

# ACCENTRO

REAL ESTATE AG

## INTERIM REPORT H1 2020

# Overview

## Key Financial Data

ACCENTRO Real Estate AG	1st half-year 2020 01 Jan. 2020 – 30 June 2020	1st half-year 2019 01 Jan. 2019 – 30 June 2019
<b>Income statement</b>	<b>TEUR</b>	<b>TEUR</b>
Group sales	37,354	34,540
Gross profit/loss (interim result)	8,686	11,808
EBIT	1,219	6,588
EBT	-8,749	3,513
Consolidated income	-11,563	2,941
Interest coverage ratio (ICR)*	2.42	3.69

\* based on the definition specified in the terms of the 2020/2023 bond (adjusted EBITDA relative to the interest paid and interest earned during the last 12 months)

ACCENTRO Real Estate AG	30 June 2020	31 Dec. 2019
<b>Balance sheet ratios</b>	<b>TEUR</b>	<b>TEUR</b>
Non-current assets	106,799	102,508
Current assets	612,370	478,250
Shareholders' equity	210,083	220,811
Equity ratio	29.2%	38.0%
Total assets	719,168	580,757
Loan to Value (LtV)*	49.9%	43.1%

\* based on the definition specified in the terms of the 2020/2023 bond (net financial debt relative to the adjusted total asset value)

### ACCENTRO Real Estate AG

<b>Company shares</b>	
Stock market segment	Prime Standard
ISIN	DE000A0KFKB3
German Securities Code Number (WKN)	A0KFKB
Number of shares as of 30 June 2020	32,437,934
Free float	12.1%
Share price high (1 January – 30 June 2020)*	EUR 11.00
Share price low (1 January – 30 June 2020)*	EUR 7.15
Closing price on 30 June 2020*	EUR 10.30
Market capitalisation on 30 June 2020*	EUR 334,110,720

\* Closing prices in Xetra trading

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# Letter to the Shareholders

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

Following a dynamic start to the year, our business sector and with it ACCENTRO Real Estate AG have felt the ramifications of the coronavirus pandemic and the associated lockdown. These two factors diminished our sales volume between the middle of March and the end of May. Nonetheless, we matched last year's sales volume at EUR 45.6 million, a result not least attributable to the successful sales of higher-priced properties in up-market locations.

In fact, we slightly exceeded our prior-year revenues with a mid-year total of EUR 37.4 million. This does not even take into account sale and purchase agreements in an aggregate volume of EUR 27.1 million whose transfers of benefits and burdens have been delayed by corona-related bottlenecks at the land registries. Earnings before interest and tax (EBIT) took a dip at EUR 1.2 million. The earnings performance is also explained by one-off effects in the amount of EUR 5.4 million.

Buyer interest in our apartments remained on a persistently high level in recent months. The number of requests for information received in June actually set a new high-water mark. This favourable development is also reflected in the latest sales figures, which have rallied since June.

When including the units that we will put on the market during the second half of the year, our company's sales volume adds up to more than half a billion euros (EUR 526 million). Our pipeline is well filled therefore, and our business will gather significant momentum during the second half of this year.

So, we are quite confident as far as our business performance during the remainder of this year goes, and hereby reaffirm our forecast of a modest growth in revenues and of earnings before taxes and interest (EBIT) that match the prior-year level. Assuming not least that the coronavirus crisis will ease

**“ We are quite confident as far as our business performance during the remainder of this year goes. The outlook for ACCENTRO points to long-term growth.**

as the year progresses, we believe that the pace of our transactions will continue to accelerate. In addition to the growth in our retailing business, we also expect the second half-year to see an increase in block sales to institutional investors.

Analogously, the outlook for ACCENTRO itself points to long-term growth. Given our footprint in Berlin and our ongoing expansion into other German metro regions, our attractive portfolio of property developments, our excellent network as well as our robust liquidity, we are optimally positioned to seize growth opportunities as they present themselves.

At this time, I would like to thank you for the faith you put in us.

Kind regards,



Lars Schriewer  
Management Board



# Interim Management Report

## Preliminary Remarks

The condensed consolidated interim financial statements of ACCENTRO Real Estate AG on which this report is based have been prepared in accordance with the International Financial Reporting Standards (IFRS) the way they are to be applied in the European Union.

All monetary figures in this report are quoted in Euro (EUR). Both individual and total figures represent the value with the smallest rounding difference. Accordingly, adding the values of the individual line items may result in minor differences compared to the reported totals.

## 1 Basic Structure of the Group

### 1.1 Group Business Model, Objectives and Strategies

The ACCENTRO Group is a listed property company focusing on residential real estate located in Germany. The business activities of the ACCENTRO Group centre on the trading of residential properties and individual apartments, especially the retailing of apartments to owner-occupiers and buy-to-let investors within the framework of retail privatisations of housing portfolios. The focus here is on tenant-sensitive housing privatisations.

The privatisation services provided by the ACCENTRO Group involve both the retailing of apartments from the proprietary property stock of the ACCENTRO Group and the delivery of privatisation services on behalf of third parties.

In addition to apartment retailing, the business model of the ACCENTRO Group also includes the management of proprietary holdings.

