

2024

ANNUAL REPORT



THINKING AHEAD.

FOREWORD	3
THE LHI GROUP	5
Strategy and positioning	7
Sustainability	10
Structure	12
Human Resources	13
Milestones	15
Key figures	17
Code of Ethics	18
LHI GROUP BUSINESS DEVELOPMENT 2024	21
Earnings position	22
Outlook	22
Figures from the balance sheet and income statement	23

Foreword by the Executive Board



LHI MANAGEMENT

Alexander von Dobschütz,
Clemens Richter,
Markus Niedermeier
(f.l.t.r.)

Alexander von Dobschütz

Markus Niedermeier

Clemens Richter

We are pleased with our stable business result and the new business volume of over 770 million EUR.

The market environment continued to be challenging in 2024, especially in the real estate sector. Independently, we were able to expand our real estate investments with the purchase of a section of the Husemann Karree in Bochum and an Edeka centre in Hamburg, among others. In addition, a special AIF was launched that invests in educational properties. The successful lettings of altogether 47,000 square metres of rental space are a testament to the quality of our asset management.

Five new solar parks were added to our portfolio in the renewable energies asset class, including two innovative solar parks with storage systems. A total of 13 solar/wind power plants were connected to the grid in 2024. According to estimates, the electricity generated annually by the plants newly acquired in 2024 and additionally connected to the grid in 2024 will be able to supply around 79,000 two-person households, thereby saving around 82,000 tonnes of CO₂ per year. The wind and solar parks were each purchased for various institutional funds managed by LHI. In total, LHI's portfolio includes 79 solar parks with a total nominal output of 692 MWp and 36 wind parks with a total nominal output of 522 MW.

In the area of structured financing, we were able to implement a further financing for five battery-powered hybrid vehicles of DB Regio and a manufacturer financing. For the first time, manufacturer financing was securitised through our company in Luxembourg. We also designed various leasing arrangements for

companies in the manufacturing sector.

The excellent quality of our asset management was confirmed once again in 2024 by the international rating agency Scope, which awarded us an overall rating of AA for all three asset classes: real estate, renewable energies and aviation. LHI's assets under management amount to around 15 billion EUR, which is more than in the previous year.

We were particularly pleased that our AIFM in Luxembourg, LHI Management Luxembourg S.A., was awarded the full open licence by the Luxembourg financial supervisory authority CSSF in the first half of 2024. We now manage three open-ended special funds in Luxembourg.

In 2024, it became clear that the combination of long-term and forward-looking action with flexibility and structuring expertise is one of the LHI Group's USPs.

In the fourth quarter of 2024, the management of the LHI Group was reorganised by its shareholders. It now consists of the two Managing Directors Alexander von Dobschütz and Markus Niedermeier as well as the Chief Representative Clemens Richter.

We would like to express our sincere thanks to our employees, customers and investors for their trust in us and their commitment.



OPTIMISING PERFORMANCE.

Awards



The international rating agency Scope confirmed our outstanding asset management quality with an AA rating.

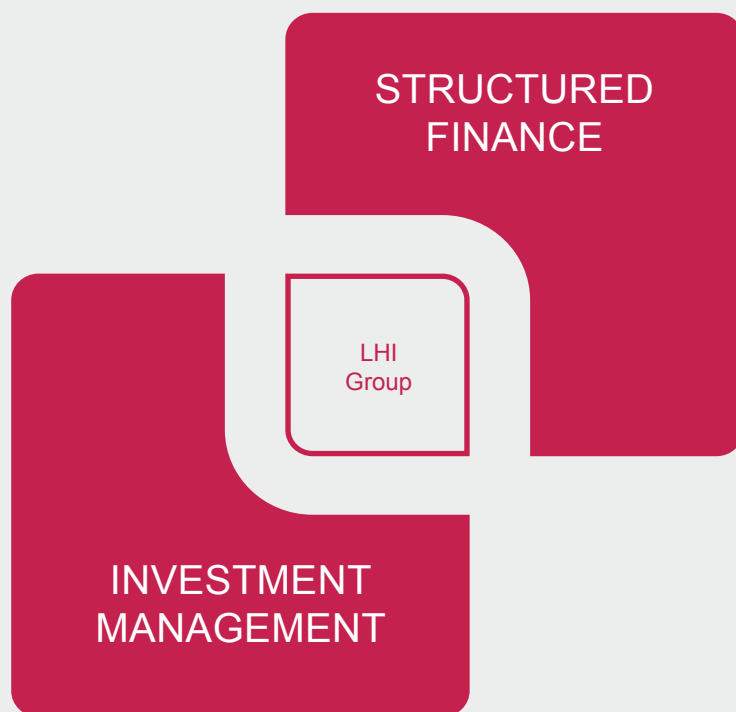
LHI was honoured by Scope Rating as the best asset manager in transportation for the third year in a row.

We were nominated as best asset manager in the asset classes of renewables and real estate, which gave us a top 5 ranking.

LHI also received the ESG Reporting Award from Exxexecnews for the third time in a row.

An ESG Capability Rating from the rating agency Scope was commissioned for the year 2024. Scope assigns LHI Kapitalverwaltungsgesellschaft mbH an initial ESG Capability Rating of A- ESG. This confirms the company's good quality and competence in the context of its current and future ESG orientation.

EARNING TRUST.



The LHI Group

The LHI Group consists of LHI Leasing GmbH, founded 1 October 1973 as a real estate leasing company, and its subsidiaries. Since 2015, LHI Leasing GmbH has been a wholly owned subsidiary of LHI Holding GmbH, which, in turn, is wholly owned by four private individuals who were also managing directors of LHI Leasing GmbH until 31 December 2020.

