19, the calculation of basic earnings per share is based on the number of ordinary shares of the weighted average number of ordinary shares outstanding during the period. Dilution effects are not to be considered.

	03/31/2022	12/31/2021
	EUR	EUR
Loss of the year attributable to the shareholders of the parent company	-284,293.64	-633,071.48
Number of shares	36.050.000	36.050.000
Earnings per share	-0,008	-0,018

## 9 Information on members of the corporate bodies

### 9.1 Management Board

Surname	First name	Position	Authority to act	Profession
Dr. Pahl	Christian	Board Member	Collectively	Merchant
Zienterski	Thomas	Board Member	Collectively	Merchant
Busch	Vincent	Board Member	Collectively	Merchant

Board members are listed at the time the report was prepared.

### 9.2 Supervisory Board

Surname	First name	Position	Profession
Mihr	Silke	Chairwoman	Tax advisor
Dr. Schubart	Constantin Carl Henry	Deputy Chairman	Professor of Business Administration
Marggraff (†03/31/2022)	Peter	Member	Merchant

At the general meeting on March 17, 2021, the members of the supervisory board were elected as members of the supervisory board with effect from the end of this general meeting until the end of the general meeting that decides on the discharge for the financial year 2025.

## 10 Number of employees

In the reporting period, the Deutsche Eigenheim Union Group had an average of 9.5 (12/31/2021: 9.5) employees.

## 11 Risk management policy and countermeasures

The aim of the Deutsche Eigenheim Union Group's risk management is to identify and record all significant risks and their causes in good time in order to avoid financial losses, debt losses or disruptions. The procedure ensures that suitable countermeasures for risk avoidance can be implemented. At the same time, the Management Board and the Supervisory Board are informed. Essentially, it is an early warning system by monitoring liquidity and earnings performance.

The Deutsche Eigenheim Union Group is generally exposed to risks. The demand for residential property can fluctuate in the context of economic fluctuations. Reduced demand and willingness to pay can lead to earnings risks. Exceeding the sales period harbors the risk of additional financing costs. The Deutsche Eigenheim Union develops high quality real estate at affordable prices. The demand situation and the price elasticity for the housing supply is constantly monitored.

The creation of affordable living space is associated with risks such as higher, non-budgeted costs or increased construction time and thus increasing financing costs.

The Deutsche Eigenheim Union employs experienced project managers who work out careful planning and lay the foundation for the fulfillment of services in accordance with the planning. Risks can arise with regard to the availability of construction services and reasonable construction prices. The Deutsche Eigenheim Union counters the construction cost risk with established business relationships with selected companies and generates purchasing advantages based on attractive construction volumes.

### 11.1 Borrowing and interest rate risk

The group has used loans to implement its business model operationally. Because of the fixed interest rate, there are no interest rate risks for loans. As of the balance sheet date, there were loans in the amount of EUR 2,227,480.70 (12/31/2021: EUR 1,696,309.76). The other financial liabilities are not subject to any interest rate risk, as the conditions are firmly agreed until the end of the term.

### 11.2 Fair values of financial instruments

#### 11.2.1 Assets

03/31/2022 in kEUR	Short-term		Total book values	Fair value
	Trade receivables	Cash		
Financial assets measured at amor- tised cost	36	6	42	42

12/31/2021 in kEUR	Short-term			Total book values	Fair value
	Trade receivables	Cash			
Financial assets measured at amor- tised cost	39	118		157	157

For the instruments presented in the table above and below, the Management Board considers the carrying amounts in the consolidated balance sheet to be a good approximation of their fair values.

### 11.2.2 Liabilities

03/31/2022 in kEUR	Short-term			Total book values	Fair value
	Bank loan	Trade payable	Other financial liabilities		
Financial liabilities measures at amor- tised cost	320	269	1.907	2.496	2.496

12/31/2021 in kEUR	Short-term			Total book values	Fair value
	Bank loan	Trade payable	Other financial liabilities		
Financial liabilities measures at amor- tised cost	73	260	1.623	1.979	1.979

### 11.3 Exchange rate risk

Exchange rate risks arise with financial instruments that are denominated in a foreign currency, i.e. in a currency other than the functional currency (EUR). Certain business transactions (purchase of goods) in the group are denominated in foreign currencies, which is why risks arise from exchange rate fluctuations. These are negligible because of the small size.

### 11.4 Other price risks

Other price risks can result from increasing purchase prices. There are currently no long-term supply contracts or similar measures that could limit these risks. The conclusion of such contracts would have a negative impact on the flexibility required by management in the tendering of material and service requirements.

## 11.5 Risk arising from the default of receivables

The default risk of receivables from the sale of residential units is limited. The buyer already pays the purchase price in installments during the construction phase. Building materials are usually delivered against prepayment.

## 11.6 Liquidity risk

The Group manages liquidity risks by constantly monitoring forecast and actual cash flows and reconciling the maturity profiles of financial assets and liabilities.

The following tables present the expected future cash flows of the financial liabilities (undiscounted repayments) as of March 31, 2022 and December 31, 2021. The interest payments were not taken into account.

Financial liabilities valued at amortised cost	pro-forma book value 03/31/2022 kEUR	Cash flow up to 1 year kEUR	Cash flow > 1 year to 5 years kEUR	Cash flow > 5 years kEUR
Accruals	325	323	0	2
Interest-bearing financial liabilities	2.290	2.290	0	0
Non-interest bearing financial liabilities	5.336	5.336	0	0

Financial liabilities valued at amortised cost	pro-forma book value 12/31/2021 kEUR	Cash flow up to 1 year kEUR	Cash flow > 1 year to 5 years kEUR	Cash flow > 5 years kEUR
Accruals	327	325	0	2
Interest-bearing financial liabilities	1.719	1.719	0	0
Non-interest bearing financial liabilities	4.839	4.839	0	0

Non-interest-bearing financial liabilities of EUR 5,008 thousand (12/31/2021: EUR 4,557 thousand) relate to advance payments received from buyers and EUR 268 thousand (12/31/2021: EUR 260 thousand) to trade payables.

## 12 Events after the financial statement date

No further significant events occurred up to May 4, 2022.

Berlin, May 4, 2022

Management Board



Dr. Christian Pahl



Thomas Zienterski



Vincent Busch

## Imprint

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**Supervisory board:** Chairwoman: Silke Mihr

Deputy chairman: Prof. Dr. Constantin Carl Henry Schubart

Member: Peter Marggraff (†31.03.2022)

**Management board:** Dr. Christian Pahl, Thomas Zienterski, Vincent Busch

**Registered office:** Berlin, court Charlottenburg, HRB 236221

Conception, design and realization: Deutsche Eigenheim Union AG

## Editorial Comment

This report is the first editorial version. We reserve the right to make editorial changes.