The portfolio is not divided into segments.

## 1.2 Group Structure and Control System

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ACCENTRO AG is the parent company of the ACCENTRO Group. ACCENTRO AG acts as an operationally active holding company for a number of member companies in which the housing stock is concentrated, and for one service company focused on the business of housing privatisation. For companies in which it holds a controlling interest, ACCENTRO AG assumes the top-down responsibilities of corporate controlling, funding, and administration within the ACCENTRO Group. ACCENTRO AG's sphere of ownership includes core divisions such as Legal, Accounting, Controlling, Risk Management, Funding, Purchasing, Asset Management and IT.

The ACCENTRO Group consists of several property holding companies directly managed by ACCENTRO AG in which the real estate assets of the ACCENTRO Group are held. All of the property vehicles are consolidated in the consolidated financial statements of ACCENTRO AG.

ACCENTRO Real Estate AG uses EBIT as financial performance indicator for corporate controlling purposes. Here, the key control variable is the sales performance of the properties with its definitive factors, such as the number of condominium reservations placed by potential buyers, among others, and the actual selling prices realised. This variable is aggregated both as number of flats involved and as sales total. The other factors that the control system takes into account include the operating income of each sub-portfolio or of each property. In addition, control variables like the number of new clients as well as viewings and reservations serve as early indicators of the Company's performance.

Factors aggregated on the level of the parent Group include prompt and regular updates on the liquidity position. The liquidity planning for the next 12 months is conducted on a rolling basis. This centrally controlled responsibility helps to monitor the financial stability of the corporate Group. Continuously measuring the liquidity flows on the level of each company and the level of the parent Group is an integral part of this control.

# 2 Economic Report

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## 2.1 Macro-economic Development

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While the first quarter of 2020 was barely affected by the coronavirus pandemic, and while Germany's gross domestic product, having had a great start to the year, suffered a set-back by only 2.2%, the second quarter was clearly harder hit by the lockdown and by the associated impairments, as had been expected. Data released by the Federal Statistical Office (Destatis) show that the gross domestic product of Germany fell by 10.1% quarter on quarter, and by 11.7% year on year. The nosedive was primarily caused by the steep drop in the exports and imports of goods and services as well as by regressive private consumer spending and a decline in investments in new equipment.

But experts are optimistic as far as the second half-year goes and predict – always assuming that the coronavirus crisis will continue to ease – a recovery of the economic performance. In its summer forecast for 2020 that was published in July, the ifo Institute for Economic Research in Munich, for one, predicts a decline of the German gross domestic product by 6.7% year on year. Private consumption is also likely to recover during the second half of the year, according to the ifo institute's assessment, but fall 6.4% short of last year's total.

However, the experts' forecasts for the economic development going forward remain fraught with major uncertainties. This is all the more true because there is simply no precedent for an economic dip brought on by a reduction of economic activities through government restrictions that are motivated by health policy reasons.

Government intervention in the form of the corona aid package and the economic stimulus package will, no doubt, stimulate the German economy and boost both consumer spending and the demand for capital goods.

But the recent resurgence in uncertainty regarding the further development of the epidemic and the associated economic imponderables could arguably act as a dampening factor in the months ahead. Analogously, the uncertain income prospects of many private households in the wake of job cuts and short-time work arrangements could keep impacting the consumption patterns among end-consumers.

## 2.2 Development of the German Housing Market

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Germany's residential property market demonstrated its crisis resilience during the first half-year of 2020, which stood under the sign of the coronavirus pandemic. While condominium prices in the German "Big Seven" cities still increased by an average of 7.4% over prior-year period during the first quarter, according to analyses conducted by the Federal Statistical Office (Destatis), they merely remained stable during the lockdown phase between mid-March and the end of May. According to the Immowelt real estate portal, asking rents continued to go up in all of the metropolises and in three out of every four major German cities.

The IVD German Real Estate Federation estimates – based on the assumption that the coronavirus pandemic will continue to abate – that the housing market will gradually return to normal during the second half of the year. In line with the anticipated normalisation, the IVD expects rents for existing flats to grow by 2.5–3% nationwide this year, which would more or less match the prior-year level (2019: 3.1%). At the same time, the trade association projects a nationwide price growth of 4–5% (2019: 8.3%) for condominiums.

This positive assessment is based on the fact that the market situation remains unchanged in the metropolises and many other German cities, and it has not even shifted in the wake of the coronavirus crisis. The pent-up demand—both for rental flats and condominiums – is as significant as ever, which is explained by the fact that the trends driving the demand have persisted, one being urbanisation, the other being

the growth in the number of households. The situation remains unchanged in the metro regions. Since the price gradient between the seven Class A cities and their suburbs is significant in some cases, the leading real estate service provider, Jones Lang LaSalle (JLL), anticipates a continued rise in demand for residential accommodation in the wider metro areas, too.

The fact that the transaction volume declined nonetheless during the second quarter of 2020, according to the JLL analyses, is attributable not just to the bottlenecks caused by the lockdown in the processing of property purchases, but also to the plausible reticence prompted by the coronavirus crisis, especially among private condominium buyers.