The LHI Group is a provider of structured financing vehicles and serves as an investment manager for companies and investors. Complementary services, such as insurance solutions, real estate valuations, the performance of functions related to construction controlling or the management of external real estate portfolios, round out the product range.

LHI Leasing GmbH is a regulated company in the financial sector and is therefore subject to the provisions of the German Banking Act. In relation to the brokerage of capital and the management of equity capital arrangements, a significant portion of the services are provided by two wholly owned subsidiaries, LHI Capital Management GmbH and LHI Kapitalverwaltungsgesellschaft mbH. Both Companies are also subject to German financial supervision, have their own staff and are linked to LHI by profit and loss transfer agreements. LHI has a branch in Pöcking and an office in Stuttgart.

In addition, it holds indirect shareholdings in LHI Management Luxembourg S.A., which supports business activities in the Luxembourg market.

RECOGNIZING POTENTIAL.

GENUINE QUALITY – GENUINE LHI

International School of
Management (ISM)
Frankfurt on the Main, Hesse
Investment Management >
Real Estate

INTERNATIONAL SCHOOL OF MANAGEMENT



PROMOTING PROGRESS.

**GENUINE QUALITY –
GENUINE LHI**

Solarfarm
Schneid, Bavaria
Investment Management >
Renewables

Strategy and positioning

The current overall economic environment continues to be characterised by international crises and stagnation in the German economy. This starting position offers opportunities and risks for our business model.

Our diversified business model is based on two pillars: Structured Finance and Investment Management. A sustainable orientation is more decisive for us than short-term optimisation of earnings. Maintaining our stable earnings base is a value in itself. We make our decisions with a sense of proportion and with farsightedness.

LHI has a strong equity base. We have high risk cover amount available in relation to our business activities. This makes us less susceptible to crises than our competitors. In addition, we employ a conservative risk policy. We see that risks to be assumed are not fairly priced in some cases. We deliberately refrain from these business transactions. Like every larger company, LHI is also integrated into an overall economic environment over which we have no influence. For example, our business model presupposes that the products we design may be refinanced at appropriate conditions. For this reason, we work with a large number of domestic and foreign credit institutions and incorporate subordinated capital from institutional investors.

This leads to a linking of the two pillars of our business model: We combine the asset and liability side of an investment. This generates the greatest possible benefit for both investors and property users. This integrated business model has also proven its worth in the years since the last financial crisis and will be continued accordingly. The efficient management of property companies is an integral part of our business model.

LHI has a very robust IT infrastructure based on a modern SAP-HANA infrastructure. Our software reflects the requirements posed by our business model and those of German and international commercial and tax laws. This distinguishes LHI from many other service providers.

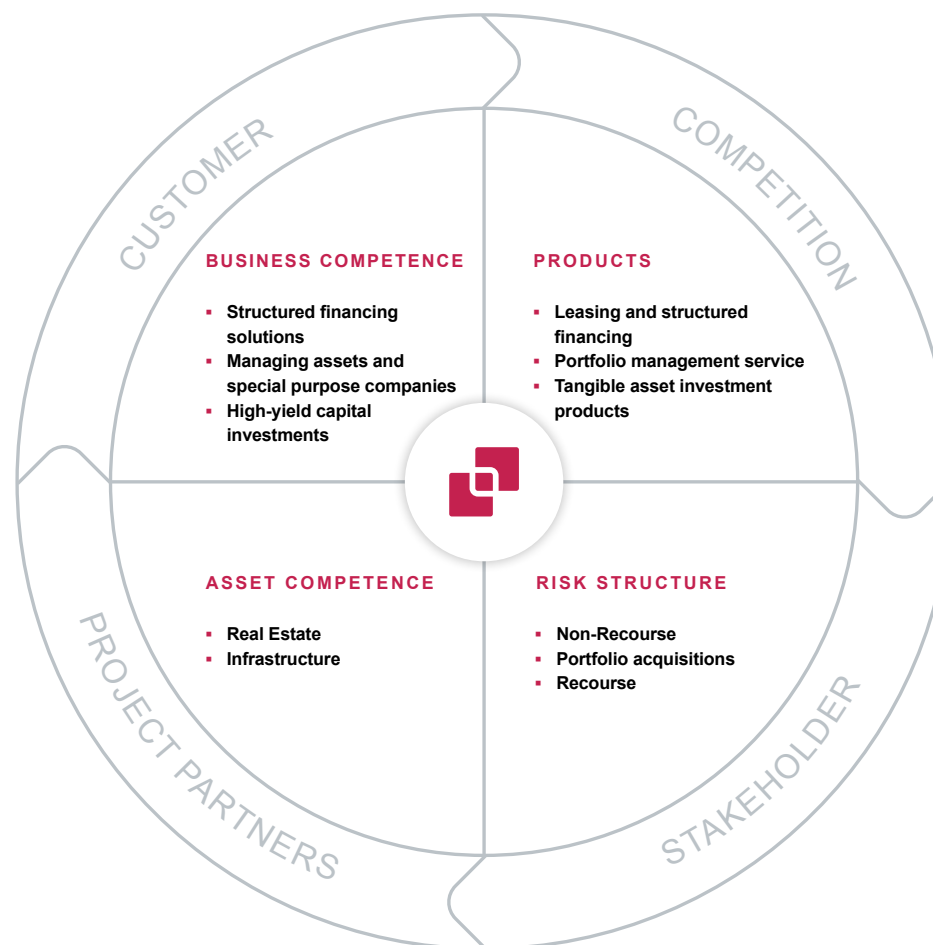
We not only design, but also implement and manage the projects from one single source - in some cases for well over 20 years. Due to the long-term management of our property companies, we generate stable fee income.

LHI has acquired leasing and fund portfolios on numerous occasions in the past. We would continue to do this in future if the associated risks can be calculated and opportunities foreseen, for example through the use of cost digression.

We go far beyond traditional leasing solutions in the field of Structured Finance. We achieve customer-specific requirements and objectives through the use of complex and highly-tailored structuring solutions. For instance, we design successor-oriented corporate structures for companies, we provide support regarding compliance with financial covenants, and we help with the optimum fulfilment of requirements under balance sheet and supervisory law. Especially in the area of investment financing, we pay attention to tax implications and make any necessary adjustments during the term of the respective contract.

We offer investment management services for the asset classes of real estate and renewables and, depending on requirements, for our products in the area of structured finance. LHI's investment products fulfil all the requirements of institutional investors. Design, asset management as well as portfolio management - including risk management and reporting - are all performed entirely by LHI. An important part of our strategy in this area is to ensure that investment designs precisely satisfy the specific requirements and needs of the respective investor group. Accordingly, we intentionally focus on business with institutional investors and family offices. We have developed investments especially for foundations, pension schemes, pension funds and insurance companies. This allows the specific requirements of each respective investor group to be better taken into account during the term of the investment. Going forward, our investment products will have an even greater focus on offerings that are sustainable and create social benefits.

SEIZING OPPORTUNITIES.



PROVING VISION.

**GENUINE QUALITY –
GENUINE LHI**

Husemann Karree
Bochum,
North Rhine-Westphalia
Investment Management >
Real Estate

Sustainability

An essential prerequisite for successful and appropriate sustainability management and the achievement of sustainability goals is the organisational anchoring of sustainability in the company. In addition to the active involvement of management, this includes in particular the creation of suitable organisational structures to ensure central, transparent and company-wide management of the implementation and control of all activities from a sustainability perspective. Regulatory requirements are taken into account and sustainability targets are achieved with clearly defined competences and tasks.

Sustainable thinking and actions can be found on all company levels. In the person of the Chief Sustainable Officers (CSO), the topic of ESG is anchored at the highest management level of the Group, with clear responsibility. LHI, LHI KVG and LHI CapMan have, moreover, each appointed a representative with overarching responsibility for ESG issues: All ESG Officers participate in all committees related to sustainability, have a coordinating and disseminating function within the company and report directly to the CSO. In addition, all operational units affected by ESG topics have a responsible employee, who also participates in the committees that are relevant to the specialist department and is responsible for knowledge transfer in his specialist area. Committees related to sustainability include the sustainability advisory board, which advises the management, the regular sustainability meetings, which serve to exchange information at the operational level, and working groups that address solutions for specific problems, such as new regulatory requirements, on a temporary and as-needed basis. The most important contractual partners are also reviewed as part of the ESG assessment of a transaction. This mainly involves publicly accessible sources. In particular, this also involves compliance with the minimum social safeguards. Checks are made as to whether the respective company has its registered office or production site within the EU and thus whether the laws and standards that apply within the European Union are applicable or whether the project partner has signed up to an internationally recognised standard. Further checks ascertain whether an ESG rating or a voluntary commitment that goes

beyond the legal requirements has been published for the respective company.

In addition, an ESG score is obtained from Creditreform (Crefo). The threshold for cooperation with all business partners is the Crefo ESG score defined for LHI KVG's new business. LHI KVG is subject to regular external and independent sustainability ratings. The company's sustainability performance was categorised as "good" overall by the agency imug rating (2023). Following a sustainability rating by imug rating in previous years, the rating agency Scope was commissioned to prepare a sustainability rating for the first time in 2024. Scope assigns LHI Kapitalverwaltungsgesellschaft mbH an initial ESG Capability Rating of A- ESG. This once again confirms the company's good quality and competence in the context of the current and future ESG orientation. LHI KVG has been a member of the United Nations Principles for Responsible Investment (PRI) since 10 May 2023.

LHI KVG is a founding member of the sustainability initiative "Impact on sustainable aviation e.V.". By the end of 2024, the association, which was founded in 2022, already had 40 members, including renowned banks, investors, leasing companies, law firms and consulting firms as well as academic institutions from various parts of the world. LHI is also a supporter of [IES International Ethic Standards](#) and has joined the [ICG Institute for Corporate Governance](#) in the Real Estate Industry.

The LHI Group has been monitoring its CO₂ emissions since 2020. On this basis, emissions resulting from business activities according to Scope 1, Scope 2 and, to some extent, Scope 3 (Greenhouse Gas Protocol – GHG) are at least offset in the balance sheet. The 578 tonnes of CO₂ emissions in 2022 could be reduced to 558 tonnes in 2023. The measurements are performed by the Munich-Ebersberg Energy Agency. Since this year, we have been offsetting our greenhouse gas emissions through the Munich district "Aktion Zukunft +". By investing in "Future + Certificates", not only are international certificates acquired but local projects are also supported. We have

already purchased certificates to offset 625 tonnes of CO₂ per year for the years 2024 and 2025.

Internationally, we have decided in favour of Gold Standard certificates for a solar park in India (GSF register (goldstandard.org)). Locally, we support two forest conversion projects in the districts of Munich and Ebersberg.