That said, the principal resolve to buy a condominium has not been shaken by the coronavirus crisis. Rather, high-level liquidity, low-level interest rates and unchecked rent growth combine into a mix that stimulates demand for homeownership. For the same reasons, institutional investors have increasingly shifted their focus to residential real estate because its stable rates of return makes it a sustainably attractive investment target.

### 2.3 Business Performance

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The business performance of the ACCENTRO Group during the first half-year of 2020, when adjusted for one-off effects that were caused by the issue of a new bond in the amount of EUR 250 million, the Management Board changes and the delays caused by the coronavirus crisis, was satisfactory. In spite of the temporary constraints imposed by the coronavirus lockdown, both the sales revenues and the letting take-up were successfully increased over prior-year period. The cash flow from operations prior to reinvestment in the real estate assets is positive, and the Company continues to expand its property inventory as planned.

Against the background of the transactions yet expected to take place during the ongoing financial year, especially in Q4, ACCENTRO Real Estate AG upholds the forecasts made for the trend in revenues and the EBIT in its consolidated financial statements dated 31 December 2019.

The Company's share capital added up to the unchanged amount of EUR 32,437,934.00 as of 30 June 2020.

Certain senior staff changes to the Supervisory Board and to the Management Board of ACCENTRO Real Estate AG took place during the reporting period. On 18 March 2020, Lars Schriewer was appointed as sole member of the Management Board of ACCENTRO Real Estate AG. Jacopo Mingazzini, the former sole member of the Management Board of ACCENTRO AG, left the Company on his own accord as of 18 March 2020.

Effective as of 31 March 2020, Dr. Dirk Hoffmann resigned from the Supervisory board of ACCENTRO Real Estate AG. Carsten Wolff was appointed to succeed him and confirmed by the Annual General Meeting on 24 June 2020.

## 2.4 Earnings, Financial and Asset Position

### Earnings Position

The ACCENTRO Group's key revenue and earnings figures developed as follows during the first six months of the 2020 financial year:

	H1 2020	H1 2019
	EUR million	EUR million
Consolidated revenues	37.4	34.5
EBIT	1.2	6.6
Consolidated income	-11.6	2.9

The consolidated revenues of the first semester of the 2020 financial year totalled EUR 37.4 million (reference period: EUR 34.5 million) and therefore matched the prior-year level.

The earnings before interest and tax (EBIT) for the reporting period equalled EUR 1.2 million (reference period: EUR 6.6 million) and therefore falls short of our forecast as of now. But with a view to the anticipated earnings performance during the second half-year of 2020, the Management Board of ACCENTRO AG upholds its annual forecast.

At EUR 4.2 million, the total payroll and benefit costs increased compared to the reference period with its total of EUR 2.6 million. The increase is attributable to the effects of the Management Board change and the continued expansion of the workforce.

The net interest result by the end of the first six months of 2020 (EUR -10.0 million; reference period: EUR -3.1 million) is explained by the premature repayment of the 2017/2021 bond in the amount of EUR 100 million. This necessitated the reversal of EUR 0.8 million in financing costs that were paid the previous year and that accrued in accordance with IFRS 9. In addition, subscribers of the 2018/2021 bond received a one-off payment totalling EUR 3.3 million in connection with the redemption of the previous bond. The issue of a new bond over EUR 250 million in February 2020 implies additional interest expenses.

The earnings before taxes equalled EUR -8.7 million, down from EUR 3.6 million by the end of the prior-year semester. Taking into account income taxes in the amount of EUR -2.8 million (reference period: EUR -0.6 million), this results in a consolidated income of EUR -11.6 million (reference period: EUR 2.9 million). The tax expense was caused by taxes relating to other periods.

## Financial Position

Key Figures from the Cash Flow Statement	H1 2020	H1 2019
	EUR million	EUR million
Cash flow from operating activities	-48.8	-14.5
Cash flow from investment activities	-58.2	2.2
Cash flow from financing activities	129.5	7.8
Net change in cash and cash equivalents	22.5	-4.5
Change in restricted cash and cash equivalents/ adjustment of cash and cash equivalents	-2.5	-0.1
(+) Increase/(-) decrease in cash and cash equivalents from the acquisition/disposal of fully consolidated companies	0.0	0.2
Cash and cash equivalents at the beginning of the period	24.2	15.5
Cash and cash equivalents at the end of the period	44.2	11.1

During the first six months of 2020, the cash flow from operating activities amounted to EUR -48.8 million (reference period: EUR -14.5 million). The negative operating cash flow by mid-year is definitively caused by the continued build-up of inventory assets. Cash-effective investments to this end amounted to EUR 51.0 million. Due to the classification of the properties as trading assets, investments in inventories are allocated to the current operations.

The positive operating cash flow before divestments and reinvestments in inventory properties in the amount of EUR 2.2 million during the first half-year of 2020 (reference period: EUR 15.0 million) is essentially explained by the increase in provisions for outstanding invoices.

The cash flow from investment activities amounted to EUR -58.2 million during the reporting period (reference period: EUR 2.2 million). The negative cash flow was essentially generated by the short-term loans that the Company granted to avoid negative interest charges.

The cash flow from financing activities amounted to EUR 129.5 million during the reporting period (reference period: EUR 7.8 million) and is dominated by the cash inflow of EUR 286.8 million from a bond issue and by proceeds from loans and borrowings. This is matched by redemption payments in an amount of EUR 144.7 million that break down into EUR 100 million for the premature redemption of the 2018/2021 bond, and EUR 44.7 million for the repayment of bank facilities. The outflow for interest and financing costs during the quarter under review amounted to EUR 12.7 million (cash outflow during reference period: EUR 3.5 million), which was materially influenced by the expenses of the bond issue and the interest expenses from the premature repayment of the 2018/2021 bond.

Cash and cash equivalents amounted to EUR 44.2 million as of 30 June 2020, compared to EUR 24.2 million as of 31 December 2019.

**Asset Position**

<b>Key Figures from the Balance Sheet</b>	<b>30 June 2020</b>	<b>31 Dec. 2019</b>
	<b>EUR million</b>	<b>EUR million</b>
<b>Non-current assets</b>	<b>106.8</b>	<b>102.5</b>
Owner-occupied properties and buildings	24.2	24.1
Investment properties	34.5	34.5
Non-current receivables	0.0	14.8
Equity investments and equity interests accounted for using the equity method	10.5	9.3
Other non-current assets	37.6	19.9
<b>Current assets</b>	<b>612.4</b>	<b>478.3</b>
Inventory assets	470.4	416.6
Receivables	97.8	37.5
Cash and cash equivalents	44.2	24.2
<b>Non-current liabilities</b>	<b>349.9</b>	<b>215.9</b>
<b>Current liabilities</b>	<b>159.2</b>	<b>144.0</b>
<b>Shareholders' equity</b>	<b>210.1</b>	<b>220.8</b>
<b>Total assets</b>	<b>719.2</b>	<b>580.8</b>

The total assets increased by EUR 138.4 million since the balance sheet date of 31 December 2019, rising to a sum total of EUR 719.2 million. The main reason behind it is the rise in inventory assets by EUR 53.7 million, paired with an increase in short-term receivables by EUR 56.8 million and an increase in our cash position by EUR 20.0 million.

The non-current liabilities are essentially defined by the new issue of a bond over a nominal amount of EUR 250 million and the repayment of the 2018/2021 bond over EUR 100 million in February 2020. Liabilities to banks were rolled back through loan repayments in the amount of EUR 13.2 million. The sum total of current liabilities changed but minimally since year-end 2019, equalling EUR 15.1 million. As in the reference period, the current assets significantly exceeded the current liabilities.

The shareholders' equity of the ACCENTRO Group decreased during the reporting period, dropping from EUR 220.8 million as of 31 December 2019 to EUR 210.1 million by 30 June 2020. This is mainly due to a mid-year loss of EUR 11.6 million. The equity ratio dropped from 38.0% as of 31 December 2019 to 29.2% by 30 June 2020, which is attributable not least to a significant increase in total assets.

The balance sheet structure has experienced no material changes since year-end 2019. The loan-to-value ratio (LTV) rose from 43.1% to 49.9% by 30 June 2020.

## General Statement on the Group's Business Situation

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The economic situation of the ACCENTRO Group remained unchanged during the first six months of the 2020 financial year despite the restrictions imposed on business life by COVID-19. ACCENTRO AG therefore reaffirms its account of the economic situation as stated in the 2019 annual report published on 26 March 2020.

# 3 Supplementary Report

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No events of material significance for ACCENTRO Real Estate AG transpired between the balance sheet date of 30 June 2020 and the day on which the financial statements were compiled.

# 4 Forecast Report

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In the 2019 annual report, ACCENTRO Real Estate AG predicted a modest one-year rise in revenues for the 2020 financial year (baseline figure: EUR 143.3 million) combined with earnings before interest and tax (EBIT) more or less equal to the prior-year level (baseline figure: EUR 39.8 million).

Achieving this EBIT forecast by the end of the year would presuppose, above all, a return to economic normalcy and a rescission of the restrictions in the private and business sectors during the second half of 2020. So, it is based on the assumption that the current constraints will be gradually phased out that ACCENTRO AG upholds its current forecast.

# 5 Opportunity and Risk Report

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The opportunities and risks relevant for us as portrayed in the summarising management report for the 2019 financial year remain more or less unchanged as of 30 June 2020, the date of the interim financial statements. We are not aware of any risks to the Company's going concern status.

We have been keeping a very close eye on the developments in the area of housing market regulation, and are well prepared for possible changes. We moreover assume that the ramifications of the so-called "rent freeze" and "rent cap" will have no material effect on our sales performance this year to date. This is reasonable to say even though the exact consequences are difficult to assess with precision because they coincide with the impairments caused by the coronavirus pandemic.

Meanwhile, a ministerial draft bill for the contemplated Development Land Release Act, which seeks to curb the conversion of rental flats into condominiums, has been tabled. If enacted, the law would pose only a limited threat to our current business because the properties in our existing real estate portfolio have already been partitioned or are currently undergoing the partitioning process.

If, however, a second wave of the coronavirus pandemic were to hit, the risk situation in this context would have to be reassessed.