In addition, the LHI Group has invested in its own renewable energy projects. In 2024, the wind and solar parks as well as hydroelectric power plants managed by LHI produced enough electricity for more than 350,000 four-person households, thereby saving more than 570,000 tonnes of CO₂. However, according to the GHG Protocol, these savings cannot be credited to one's own carbon footprint.

LHI is a member of the initiative "Die Klimaneutralen" (Climate Neutral) (<https://www.die-klimaneutralen.de/>), a joint campaign of the Munich and Ebersberg districts.

Since April 2021, we have been working with [beefuture](#) to adopt three bee colonies, which have been living on the LHI campus since April 2021.

ENABLING GROWTH.

GENUINE QUALITY – GENUINE LHI

Fenecon GmbH
Vilshofen on the Danube,
Bavaria
Structured Finance >
Buy-and-Lease



Structure

SHAREHOLDER

LHI Holding GmbH

MANAGEMENT

LHI Leasing GmbH

Financial services institution, control of the LHI Group, founded in 1973

LHI Leasing GmbH is a financial services institute and operates according to the provisions of the German Banking Act (Kreditwesengesetz).
The company established risk management systems that meet these strict supervisory standards.

OPERATING SERVICE COMPANIES

LHI Kapitalverwaltungsgesellschaft mbH
Investment management company within the meaning of the
KAGB, management of AIFs,
founded in 2013

LHI Capital Management GmbH
Sales/Investor Relations,
founded in 2012

LHI Luxembourg Group
LHI Management Luxembourg S.A.
Fund issues and fund management according to Luxembourg law,
founded in 2009

LHI Securitization S.A.
Securitisation company in Luxembourg, founded in 2017

LHI Versicherungsmakler GmbH
Advisory services/Insurance,
founded in 2005

LHI Real Estate Management GmbH
Construction advisory services/Construction management,
founded in 1988

MANAGEMENT OF PROPERTY COMPANIES

Intermediary holding companies
Various intermediary holding companies, including the
acquisition of various leasing portfolios.

Special purpose companies
Special purpose companies'
projects



GENUINE QUALITY – GENUINE LHI

International School of
Management (ISM)
Frankfurt on the Main, Hesse
Investment Management >
Real Estate

DEFENDING VALUES.

Human Resources

In all company-related matters, we take into account the requirements and expectations of our business partners and employees. Only when a company keeps sight both of these, will it be successful.

Our business partners are aware of our first-class market and industry know-how. This forms the basis of our high-quality products. At the same time, we can only achieve this with passionate and motivated employees. People who develop concepts for today and tomorrow and want to help shape a company's future.

We know that flexibility in the way we work together is an increasingly important success factor not only for all of our employees, but also for the company itself. Flexible structures are an integral part of our value chain. Creative processes and close proximity to the customers will, however, in future also require a healthy mix of flexibility and personal exchange. Our concept of cooperation on site and a high degree of possibilities for the individual design of the working hours offer an optimum basis for this.

Furthermore, the consistent specialist and personal further development of all employees has a long tradition in LHI and is of high significance. We regularly support our employees with extensive training programmes to help them to rise to future challenges in the best possible way.

Because after 50 years of company history, one thing is certain: nothing is as constant as change. The combination of experienced experts, who have been operating on the market for a long time, and

young people, who set new trends with their ideas, is an essential factor for success. We thus fulfil both the expectations of our business partners and the strategic targets of LHI. We understand further development to mean not only career steps along the hierarchy, but also the promotion and further development of specialised careers in particular. Different areas of work and work contents always offer all employees the opportunity to set their own new course.

The individual at the heart of our activities. The health of the employees is also very important to us. Therefore, we regularly organise health days and offer all interested parties the possibility to take part in LHI sport activities or in cultural offers.

In addition, it is important to us to offer the workforce a healthy and well-balanced diet. In the in-house company restaurant, there is a choice of different meals. As far as possible these are prepared using products from the region. We also offer free fresh fruit daily for a balanced range of vitamins. Our coffee points invite social and interdisciplinary communication with speciality coffees, tea or water.