# Consolidated Balance Sheet

as of 30 June 2020\*

ACCENTRO Real Estate AG	30 June 2020	31 Dec. 2019
Assets	TEUR	TEUR
<b>Non-current assets</b>		
Goodwill	17,776	17,776
Owner-occupied properties and buildings	24,245	24,083
Plant, equipment, EDP software and rights of use	1,237	917
Investment properties	34,470	34,452
Non-current other receivables and other assets	17,310	14,773
Equity investments	5,697	5,615
Equity interests accounted for using the equity method	4,750	3,640
Deferred tax assets	1,315	1,251
<b>Total non-current assets</b>	<b>106,799</b>	<b>102,508</b>
<b>Current assets</b>		
Inventory properties	470,433	416,573
Contract assets	1,410	1,252
Trade receivables	12,037	10,566
Other receivables and other current assets	81,595	24,820
Current income tax receivables	2,707	873
Cash and cash equivalents	44,188	24,167
<b>Total current assets</b>	<b>612,370</b>	<b>478,250</b>
<b>Total assets</b>	<b>719,168</b>	<b>580,757</b>

\* Adding the values of the individual line items may result in minor differences compared to the sum totals posted.

# Consolidated Balance Sheet

as of 30 June 2020\*

ACCENTRO Real Estate AG	30 June 2020	31 Dec. 2019
<b>Equity</b>	<b>TEUR</b>	<b>TEUR</b>
Subscribed capital	32,438	32,438
Capital reserves	79,517	78,684
Retained earnings	95,905	107,561
Attributable to parent company shareholders	207,860	218,682
Attributable to non-controlling interest	2,223	2,128
<b>Total equity</b>	<b>210,083</b>	<b>220,811</b>
<b>Liabilities</b>	<b>TEUR</b>	<b>TEUR</b>
<b>Non-current liabilities</b>		
Provisions	46	46
Financial liabilities	100,843	114,474
Bonds	244,194	99,235
Deferred income tax liabilities	4,848	2,164
<b>Total non-current liabilities</b>	<b>349,931</b>	<b>215,919</b>
<b>Current liabilities</b>		
Provisions	414	882
Financial liabilities	103,898	102,368
Bonds	3,446	1,563
Advanced payments received	10,657	6,979
Current income tax liabilities	7,865	12,910
Trade payables	6,336	6,196
Other liabilities	26,538	13,130
<b>Total current liabilities</b>	<b>159,154</b>	<b>144,028</b>
<b>Total equity and liabilities</b>	<b>719,168</b>	<b>580,757</b>

\* Adding the values of the individual line items may result in minor differences compared to the sum totals posted.

# Consolidated Income Statement

for the period 1 January through 30 June 2020\*

	Q2 2020 01 April– 30 June 2020	Q2 2019 01 April– 30 June 2019	H1 2020 01 Jan.– 30 June 2020	H1 2019 01 Jan.– 30 June 2019
ACCENTRO Real Estate AG	TEUR	TEUR	TEUR	TEUR
<b>Group sales</b>	<b>22,454</b>	<b>20,215</b>	<b>37,354</b>	<b>34,540</b>
Revenues from sales of inventory properties	19,268	17,501	30,943	29,633
Expenses from sales of inventory properties	-15,960	-12,517	-25,508	-22,247
<b>Capital gains from property sales</b>	<b>3,308</b>	<b>4,534</b>	<b>5,434</b>	<b>7,386</b>
Letting revenues	2,811	2,393	5,537	4,450
Letting expenses	-2,161	-679	-3,090	-1,354
<b>Net rental income</b>	<b>650</b>	<b>1,714</b>	<b>2,447</b>	<b>3,096</b>
Revenues from services	375	321	875	456
Expenses from services	-145	-192	-457	-303
<b>Net service income</b>	<b>230</b>	<b>129</b>	<b>417</b>	<b>154</b>
<b>Net income from companies accounted for using the equity method</b>	<b>0</b>	<b>370</b>	<b>0</b>	<b>461</b>
Other operating income	32	503	387	710
<b>Interim result</b>	<b>4,220</b>	<b>7,250</b>	<b>8,686</b>	<b>11,808</b>
<b>Gain or loss on fair value adjustments of investment properties</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payroll and benefit costs	-2,069	-1,314	-4,237	-2,638
Depreciation and amortisation of intangible assets and property, plant and equipment	-200	-181	-400	-350
Impairments of inventories and accounts receivable	-124	0	-124	0
Other operating expenses	-1,030	-1,185	-2,706	-2,231
<b>EBIT (earnings before interest and income taxes)</b>	<b>797</b>	<b>4,570</b>	<b>1,219</b>	<b>6,588</b>
Income from equity investments	9	9	18	18
Interest income	1,068	846	1,967	1,426
Interest expenses	-4,614	-2,571	-11,953	-4,520
<b>Net interest result</b>	<b>-3,546</b>	<b>-1,725</b>	<b>-9,986</b>	<b>-3,094</b>
<b>EBT (earnings before income taxes)</b>	<b>-2,740</b>	<b>2,854</b>	<b>-8,749</b>	<b>3,513</b>
Income taxes	-918	-122	-2,814	-572
<b>Consolidated income</b>	<b>-3,658</b>	<b>2,732</b>	<b>-11,563</b>	<b>2,941</b>
thereof attributable to non-controlling interests	81	6	95	-12
thereof attributable to shareholders of the parent company	-3,739	2,726	-11,657	2,952

Continued on page 19

\* Adding the values of the individual line items may result in minor differences compared to the sum totals posted.

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	Q2 2020 01 April– 30 June 2020	Q2 2019 01 April– 30 June 2019	H1 2020 01 Jan.– 30 June 2020	H1 2019 01 Jan.– 30 June 2019
<b>ACCENTRO Real Estate AG</b>				
<b>Earnings per share (comprehensive income)</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
Basic net income per share (32,437,934 shares; prior year: 32,437,934 shares)	-0.11	0.08	-0.36	0.09

# Consolidated Cash Flow Statement

for the period 1 January through 30 June 2020\*

ACCENTRO Real Estate AG	H1 2020 01 Jan. 2020– 30 June 2020	H1 2019 01 Jan. 2019– 30 June 2019
	TEUR	TEUR
Consolidated income	-11,563	2,941
+ Depreciation/amortisation of non-current assets	400	350
-/+ At-equity earnings / net income from investments	-18	479
+/- Increase/decrease in provisions	-467	-386
+/- Other non-cash expenses/income	3,782	-384
-/+ Increase/decrease in trade receivables and other assets that are not attributable to investing or financing activities	-1,471	14,790
+/- Increase/decrease in trade payables and other liabilities that are not attributable to investing or financing activities	17,419	1,121
+ Cash received from distributions/ sales of shares consolidated at equity	0	70
+/- Other income tax payments	-5,860	-3,881
<b>= Operating cash flow before de-/reinvestments in inventory properties</b>	<b>2,222</b>	<b>15,100</b>
-/+ Cash investments in inventory properties (net after assumption of debt, some without cash effect)	-51,040	-29,525
<b>= Cash flow from operating activities</b>	<b>-48,818</b>	<b>-14,425</b>
+ Interest received	500	0
- Cash outflows for investments in intangible assets	-12	-6
- Cash outflows for investments in property, plant and equipment	-994	-55
- Cash outflows for investments in non-current assets	-1,260	-235
- Disbursements of loans granted	-56,390	0
+ Repayment of loans granted	0	2,404
<b>= Cash flow from investment activities</b>	<b>-58,156</b>	<b>2,108</b>

Continued on page 21

Continued from page 20

<b>ACCENTRO Real Estate AG</b>	<b>H1 2020</b> <b>01 Jan. 2020–</b> <b>30 June 2020</b>	<b>H1 2019</b> <b>01 Jan. 2019–</b> <b>30 June 2019</b>
	<b>TEUR</b>	<b>TEUR</b>
– Dividend payments to shareholders	0	–5,190
+ Payments from issuing bonds and raising (financial) loans	286,813	37,487
– Repayment of bonds and (financial) loans	–144,682	–20,999
– Interest paid and financing costs	–12,654	–3,504
<b>= Cash flow from financing activities</b>	<b>129,477</b>	<b>7,795</b>
Net change in cash and cash equivalents	22,503	–4,524
+/- Increase/Decrease in cash and cash equivalents from investments in / disposal of fully consolidated companies	0	241
+/- Change in restricted cash and cash equivalents / adjustment of cash and cash equivalents	–2,482	–101
+ Cash and cash equivalents at the beginning of the period	24,167	15,464
<b>= Cash and cash equivalents at the end of the period</b>	<b>44,188</b>	<b>11,080</b>

# Consolidated Statement of Changes in Equity

for the period 1 January through 30 June 2020\*

	Subscribed capital	Capital reserve	Retained earnings	Attributable to parent company shareholders	Non-controlling interests	Total
ACCENTRO Real Estate AG	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
<b>As of 1 January 2020</b>	<b>32,438</b>	<b>78,684</b>	<b>107,561</b>	<b>218,683</b>	<b>2,128</b>	<b>220,811</b>
Total consolidated income	–	–	–11,657	–11,657	95	–11,563
Changes in non-controlling interests	–	–	–	–	0	0
Dividend payments	–	–	–	0	–	0
Stock option compensation	–	834	–	834	–	834
<b>As of 30 June 2020</b>	<b>32,438</b>	<b>79,518</b>	<b>95,904</b>	<b>207,860</b>	<b>2,223</b>	<b>210,083</b>

\* Adding the values of the individual line items may result in minor differences compared to the sum totals posted.

# Consolidated Statement of Changes in Equity

for the period 1 January through 30 June 2019\*

	Sub- scribed capital	Capital reserve	Retained earnings	Attribut- able to parent company share- holders	Non-con- trolling interests	Total
ACCENTRO Real Estate AG	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
<b>As of 1 January 2019</b>	<b>32,431</b>	<b>78,433</b>	<b>86,284</b>	<b>197,148</b>	<b>1,956</b>	<b>199,104</b>
Total consolidated income	–	–	2,952	2,952	–12	2,940
Changes in non-controlling interests	–	–	–	–	507	507
Dividend payments	–	–	–5,190	–5,190	–	–5,190
Cash capital increase	–	–41	–	–41	–	–41
Stock option compensation	–	118	–	118	–	118
Repurchase of company shares	7	60	–	67	–	67
<b>As of 30 June 2019</b>	<b>32,438</b>	<b>78,569</b>	<b>84,045</b>	<b>195,052</b>	<b>2,451</b>	<b>197,503</b>

\* Adding the values of the individual line items may result in minor differences compared to the sum totals posted.