Human resources in figures



average length of service at LHI

Share of men



Share of women



32 %
female managers at LHI
in 2024

5

employees in the Human Resources team

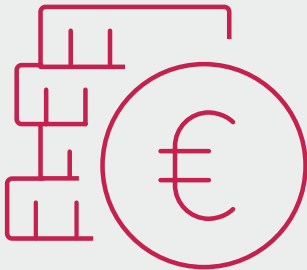


Employment contracts

1 % temporary
99 % permanent

Employees

from 9 countries



Around 164,000 Euro

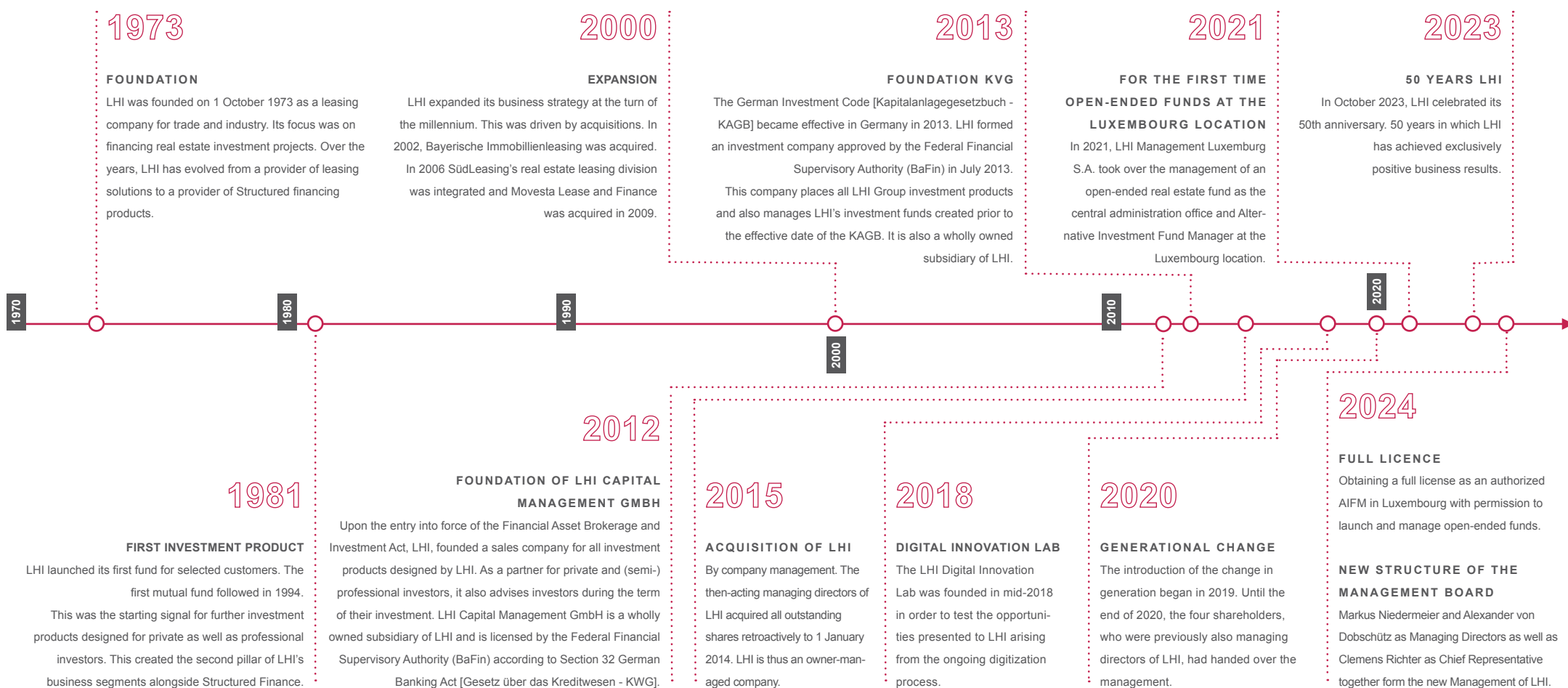
total investment in further training
in 2024

**OFFERING
PERSPECTIVES.**

252

active employees on average at LHI
in 2024

STAYING ON TRACK.



CREATING MOBILITY.



GENUINE QUALITY – GENUINE LHI

Deutsche Bahn AG,
for the railway network
Franconia-South Thuringia
Structured Finance >
Rolling Stock

Key figures

	31.12.2024 in TEUR	31.12.2023 in TEUR	31.12.2022 in TEUR	31.12.2021 in TEUR
Equity ratio in %	28,0	30,0	30,0	47,2
Economic result	10,770	10,680	11,810	21,130
	in Mio. EUR	in Mio. EUR	in Mio. EUR	in Mio. EUR
New business volume	770	3,000	520	1,130
Investment volume under management	14,796	14,200	14,312	14,441
Transaction volume	1,030	3,350	750	1,400
Companies under management	1,170	1,234	1,310	1,356
Number of employees	261	273	274	264

GENUINE QUALITY – GENUINE LHI

Prem Contor,
Hanseatic City of Hamburg
Investment Management >
Real Estate

Code of Ethics

Foreword

This Code of Ethics is very important for achieving our common goal – quality for your success. Our success lies in a company-wide corporate culture characterised by integrity, mutual respect and individual responsibility. We place our long-term economic success – with the greatest possible benefit for our customers – at the centre of our actions. This Code of Ethics should serve as guidelines for conduct for our executives and employees. It contains values, basic behaviour, attitudes and rules of conduct which are binding for managers and employees when dealing with our business partners, customers, competitors and authorities.

General principles: Lawful conduct

Compliance with laws and regulations

In all business activities and decisions, we undertake to comply with the applicable laws, rules and regulations and other relevant provisions of the countries in which we operate. To ensure this, we have established a comprehensive internal control system and compliance management system (including tax compliance).

Prevention / Combating money laundering, terrorist financing and corruption

Concerning money laundering prevention and the fight against terrorist financing and corruption, our company's goal is to identify (and prevent) all transactions with a potentially illicit motive. We comply with the relevant obligations under the Money Laundering Act (GwG) and the regulations set out by the competent supervisory authorities, e.g. BaFin, on measures to combat and prevent money laundering, terrorist financing and corruption. To this end, we employ internal safeguards and monitoring measures that are geared to the potential risk and are documented in each case. Regular checks are carried out by the money laundering officer and the internal audit department, to be able

to take any necessary countermeasures at an early stage. In addition, managers and employees are regularly trained to prevent and fight against money laundering, terrorist financing and corruption.

Compliance with data protection requirements

The personal data of our business partners, customers and employees is protected against unauthorised access and unlawful use by way of security measures. We have implemented the requirements of the European Data Protection Regulation (GDPR) and the Federal Data Protection Act (BDSG - new) in our company since 25 May 2018, and have implemented a functioning data protection management system. Our data protection officer monitors the correct handling of personal data and compliance with the relevant laws at regular intervals. Our employees receive regular training on data protection issues. Business partners, if they have access to personal data via us, are obligated to comply with the legal requirements.