# Selected Disclosures on Condensed Consolidated Interim Financial Statements

## 1 Basic Information

ACCENTRO Real Estate AG, together with its subsidiaries, is a listed real estate company whose core business consists of trading residential real estate within the framework of housing privatisations. The Company's registered office is at Kantstr. 44/45 in 10625 Berlin, Germany. Its shares are admitted for trading to the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange.

As of 30 June 2020, ACCENTRO Real Estate AG acted as the operating holding company for a number of property vehicles.

These condensed consolidated interim financial statements were approved for publication by the Company's Management Board in August 2020. The condensed consolidated interim financial statements were not reviewed by an auditor.

It was decided not to include a statement of comprehensive income because there are no other effects recognised directly in equity that should be posted with the other comprehensive income.

## 2 Significant Accounting Policies

The condensed consolidated interim financial statements for the first semester of the 2020 financial year were prepared in accordance with the provisions of IAS 34 "Interim Financial Reporting" as adopted by the EU by way of a regulation. The condensed consolidated interim financial statements should be read in conjunction with the consolidated financial statement of ACCENTRO Real Estate AG for the year ended 31 December 2019.

The accounting policies applied in the condensed interim consolidated financial statements are the same as those applied in the preparation of the consolidated financial statements for the year ended on 31 December 2019.

The new IFRS standards and interpretations to be applied from 1 January 2020 have no material effects on the consolidated financial statements.

## 3 Consolidation

### 3.1 Consolidated Group

As of 30 June 2020, the condensed consolidated interim financial statements of ACCENTRO Real Estate AG included 35 subsidiaries and eight joint ventures. During the financial half-year ending 30 June 2020, the basis of consolidation as of 31 December 2019 (35 subsidiaries, seven joint ventures) expanded to include another joint venture created for the privatisation unit. None of the companies underwent final consolidation.

## 4 Supplementary Notes to the Individual Items of the Interim Financial Statements

### 4.1 Segment Information

The internal reporting to the Management Board of ACCENTRO Real Estate AG does not include regional drilldowns or any other segmentation.

### 4.2 Related-Party Transactions

There were no related-party transactions during the reporting period.

### 4.3 Employees

The ACCENTRO Group had 66 employees on the payroll by mid-year. As of the balance sheet date 31 December 2019, it had a total of 60 employees. The plan for the second half-year of 2020 is to keep expanding the workforce at a moderate pace.

# The ACCENTRO Real Estate AG Share

## ACCENTRO Stock Copes Well with Difficult Market Environment

Following the massive losses that the global financial markets sustained during the first quarter as a result of the COVID-19 pandemic, the second quarter saw the onset of a recovery phase, boosted by the accommodative monetary and fiscal policy measures of governments and central banks. By the end of June, the German indices DAX (12,311 points; -7.1%) and SDAX (11,534 points; -7.8%) had recovered some of their losses. Similarly, the German real estate industry index DIMAX (144 points; -4.4%) managed to make up for its earlier losses to some extent. While the stock of companies in the commercial real estate sector in particular came under pressure, and seriously so in some cases, the stocks of many residential real estate companies proved much more stable and registered upward growth during the first half of the year.

With this in mind, it is safe to say that the stock of ACCENTRO Real Estate AG coped rather well in the difficult environment. Of course, our stock could not steer entirely clear of the adverse impact of the coronavirus pandemic, and the share price did fall in February and March. But in the time since the conclusion of the Management Board changes, the share price recovered noticeably and stood at EUR 10.30 as of the balance sheet date of 30 June 2020, which implies a price increase of around 35% since the start of this year. This reassuring development was based, on the one hand, on the successful business performance of our Company. On the other hand, it is explained by the stability of the German housing market with its then-as-now positive fundamentals: The structural imbalance between housing supply and demand, which is driven by the sustained urbanisation trend and the growing number of households, combines with the low level of interest rates into a mix of factors that will keep fuelling the demand for housing.

The average daily trading volume (XETRA) of ACCENTRO stock during the first half-year of 2020 equalled 5,879 units. The low trading volume is primarily explained by the Company's relatively small free float of 12.1%. Due to the increased share price, the market capitalisation of ACCENTRO AG increased significantly as of 30 June 2020, rising from EUR 248.1 million to EUR 334.1 million.