Fair competition

We comply with applicable anti-trust laws and regulations to protect fair competition. In particular, agreements such as price fixing that affect free and fair competition are prohibited. We gain a competitive advantage through our performance – best-in-class solutions – and not through unlawful business practices. We neither offer business partners, customers and public officials inappropriate gifts or favours nor do we accept such gifts or favours.

Principles for treating each other

Mission statement of LHI

Our dealings with each other are characterised by the following values and basic attitudes: mutual respect, loyalty, reliability and commitment, correctness and fairness, authenticity, performance orientation and discretion. Our actions should be as transparent as possible. More details on "What we do", "How we do it", and "How we lead" can be found in our mission statement.

Avoidance of conflicts of interests

We are committed to avoiding situations where personal and/or financial interests conflict with those of our company. We disclose remunerated secondary activities that could lead to conflicts of interest and harm our company or clients and will not include them without consent. Gifts, hospitalities, invitations or other types of benefits must comply with customary business and market practices and be considered appropriate and socially adequate with regard to the occasion of the benefit and the position of the recipient.

Principles for dealings with business partners and clients

Business relationships

Our business relationships are characterised by the following values and rules of conduct: professionalism, reliability, discretion, transparency and correctness. We advise and support our business partners and customers or potential business partners/customers respectfully and personally.

Handing confidential information

We undertake to maintain the confidentiality of our business partners and customers at all times within the framework of governing statutory provisions. Company and business secrets are treated confidentially.

Completeness of information

We inform our business partners and clients in a competent manner regarding the products and services offered. We communicate in a binding, open-minded and clear way. The information we provide is complete and comprehensible in itself to offer business partners and potential business partners a basis for a long-term and successful business relationship.

Quality

Our products and services are characterized by the highest quality standards and continuous adaptation to market developments and customer needs. We follow new developments as soon as we have recognised the corresponding benefits without abandoning tried-and-tested solutions. Continuous training and the development of our employees round off the requirements for our quality standards.

Principles of sustainability

Corporate responsibility

For us sustainability is both a matter of course and a corporate concept for the benefit of all stakeholders of LHI and future generations. We operate in accordance with material and recognised industry, national and international standards on sustainability, and comply with regulatory disclosure requirements applicable to us. The management team and all employees are actively involved in suitable organisational structures to ensure the central, transparent and company-wide management of all implementation and control efforts regarding our activities from a sustainability perspective. Voluntary community and social engagement are adequately supported at all times.

Ecological responsibility

We are committed to ensuring that the CO₂ emissions generated by our business operations are in line with the EU's holistic approach to de-carbonisation, and can, therefore, be considered "Paris Aligned". Unavoidable CO₂ emissions are more than just offset by the purchase of climate protection certificates. To reduce our energy consumption and our CO₂ footprint, we are constantly improving the energy standard of our company's premises; we use green electricity or generate it ourselves using photovoltaic systems, we promote electromobility with the installation of E-charging stations and with electrically powered company cars, as well as the use of environmentally friendly means of transport and mobile working solutions. Our outdoor facilities are maintained according to ecological standards and are home to several bee colonies. Ecological standards also apply to the selection of contractors and business partners, as well as to the purchase of labour and food.

Social and societal responsibility

We observe the prohibition of discrimination and the observance of human rights. As an employer, we promote diversity and equal opportunities, provide performance-based remuneration, and ensure occupational health and safety at all times. We are aware of our social responsibility. We behave in a manner that reflects the responsibilities of our company within society. We are socially committed, e.g. by means of donations, to charitable or social institutions or memberships that represent a form of sponsorship by nature.





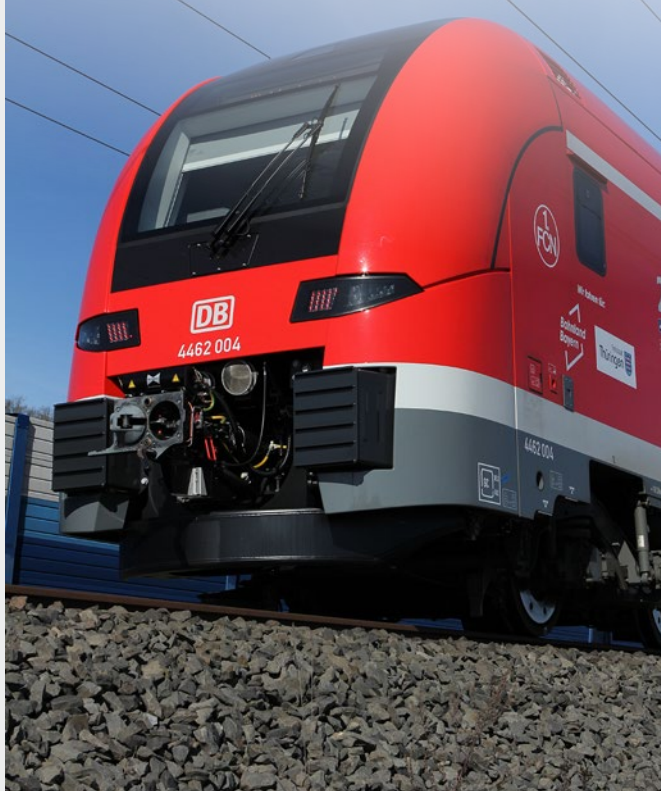
SECURING POWER.



**GENUINE QUALITY –
GENUINE LHI**

TESVOLT-Gigafactory
Lutherstadt Wittenberg,
Saxony-Anhalt
Structured Finance >
New build lease

SUPPORTING CHANGE.