## ACCENTRO Share Price Development from 1 January to 30 June 2020



ACCENTRO share price development during the first six months of 2020 (indexed)

## ACCENTRO Shares at a Glance

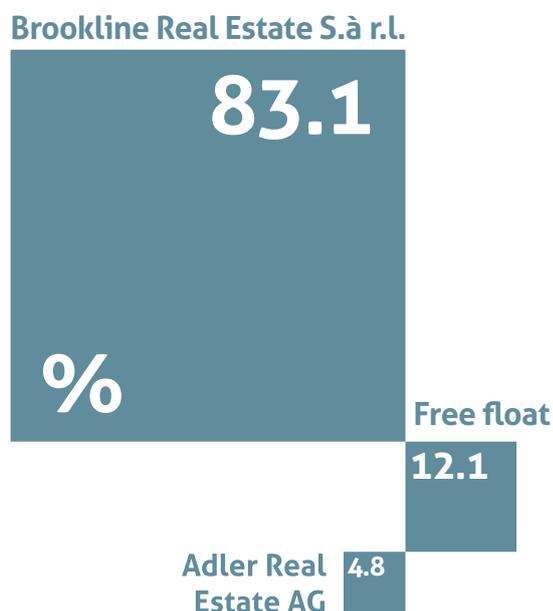
Company shares	
Stock market segment	Prime Standard
ISIN	DE000AOKFKB3
German Securities Code Number (WKN)	AOKFKB
Number of shares as of 30 June 2020	32,437,934
Free float	12.1%
Share price high (1 January – 30 June 2020)*	EUR 11.00
Share price low (1 January – 30 June 2020)*	EUR 7.15
Closing price on 30 June 2020*	EUR 10.30
Market capitalisation on 30 June 2020*	EUR 334,110,720

\* Closing prices in Xetra trading

## Shareholder Structure

On 30 June 2020, the subscribed capital of ACCENTRO Real Estate AG totalled EUR 32.44 million. It represents 32,437,934 no-par value bearer shares and experienced no change during the first half-year of 2020.

The adjacent chart provides an overview of the shareholding structure.



Shareholder structure  
(figures based on shareholder disclosures)

## Successful Annual General Meeting

Our Annual General Meeting on 24 June 2020, which was convened as virtual meeting this year because of the restrictions in response to the COVID-19 pandemic, proved a success in every way. The share capital, represented to 88 percent, adopted all items on the agenda by large majorities. One of the proposals concerned new authorised capital, which was approved. Together with the corporate bond in a volume of EUR 250 million that was successfully placed during the first quarter of 2020, our Company now has the robust financial latitude it needs to keep taking advantage of attractive growth opportunities in future.

## Maintaining Transparent Communications with the Capital Market Plays a Key Role for Us

We cultivate a constant and open dialogue with the capital market. It takes the form of our periodic reporting, on the one hand, and of numerous meetings with shareholders and with potential private and institutional investors, on the other hand. Moreover, we regularly touch base with the financial analysts that monitor our Company. Our Management Board will attend three major investor conferences, among other events, during the second half-year of 2020, which will take place in Frankfurt, Paris and Geneva, respectively. For a schedule of the dates, please see the Financial Calendar at the end of this report.

# Responsibility Statement

I hereby certify to the best of my knowledge, and in accordance with the applicable accounting principles, that the consolidated interim financial statements give a true and fair account of the assets, liabilities, financial position, and profit or loss of the Group, and that the Group interim management report includes a fair review of the development and performance of the Group's business and state of affairs, together with a description of the principal opportunities and risks associated with the Group's prospective development.

Berlin, 13 August 2020

Lars Schriewer  
Management Board

# Forward-looking Statements

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This interim report contains specific forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts and events. This applies, in particular, to statements relating to future financial earning capacity, plans and expectations with respect to the business and management of ACCENTRO Real Estate AG, growth, profitability and the general economic and regulatory conditions and other factors to which ACCENTRO is exposed.

Forward-looking statements are based on current estimates and assumptions made by the Company to the best of its knowledge. Such forward-looking statements are based on assumptions and are subject to risks, uncertainties and other factors that may cause the actual results including the net asset, financial and earnings situation of ACCENTRO Real Estate AG to differ materially from or disappoint expectations expressed or implied by these statements. The operating activities of ACCENTRO Real Estate AG are subject to a number of risks and uncertainties that may also cause a forward-looking statement, estimate or prediction to become inaccurate.

# Financial Calendar

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## 2020

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- 10 September 2020 SRC Forum Financials & Real Estate 2020, Frankfurt/Main
- 22 September 2020 Baader Investment Conference, Munich
- 19/20 October 2020 Quirin Bank European Large & MidCap Event, Paris
- 12 November 2020 Quarterly Statement for the period 1 January through 30 September 2020
- 01/02 December 2020 Quirin Bank MidCap Event, Geneva

All dates are provisional. Please check our website for confirmation.  
[www.accentro.ag](http://www.accentro.ag)

This translation of the original German version of the 2020 half-year financial report of ACCENTRO Real Estate AG has been prepared for the convenience of our English-speaking shareholders.

The German version is authoritative.

Our financial reports are also available as downloads at [www.accentro.ag](http://www.accentro.ag), or may be requested free of charge by writing to: ACCENTRO Real Estate AG, Kantstr. 44/45, 10625 Berlin, Germany

# Credits

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**ACCENTRO**  
REAL ESTATE AG

## Management Board

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Lars Schriewer

## Chairman of the Supervisory Board

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Axel Harloff, Hamburg

## Contact

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## Concept, Editing, Layout

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Goldmund Kommunikation, Berlin  
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## Photos

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Management Board: Thomas Knieps

# **ACCENTRO**

REAL ESTATE AG