Business performance – excerpt from the 2024 management report

Taking into account the current market environment, the business development and earnings situation of LHI Leasing GmbH in the reporting period just ended can be considered good. The strategic earnings target of 5.0 million EUR was almost achieved with a commercial result of 4.9 million EUR. Special effects contributed to an achievement of objectives just below the strategic earnings target, as in a number of cases, planned earnings could not be fully realised. The result is of a well-diversified composition.

The general interest rate level is a decisive factor for LHI's business activities. The brief decline in interest rates in the second half of the year was, however, only partially reflected in the business segments. The high level of asset management and structuring expertise and the ability to generate attractive real asset investments is therefore of great importance. Regardless of the interest rate level, demand for individually and precisely tailored financing products can be expected to continue.

In total in the past financial year, new business transactions with a value of 770 million EUR (previous year: 3,000 million EUR) were structured and transferred to LHI for administration, or will be transferred in the coming years. The very high volume of the previous year was characterised by a large-scale individual transaction in the rolling stock sector.

In the property sector, a revival of the market was discernible. LHI properties are only selectively affected by the noticeable reduction in price levels, due to conservative portfolio selection and good tenant credit ratings. The return requirements for

new investments have increased. In 2024, relevant new leases were concluded and existing leases extended. This had a positive impact on the earnings of LHI Leasing GmbH.

LHI has increased the size of its existing structures in the asset class of plants for the generation of energy from renewable sources and added suitable assets to them. Investors display great interest in products in the renewable energy asset class. Activities focused on assets from innovation tenders with a combination of energy generation and temporary energy storage.

In the classic leasing sector, companies from the strong business years (1995 - 2005) are coming to their regular end due to typical leasing terms of 20 - 25 years. The good new business situation of the past few years in the areas of renewable energies and real estate, the financing for rolling stock established in recent years, and the substantial increase in the consumer price index in 2023, which formed the basis for the development of portfolio fees, led to an increase in the fee volume in the fiscal year 2024. It can be assumed that the administration fees from new business will continue to largely offset the reduction in the volume of old leasing business in the future. The development of the portfolio and the management of processing capacities remain easy to plan, and further development is therefore expected to be very stable.

As of 31 December 2024, 1,170 companies (previous year: 1,234) were managed by LHI Leasing GmbH. The original total investment costs of the

financing structures of these companies were equivalent to around 14.8 billion EUR (previous year: 14.2 billion EUR). The total investment costs lost were more than offset by the new business concluded in 2024. On the whole, the portfolio volume remains dominated by real estate.

LHI Real Estate Management GmbH is responsible for the construction side of the financing projects. By monitoring the quality of the construction process, possible consequential damage can be limited and investment risks can be identified at an early stage. LHI Real Estate Management GmbH also offers its services to external third parties, thereby generating additional fee income. The 2024 financial year was satisfactory for LHI Real Estate Management GmbH. Earnings for purposes of commercial law were positive.

LHI Management Luxembourg SA is a regulated AIFM. The company provides AIFM services for three Luxembourg investment funds (open-ended special property funds). It manages one of these products for internal group purposes. The group's internal securitisation company, LHI Securitisation SA, is also based in Luxembourg. It has been active in the securitisation business since 2018. Luxembourg as a business location has consistently gained in importance for the LHI Group. LHI Management Luxembourg SA is developing positively, according to plan.

LHI Versicherungsmakler GmbH is a joint holding company of LHI Leasing GmbH and conTRact Versicherungsmakler GmbH. LHI Versicherungsmakler GmbH acts as a point of contact for all insurance-related issues with the main task of optimising insurance cover for the property companies under management. Earnings are influenced by the generation of brokerage commissions and may be described as good for the past financial year.

Earnings position

In the 2024 financial year, LHI Leasing GmbH generated a net profit for the year of 4.9 million EUR in accordance with the German Commercial Code (previous year: 6.3 million EUR). It is thus 1.4 million EUR lower than in the previous year. The commercial result target of 5.0 million EUR was largely achieved.

Current remuneration for the management of property companies and special fees are reported under "Other operating income". This item decreased from 36.5 million EUR to 35.5 million EUR. The decline in other operating income was mainly due to lower gains on the disposal of financial investments in non-current and current assets, as well as a smaller impact from special fees.

Income from investments, including profits and losses from profit and loss transfer agreements, increased to 13.4 million EUR (previous year: 12.4 million EUR). This resulted from higher profits due to increased commission income at LHI Capital Management GmbH and increased commission income and other operating income from administrative services provided by LHI Kapitalverwaltungsgesellschaft mbH.

Net commission income declined year-on-year from 3.4 million EUR to 0.8 million EUR. Compared to the previous year, higher income could be generated from prematurely terminated involvements. The interest result increased in the current reporting period and thus made a positive contribution to earnings in the current reporting period.

Total personnel expenses increased from 21.6 million EUR to 22.9 million EUR. This is the result of one-off personnel expenses and increased expenses for partial retirement. The average number of staff employed over the year fell slightly. Other administrative expenses and other operating expenses fell from 23.5 million EUR to 21.7 million EUR. The change is mainly due to the decline in consulting costs as well as the decline in purchased third-party services.

Outlook

The trend towards further investments in the renewable energies asset class remains unbroken. The investment incentives introduced in Germany in 2024 will also open up investment opportunities in 2025. Regardless of this, further market development needs to be monitored.

The real estate environment will continue to be challenging, although the declining interest rate markets are having a supportive effect. Overall, a recovery in the markets is to be expected at a reduced price level, as the price expectations of buyers and sellers continue to converge. The continued high construction costs also place high demands on successful project developments in 2025 in order to realise properties with an adequate risk/return profile. In the case of investment products, the focus remains on obtaining capital commitments from investors and investing these in full in existing projects. New product approaches are aimed at institutional investors and high net worth individuals. There are no plans for new investment offers for the general public in the future. Activities in Luxembourg will be further expanded as needed.

In the area of structured financing, LHI's structuring expertise offers particular opportunities in turbulent economic times. Transaction structures can be aligned with the needs of customers in the area of structured financing as well as with the needs of professional and semi-professional investors. This gives the LHI Group a unique selling point from which new business opportunities can regularly be developed, even in a difficult environment.

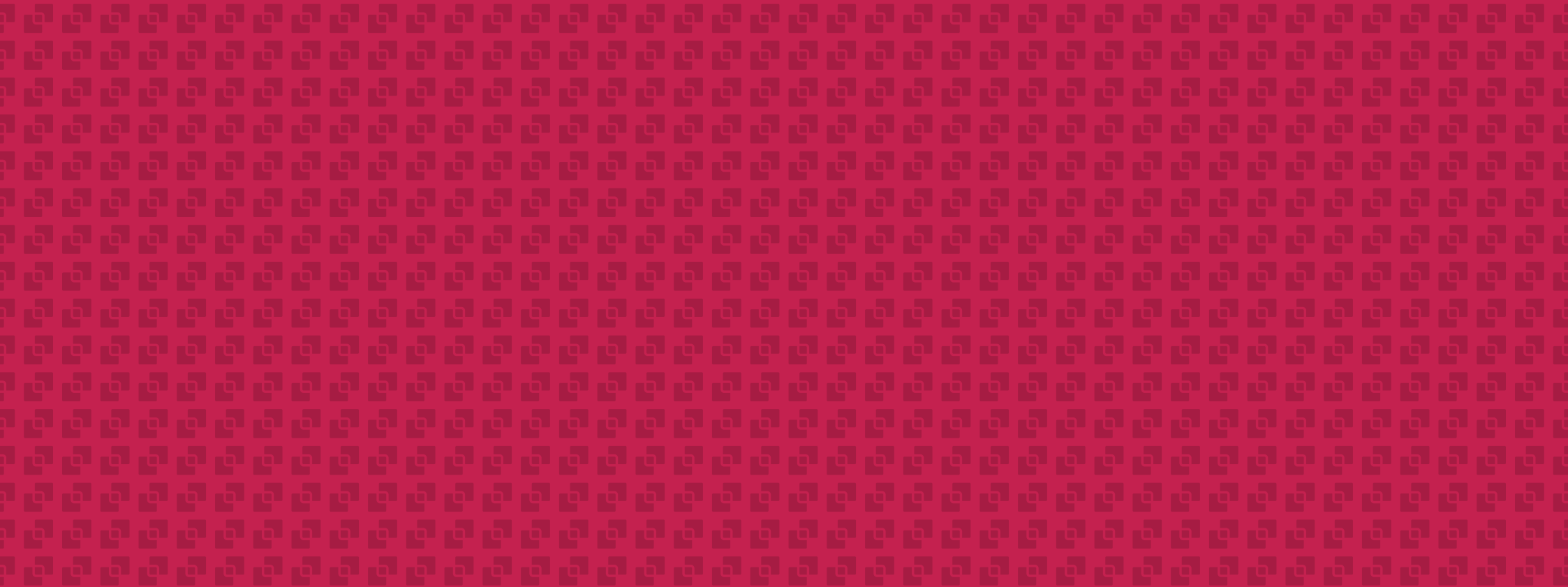
When managing property companies, opportunities may arise to further stabilise the business situation by taking on management mandates. Accordingly, the assumption of external service mandates and the purchase of further leasing or fund portfolios cannot be excluded. LHI Leasing GmbH is realising additional efficiency gains through the continuous digital transformation of its operations. By providing a stable technical infrastructure, it is possible to adapt to changing conditions at short notice, taking into account the interests of all stakeholders equally. This is further strong evidence of the LHI Group's performance and future success.

Figures from the balance sheet and income statement

	31.12.2024 in TEUR	31.12.2023 in TEUR	31.12.2022 in TEUR	31.12.2021 in TEUR
Loans and advances to clients	31,218	27,296	27,876	28,036
Investments and shares in affiliated companies	44,317	46,511	48,988	48,042
Cash equivalents	4,151	11,691	22,677	20,062
Liabilities to banks	0	0	17,598	7,642
Provisions	33,019	31,610	31,718	36,097
Equity	25,131	27,366	32,242	48,043
Total assets	89,713	91,817	107,677	101,679

INCOME STATEMENT

Current income from investments and affiliated companies as well as income from profit and loss transfer agreements	13,400	12,438	15,464	15,255
Income from current fees	26,650	26,528	25,152	27,948
Personal expense	-22,869	-21,630	-22,203	-21,646
Other administrative expenses	-20,546	-21,560	-20,157	-19,886
Result for the year	4,864	6,319	10,505	6,346



LHI Leasing GmbH
Emil-Riedl-Weg 6
82049 Pullach i. Isartal

Telephone +49 89 5120-0
Fax +49 89 5120-2000

info@lhi.de . www.lhi.de

Photo credits: Deutsche Bahn AG / Claus Weber, Leonie Lorenz, IBC SOLAR AG, TESVOLT, Heike Schröder